

# Financial statements

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# Independent auditors' report to the members of Hikma Pharmaceuticals PLC

## Report on the audit of the financial statements

### Opinion

In our opinion:

- Hikma Pharmaceuticals PLC's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Consolidated and Company balance sheets as at 31 December 2025;
- the Consolidated income statement for the year then ended;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated and Company statements of changes in equity for the year then ended;
- the Consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

### Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 2 to the financial statements, the Group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the Group financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 32, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

## Our audit approach

### Overview

#### Audit scope

- Our audit included full scope audits of four components, an audit of specific financial statement line items of one additional component and audit procedures performed centrally over certain specific material balances at locations around the Group and over central consolidation and adjustment entities. Full scope components account for 79% of revenue and 76% of core profit before tax.

#### Key Audit Matters

- Valuation and accuracy of gross to net rebates and returns adjustments in the US (Group)
- Recoverability of the carrying amounts in respect of investments in subsidiaries (Company)

#### Materiality

- Overall Group materiality: \$32 million (2024: \$31 million) based on 5% of core profit before tax.
- Overall Company materiality: \$37 million (2024: \$38 million) based on 1% of total assets.
- Performance materiality: \$24 million (2024: \$23 million) (Group) and \$27.5 million (2024: \$28.5 million) (Company).

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The valuation of acquired intangible assets as part of the Xellia business combination (Group) is no longer a key audit matter as this related to a one-off transaction that occurred in 2024. The determination of the recoverable amount of the Complex Respiratory and Hikma Rx Cash Generating Units (CGUs) (Group) is no longer a key audit matter as there are no impairment or impairment reversal triggers for the Complex Respiratory CGU, and the level of headroom for the Hikma Rx CGU is not sensitive to reasonably possible changes in key assumptions in the current year. Otherwise, the key audit matters below are consistent with last year.

#### Key audit matters

#### How our audit addressed the key audit matters

### Valuation and accuracy of gross to net rebates and returns adjustments in the US (Group)

Management is required to make estimates in respect of revenue recognition, specifically the level of returns and rebates to be realised against the Group's revenue. The Group recorded significant revenue deductions for the year ended 31 December 2025 and determined provisions for indirect rebates and other allowances of \$188 million, refund liability of \$152 million and chargebacks and other allowances of \$320 million. We have identified our significant risk to be focused on the indirect rebates and other allowances, refund liabilities and other allowances within Trade and other receivables specific to the US business. In aggregate, these estimates are complex, material to the financial statements and require significant estimation by the directors to establish an appropriate provision and accordingly this was determined to be a key audit matter.

Refer to the Audit Committee review of significant matters related to the financial statements, accounting policies (note 2), critical accounting judgements and key sources of estimation uncertainty (note 3), trade and other receivables (note 19) and other current liabilities (note 25) in the Group financial statements.

We considered the Group's processes for making estimates in this area and performed the following procedures:

- we assessed the revenue recognition policy and design and implementation of applicable controls in place around the rebates and returns process;
- we tested refunds, rebate payments and credit memos throughout the year by agreeing selected transactions back to the underlying source documentation including customer claims and settlement information;
- we confirmed channel inventory with major wholesalers or performed alternative procedures where confirmations were not received;
- we tested management's process and assessed the reasonableness of the refund liability by utilising historical sales, return rates, new product launches, entrance of new competitors, changes to contract terms and specific information related to credit memos in process of being issued which has been applied to the products which could be returned to the company six months prior to expiry or up to 12 months subsequent to expiry; and
- we considered the historical accuracy of the Group's estimates in previous years and the effect of any adjustments to prior years' provision in the current year's results.

Based on the procedures performed, we did not identify any material differences between our independent expectations and the balances recorded. We also evaluated the disclosures in note 2, note 3, note 19 and note 25 which we consider to be appropriate.

### Recoverability of the carrying amounts in respect of investments in subsidiaries (Company)

The investments in subsidiaries of \$3,298 million (2024: \$3,291 million) are held at cost less accumulated impairment in the Company balance sheet at 31 December 2025. An impairment charge of \$4 million was recognised this year.

Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the income statement.

The impairment assessment was identified as a key audit matter due to the size of the underlying investment carrying values at 31 December 2025. Impairment indicators were identified in connection with certain investments in subsidiaries due to the carrying value of investments exceeding the net assets of the underlying subsidiaries.

As a result, the recoverable amount of the investments was determined, being the higher of fair value less cost of disposal or the value in use, in order to determine the headroom over carrying values, if any.

The determination of the recoverable amount requires the application of management judgement and involves estimation, particularly in determining the key assumptions to be applied in preparing cash flow projections.

Refer to accounting policies (note 2) and Investment in subsidiaries (note 3) in the Company financial statements.

We performed the following audit procedures in relation to the carrying amounts of investments in subsidiaries:

- we evaluated management's assessment of whether any indicators of impairment existed by comparing the carrying values of investments in subsidiaries with the net assets of the underlying subsidiaries at 31 December 2025;
- for investments where the net assets were lower than the carrying values, we assessed the recoverable amounts by reference to the value in use of the investments compared to carrying values at 31 December 2025;
- where applicable, we verified that the recoverable amounts of investments utilised the relevant recoverable amounts of the related CGUs tested for goodwill impairment purposes, leveraging the work undertaken as part of the Group audit; and
- we separately evaluated the difference between the carrying value of the Company's investments in subsidiaries and the Group's market capitalisation.

Based on the procedures performed, we noted no material issues arising from our work.

We also evaluated the disclosures in note 2 and note 3 and consider these to be appropriate.

## Report on the audit of the financial statements continued

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As at 31 December 2025, Hikma Pharmaceuticals PLC had 58 subsidiaries and one joint venture as part of the Group. These entities most commonly operate solely in one segment but in some certain instances operate across two. Each component submits a Group reporting package to Hikma's central accounting team including its income statement and balance sheet prepared under Group accounting policies which are in accordance with the accounting standards.

In selecting the components that are in scope this year and establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or component auditors in other PwC network firms operating under our instruction, to ensure that we had sufficient coverage from our audit work over each relevant line of the Group financial statements and in accordance with ISA (UK) 600 Revised. Where the work was performed by our component auditors, we determined the level of involvement we needed to have in their audit work in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. We instructed component teams in the US, Jordan, Saudi Arabia and Algeria to audit reporting packages of certain entities in these territories and report to us the results of their work. Certain individual balances for the US were audited by our component team based in Jordan. We also engaged our component team in Portugal to perform an audit over specific balances. In addition to instructing and reviewing the reporting from our component audit teams, we conducted file reviews and participated in key meetings with local management both remotely and in person. We had regular dialogue with component teams throughout the year and performed site visits to the US and Jordan. In addition to the work performed by our component teams, central audit procedures were performed by the Group engagement team in relation to specific material balances not covered by component auditors. The Group consolidation and related central consolidation and other adjustments, financial statement disclosures and corporate functions were also audited by the Group engagement team. This included our work over central taxation adjustments and valuation of goodwill and intangible assets. Taken together, audit work over the full scope components and central procedures performed covered approximately 79% of the Group's revenue and 76% of the Group's core profit before tax. In addition to the audit procedures noted above, we also performed disaggregated analytical review procedures over certain of the Group's smaller and lower risk components that were not directly included in our Group audit scope. This provided the evidence we needed for our opinion on the consolidated financial statements, taken as a whole. We also performed a full scope audit of the Company to a separate Company standalone materiality.

### The impact of climate risk on our audit

As explained in the Sustainability section within the Strategic report, the Group is mindful of its impact on the environment and is focused on ways to reduce climate related impacts. In planning and executing our audit we have considered the Group's risk assessment process to identify and model the potential impact of climate change on the financial statements and further engaged with our own sustainability experts. Based on this, we understand that the most relevant climate-related risks to the Group could be a potential impact of increases in input costs for energy intensive supplies such as active pharmaceutical ingredients and packaging materials due to carbon pricing and the impact of potential storm events. This would impact the financial statement line items and estimates associated with future cash flows since the impact of climate change is expected to become more notable in the medium to long term. The key areas impacted include recoverability of goodwill, intangible assets and deferred tax assets. We note that management's assessment is that the impact on Hikma is currently not financially material in the short-term, nevertheless, we have continued to assess managements forecasts to ensure it reflects the impact of climate change and any climate change related commitments in the cash flows particularly in the context of the Group's target to reduce Scope 1 and 2 GHG emissions by 25% by 2030. Our work did not identify any material impact on our audit for the year ended 31 December 2025.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	\$32 million (2024: \$31 million).	\$37 million (2024: \$38 million).
How we determined it	Based on 5% of core profit before tax	Based on 1% of total assets
Rationale for benchmark applied	The Group's principal measure of earnings is core results. Management believes that it reflects the underlying performance of the Group and is a meaningful measure of the Group's performance to stakeholders.	The Company's principal activity is to hold the Group's investments and perform treasury functions on behalf of the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between \$12 million and \$28.5 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to \$24 million (2024: \$23 million) for the Group financial statements and \$27.5 million (2024: \$28.5 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1.5 million (Group audit) (2024: \$1.5 million) and \$1.9 million (Company audit) (2024: \$1.9 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- agreeing the underlying cash flow projections to board approved forecasts, assessing how these forecasts are compiled, and assessing the accuracy of management's forecasts;
- evaluating the key assumptions within management's forecasts;
- considering liquidity and available financial resources;
- verifying the suspension of loan covenants due to maintaining an investment-grade rating where relevant by reviewing the relevant agreements and validating the credit rating with external ratings agencies; and
- assessing whether the severe but plausible downside scenario prepared by management appropriately considered the principal risks facing the business.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### Directors' Remuneration

In our opinion, the part of the Annual report on remuneration to be audited has been properly prepared in accordance with the Companies Act 2006.

## Report on the audit of the financial statements

continued

### Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to patent protection, product safety (including but not limited to the United States Food and Drug Administration regulations), competition and antitrust laws, pricing practices and legislation, and anti-bribery and corruption legislation (including but not limited to the Foreign Corrupt Practices Act), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as applicable tax legislation, the Companies Act 2006 and Listing Rules of the Financial Conduct Authority (FCA). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- making enquiries of management and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- assessing matters reported on the Group's whistleblowing hotline and results of management's investigation of such matters;
- challenging assumptions and judgements made by management in its significant accounting estimates or judgements as a whole and assessing whether there has been any management bias in aggregate; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Annual report on remuneration to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Appointment

We were first appointed by the Company for the financial year ended 31 December 2016. Our uninterrupted engagement covers 10 financial years.

### Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

#### Nigel Comello (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

25 February 2026

# Consolidated income statement

For the year ended 31 December 2025

	Note	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
Revenue	4	3,349	–	3,349	3,156	(29)	3,127
Cost of sales		(1,892)	(16)	(1,908)	(1,708)	(4)	(1,712)
<b>Gross profit/(loss)</b>		<b>1,457</b>	<b>(16)</b>	<b>1,441</b>	<b>1,448</b>	<b>(33)</b>	<b>1,415</b>
Selling, general and administrative expenses		(566)	(177)	(743)	(568)	(103)	(671)
Impairment loss on financial assets, net		(1)	–	(1)	(2)	–	(2)
Research and development expenses		(151)	–	(151)	(141)	–	(141)
Other operating expenses	7	(9)	(26)	(35)	(21)	(31)	(52)
Other operating income	7	11	20	31	3	60	63
<b>Total operating expenses</b>		<b>(716)</b>	<b>(183)</b>	<b>(899)</b>	<b>(729)</b>	<b>(74)</b>	<b>(803)</b>
<b>Operating profit/(loss)</b>	5	<b>741</b>	<b>(199)</b>	<b>542</b>	<b>719</b>	<b>(107)</b>	<b>612</b>
Finance income	8	11	72	83	8	–	8
Finance expense	9	(106)	(1)	(107)	(93)	(74)	(167)
Gain from investment at fair value through profit or loss (FVTPL)		1	–	1	1	–	1
Group's share of profit of joint venture	16	–	–	–	1	–	1
<b>Profit/(loss) before tax</b>		<b>647</b>	<b>(128)</b>	<b>519</b>	<b>636</b>	<b>(181)</b>	<b>455</b>
Tax	10	(139)	27	(112)	(138)	45	(93)
<b>Profit/(loss) for the year</b>		<b>508</b>	<b>(101)</b>	<b>407</b>	<b>498</b>	<b>(136)</b>	<b>362</b>
Attributable to:							
Non-controlling interests		5	–	5	3	–	3
<b>Equity holders of the parent</b>		<b>503</b>	<b>(101)</b>	<b>402</b>	<b>495</b>	<b>(136)</b>	<b>359</b>
<b>Earnings per share (cents)</b>							
Basic	11	228		182	224		162
Diluted	11	226		181	221		161

# Consolidated statement of comprehensive income

For the year ended 31 December 2025

	Note	2025 \$m	2024 \$m
<b>Profit for the year</b>		<b>407</b>	362
<b>Other comprehensive income/(expense)</b>			
<b>Items that may subsequently be reclassified to the consolidated income statement:</b>			
Currency translation movement		94	(55)
<b>Items that will not subsequently be reclassified to the consolidated income statement:</b>			
Change in investments at fair value through other comprehensive income (FVTOCI)	17	(13)	(6)
Remeasurement of post-employment benefit obligations	24	(2)	(1)
<b>Total other comprehensive income/(expense) for the year</b>		<b>79</b>	(62)
<b>Total comprehensive income for the year</b>		<b>486</b>	300
Attributable to:			
Non-controlling interests		5	3
<b>Equity holders of the parent</b>		<b>481</b>	297
		<b>486</b>	300

# Consolidated balance sheet

At 31 December 2025

	Note	2025 \$m	2024 \$m
<b>Non-current assets</b>			
Goodwill	13	393	382
Other intangible assets	13	777	774
Property, plant and equipment	14	1,404	1,278
Right-of-use assets	15	44	48
Investment in joint venture	16	11	11
Deferred tax assets	10	307	293
Other non-current assets	17	92	84
		<b>3,028</b>	<b>2,870</b>
<b>Current assets</b>			
Inventories	18	1,106	986
Income tax recoverable		18	24
Trade and other receivables	19	1,061	949
Cash and cash equivalents	20	217	188
Other current assets	21	241	116
		<b>2,643</b>	<b>2,263</b>
<b>Total assets</b>		<b>5,671</b>	<b>5,133</b>
<b>Current liabilities</b>			
Short-term financial debts	22	106	642
Lease liabilities	15	8	11
Trade and other payables	23	715	650
Income tax payable		74	78
Provisions	24	119	122
Other current liabilities	25	431	475
		<b>1,453</b>	<b>1,978</b>
<b>Net current assets</b>		<b>1,190</b>	<b>285</b>
<b>Non-current liabilities</b>			
Long-term financial debts	26	1,445	607
Lease liabilities	15	45	46
Deferred tax liabilities	10	16	18
Provisions	24	40	36
Other non-current liabilities	28	66	127
		<b>1,612</b>	<b>834</b>
<b>Total liabilities</b>		<b>3,065</b>	<b>2,812</b>
<b>Net assets</b>		<b>2,606</b>	<b>2,321</b>
<b>Equity</b>			
Share capital	29	40	40
Share premium		282	282
Other reserves		(285)	(374)
Retained earnings		2,556	2,362
<b>Equity attributable to equity holders of the parent</b>		<b>2,593</b>	<b>2,310</b>
Non-controlling interests		13	11
<b>Total equity</b>		<b>2,606</b>	<b>2,321</b>

The consolidated financial statements of Hikma Pharmaceuticals PLC, registered number 5557934, on pages 162 to 211 were approved by the Board of Directors on 25 February 2026 and signed on its behalf by:

Said Darwazah  
Executive Chairman and CEO  
25 February 2026

Khalid Nabils  
Chief Financial Officer

# Consolidated statement of changes in equity

For the year ended 31 December 2025

	Notes	Share capital (Note 29) \$m	Share premium \$m	Other reserves			Employee benefit trust (EBT) reserve (Note 29) \$m	Total other reserves \$m	Retained earnings \$m	Equity attributable to equity holders of the parent \$m	Non-controlling interests \$m	Total equity \$m
				Merger and revaluation reserves \$m	Translation reserve \$m	Capital redemption reserve \$m						
<b>Balance at 1 January 2024</b>		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)	17	–	–	–	–	–	–	–	(6)	(6)	–	(6)
Remeasurement of post-employment benefit obligations	24	–	–	–	–	–	–	–	(1)	(1)	–	(1)
Currency translation movement		–	–	–	(55)	–	–	(55)	–	(55)	–	(55)
<b>Total comprehensive income for the year</b>		–	–	–	(55)	–	–	(55)	352	297	3	300
Cost of equity-settled employee share scheme	33, 34	–	–	–	–	–	–	–	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	12	–	–	–	–	–	–	–	(175)	(175)	(3)	(178)
<b>Balance at 31 December 2024 and 1 January 2025</b>		40	282	35	(374)	2	(37)	(374)	2,362	2,310	11	2,321
Profit for the year		–	–	–	–	–	–	–	402	402	5	407
Change in investments at fair value through other comprehensive income (FVTOCI)	17	–	–	–	–	–	–	–	(13)	(13)	–	(13)
Remeasurement of post-employment benefit obligations	24	–	–	–	–	–	–	–	(2)	(2)	–	(2)
Currency translation movement		–	–	–	94	–	–	94	–	94	–	94
<b>Total comprehensive income for the year</b>		–	–	–	94	–	–	94	387	481	5	486
Cost of equity-settled employee share scheme	33, 34	–	–	–	–	–	–	–	23	23	–	23
Purchase of shares held in employee benefit trust (EBT)		–	–	–	–	–	(36)	(36)	–	(36)	–	(36)
Exercise of equity-settled employee share scheme		–	–	–	–	–	31	31	(31)	–	–	–
Dividends paid	12	–	–	–	–	–	–	–	(185)	(185)	(3)	(188)
<b>Balance at 31 December 2025</b>		40	282	35	(280)	2	(42)	(285)	2,556	2,593	13	2,606

# Consolidated cash flow statement

For the year ended 31 December 2025

	Notes	2025 \$m	2024 \$m
<b>Cash flow from operating activities</b>			
Profit before tax		519	455
Depreciation, amortisation and impairment	13, 14, 15	238	168
Finance income and expense	8, 9	24	159
Cost of equity-settled employee share scheme	33, 34	23	27
Gain from investment at fair value through profit or loss (FVTPL)		(1)	(1)
Loss on disposal of property, plant and equipment		1	–
Foreign exchange loss, net		7	16
Group's share of profit of joint venture	16	–	(1)
Loss on sale of assets held for sale		–	1
Change in other non-current assets		(21)	–
Change in inventories		(86)	(112)
Change in trade and other receivables		(97)	(144)
Change in other current assets		(122)	4
Change in trade and other payables		38	78
Change in provisions		(3)	(1)
Change in other current liabilities		39	36
Change in other non-current liabilities		1	4
Cash generated from operations		560	689
Income taxes paid		(126)	(125)
Income taxes received		2	–
<b>Net cash inflow from operating activities</b>		<b>436</b>	<b>564</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(197)	(165)
Purchase of intangible assets		(120)	(70)
Additions to investments at FVTOCI	31	(3)	(2)
Payments of contingent consideration liabilities		(75)	(12)
Interest income received		6	8
Dividends from joint venture	16	1	–
Acquisition of business, net of cash acquired		–	(150)
Cash receipt related to assets held for sale		–	10
<b>Net cash outflow from investing activities</b>		<b>(388)</b>	<b>(381)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of long-term financial debts	27	2,402	684
Repayment of long-term financial debts	27	(2,093)	(536)
Proceeds from short-term financial debts	27	349	387
Repayment of short-term financial debts	27	(357)	(411)
Repayment of lease liabilities	15	(11)	(21)
Dividends paid	12	(185)	(175)
Distributions to non-controlling interests		(3)	(3)
Interest and bank charges paid		(83)	(84)
Purchase of shares held in employee benefit trust (EBT)		(36)	(38)
Upfront fees and Eurobond transaction costs	27	(8)	–
Decrease in restricted cash		–	10
Payments of co-development and earnout payment agreement		–	(1)
<b>Net cash outflow from financing activities</b>		<b>(25)</b>	<b>(188)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>23</b>	<b>(5)</b>
Cash and cash equivalents at beginning of year	20	188	205
Foreign exchange translation movements		6	(12)
<b>Cash and cash equivalents at end of year</b>	<b>20</b>	<b>217</b>	<b>188</b>

# Notes to the consolidated financial statements

## 1. Adoption of new and revised standards

The following amendment to accounting standard has been issued and is effective for annual periods beginning on 1 January 2025.

IAS 21 (Amendments)	Lack of Exchangeability
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This amendment 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 2025 were not early adopted.

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
IAS 21 (Amendments) Effective 1 January 2027	Translation to a Hyperinflationary Presentation Currency
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.

## 2. Accounting policies

### General information

Hikma Pharmaceuticals PLC is a public limited liability company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is stated on page 220.

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:

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

### 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. (see page 89).

Where relevant, covenants on major financial debt arrangements are suspended while the Group retains its investment grade status from two rating agencies. During the year ended 31 December 2025, the Group's investment grade rating was upgraded by S&P and Fitch to BBB.

### Basis of consolidation

The consolidated financial statements incorporate the results of Hikma Pharmaceuticals PLC (the Company) and entities controlled by the Company (together, the Group).

All subsidiaries and the Company's financial statements are consolidated up to 31 December each year.

### Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. All identifiable assets, liabilities and contingent liabilities acquired are measured at fair value on the acquisition date. All acquisition-related costs are recognised in the consolidated income statement as incurred.

The consideration is measured at the aggregate fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, at the acquisition date. Where applicable, this consideration may include the fair value of assets or liabilities resulting from a contingent consideration arrangement.

Contingent consideration classified as an asset or liability is a financial instrument and, within the scope of IFRS 9 'Financial Instruments', is measured at fair value, with changes in fair value recognised in the consolidated income statement in line with IFRS 9.

## Notes to the consolidated financial statements continued

### 2. Accounting policies continued

Subsequent changes to those fair values can only affect the measurement of goodwill, where they occur during the 'measurement period' and are as a result of additional information becoming available about facts and circumstances that existed at the acquisition date. All other changes are dealt with in accordance with relevant IFRS Accounting Standards. This will usually mean that changes in the fair value of consideration are recognised in the consolidated income statement.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the aggregate of consideration, non-controlling interest and any fair value of previously held equity interest over the fair values of the identifiable net assets acquired. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and acquired contingent liabilities exceeds the cost of the consideration, the gain is recognised immediately in the consolidated income statement.

The non-controlling interest in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and acquired contingent liabilities recognised.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

#### 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 applies the practical expedient and does not adjust the transaction price for the effects of a significant financing component when, at contract inception, the period between the transfer of the promised goods or services to the customer and payment by the customer is expected to be one year or less. As the Group does not expect to have contracts where this period exceeds one year, transaction prices are not adjusted for the time value of money.

#### Variable consideration

Revenue includes variable consideration arising from chargebacks, returns, rebates, and other gross to net adjustments, which are estimated at the time of sale based on contractual terms, historical experience and current market conditions. Given the inherent uncertainty in the final settlement of these arrangements, the Group applies a constraint to the estimation of variable consideration to ensure that revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved. This is achieved through the use of appropriately prudent assumptions in estimating the expected deductions.

#### 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 anticipated future sales trends. 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 (see Note 19 for chargebacks sensitivity analysis).

#### 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 25 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 Notes 19 and 25 for rebates sensitivity analysis).

### 2. Accounting policies continued

#### 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 of each performance obligation. Revenue for these performance obligations are recognised when they are satisfied, and a contract liability is recognised for the due unsatisfied performance obligations.

#### Share-based payments (Note 34)

At the Company's discretion and subject to the achievement of Group and personal performance criteria in the prior year, employees (including Executive Directors) of the Group receive restricted share-based awards, whereby employees render their services in exchange for shares or rights over shares (equity-settled transactions).

Additionally, a share-based award was introduced to Executive Directors under the 2023 Remuneration Policy, which represents a performance share plan with performance measured over certain non-market and market conditions in future years.

The cost of share-based payment transactions with employees for restricted awards is measured based on the fair value at the grant date. Fair value is determined using the share price at the grant date, discounted for dividends, except for awards granted to Executive Directors, where no adjustment is made since participants receive dividends during the vesting period in the form of additional shares. The cost of these share-based payments is recognised on a straight-line basis over the performance year and the vesting period, with a corresponding increase in equity.

The cost of share-based payments' transactions with Executive Directors for the performance awards is measured by reference to the fair value at the date at which the share-based payments are granted. Fair value is determined based on the Monte Carlo methodology for the market condition portion. For non-market conditions, fair value is determined based on the share price at the date of the grant, no discounting for dividend yield is applied as participants will receive the benefit of dividends paid during the vesting period in the form of additional shares. The cost is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period after the grant date.

The Group revises its estimate of the number of equity instruments expected to vest, and the impact of the revision on the original estimates (except for the portion related to a market vesting condition). The impact, if any, is recognised in the consolidated income statement, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The dilutive effect of outstanding share-based payments is reflected in the computation of diluted earnings per share.

The Group provides funding to the employee benefit trust (EBT) to acquire Company shares, fulfilling its obligation to deliver shares when awards vest. Shares held by the EBT are deducted from other reserves, with a corresponding transfer to retained earnings upon their delivery to satisfy exercise of share awards.

#### Taxes (Note 10)

The Group provides for income tax according to the laws and regulations prevailing in the countries where the Group operates. Furthermore, the Group computes and records deferred tax assets and liabilities according to IAS 12 'Income Taxes'.

The tax expense represents the sum of the current tax in the current period and deferred tax.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities within one year.

The current tax incurred in the period is based on taxable profit for the year and prior year movement accounted for in the current year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's tax incurred is calculated using tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

#### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the consolidated balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences will reverse. To the extent the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences, no deferred tax is provided.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity.

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

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Notes to the consolidated financial statements continued

### 2. Accounting policies continued

#### 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.

#### Uncertain tax position

In line with IFRIC 23, if it is considered probable that a tax authority will accept an uncertain tax treatment, the tax charge should be calculated on that basis. If it is not considered probable, the effect of the uncertainty should be estimated and reflected in the tax charge. In assessing the uncertainty, it is assumed that the tax authority will have full knowledge of all information related to the matter.

#### Exceptional items and other adjustments (Note 6)

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, property, plant and equipment and right-of-use assets
- 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 6.

#### Intangible assets (Note 13)

Intangible assets are measured at cost, less any accumulated amortisation and impairment losses.

Intangible assets, other than goodwill, are amortised on a straight-line basis and the expense is recognised in the selling, general and administrative expenses.

Judgement is used to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

Expenditures on research and development activities, including activities provided by third-party Contract Research Organisations (CROs) on the Group's behalf, are charged to the consolidated income statement, except only when the criteria for recognising an internally generated intangible asset are met, which is usually when approval from the relevant regulatory authority is considered probable.

The Group also enters into in-licensing arrangements with third parties for new research and development projects, which may include upfront, milestone, and royalty payments. The nature of these payments is assessed to determine whether they represent pass-through reimbursements of research and development costs or consideration for the transfer of intellectual property. Payments that represent consideration for research and development activities and do not meet the recognition criteria for intangible assets are expensed as incurred. Upfront and other payments that relate to achievement of verifiable regulatory outcomes and transfer of intellectual property are capitalised as intangible assets.

Principal intangible assets are:

- (a) **Goodwill**
- (b) **Product-related intangibles:**
  - (i) Product files and in-licensed products recognised through acquisitions and partnerships are amortised over their useful economic lives once the asset is ready for use
  - (ii) In-process product files recognised on acquisition are amortised over the useful economic life once the asset is ready for use
- (c) **Purchased software:** is amortised over the useful economic life when the asset is ready for use

Other identified intangibles are:

- (d) **Customer relationships:** represent the value attributed to the long-term relationships held with existing customers that the Group acquired on business combinations. Customer relationships are amortised over their useful economic lives
- (e) **Trade names:** are amortised over their useful lives from the date of acquisition
- (f) **Marketing rights:** are amortised over their useful lives commencing in the year in which the rights first generate sales

Details of the intangible assets' useful lives are included in Note 13.

### 2. Accounting policies continued

#### Property, plant and equipment (Note 14)

Property, plant and equipment are stated at cost on acquisition and are depreciated on a straight-line basis except for land.

The normal expected useful lives of the major categories of Property, plant and equipment are:

Buildings	20 to 50 years
Machinery and equipment	3 to 20 years
Vehicles, fixtures and equipment	3 to 13 years

A unit of production method of depreciation for machinery and equipment is applied during the start-up phase of operations, as this reflects the expected pattern of consumption of the future economic benefits embodied in the assets. When these assets reach normal capacity utilisation under normal circumstances, a straight-line method of depreciation is applied.

Projects under construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property, plant and equipment assets, commences when the assets are ready for their intended use.

Any additional costs that extend the useful life of property, plant and equipment are capitalised.

#### 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.

A previously recognised impairment loss is reversed only where there has been a sustained and discrete change in the assumptions and indicators associated with previous impairment losses. In such cases, the carrying amount of the asset is increased to its revised recoverable amount. The reversal is limited so that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Any reversal of impairment 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.

#### Leases (Note 15)

In accordance with IFRS 16, the Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets:

- Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain of obtaining ownership of a leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term
- Lease liabilities: at the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option, payments for optional extension periods and payments of penalties for terminating a lease when these options are reasonably certain to be exercised by the Group. The discount rate used to calculate the lease liabilities is the incremental borrowing rate (IBR). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit profile)
- Short-term leases and leases of low-value assets: the Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term

## Notes to the consolidated financial statements continued

### 2. Accounting policies continued

#### Inventories (Note 18)

Inventories are stated at the lower of cost and net realisable value. Purchased products are stated at acquisition costs including all additional attributable costs incurred in bringing each product to its present location and condition. The costs of own-manufactured products comprise direct materials and, where applicable, direct labour costs and any overheads that have been incurred in bringing the inventories to their present location and condition. In the consolidated balance sheet, inventory is primarily valued at historical cost determined on a moving average basis, and this value is used to determine the cost of sales in the consolidated income statement.

Inventory write-downs are recognised in cost of sales for launched or approved products and in research and development expenses for products in development.

#### Provisions (Note 24)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

#### Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

#### Financial assets

The Group classifies its financial assets in the following measurement categories:

##### (i) Financial asset at fair value through profit or loss (FVTPL) (Note 21)

Include debt instruments and investment portfolios held by the Group that are traded in an active market and are designated as being measured at fair value through profit or loss. Gains and losses arising from changes in fair value are recognised in the consolidated income statement

##### (ii) Financial assets at fair value through other comprehensive income (FVTOCI) (Note 17)

The Group irrevocably chooses to designate certain investments in equity instruments as financial assets at FVTOCI as they are mainly venture capital investments and are not held for trading. Unrealised gains and losses are recognised in other comprehensive income. Upon disposal of an equity investment, the cumulative gains or losses previously recognised in other comprehensive income are transferred directly to retained earnings. Investments in unlisted shares are measured using a level 3 fair value which is based on cost and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds. For investments in listed shares, fair value is readily determinable under level 1 valuation. (see Note 31)

##### (iii) Financial assets at amortised cost

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised cost'.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit loss. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or financial debts at amortised cost, representing loans and borrowings. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

##### (i) Financial liabilities at FVTPL (Notes 25 and 28)

Financial liabilities at FVTPL comprise contingent consideration arising from business combinations in the form of contractual liabilities to make milestone payments that are dependent on the achievement of certain regulatory approvals; and payments based on future sales of certain products.

These financial liabilities are recorded under other current liabilities and other non-current liabilities in the consolidated balance sheet.

##### (ii) Financial debts

Financial debts are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

#### Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and no longer at the discretion of the Company. In accordance with the laws of the United Kingdom, a final dividend is recognised when it is approved by the majority of shareholders and an interim dividend is recognised when it is paid.

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group's Directors believe that the following accounting policies that involve Directors' judgements and estimates are the most critical and might result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Revenue recognition estimate (Notes 4 and 5)

The Group's revenue recognition policies require Directors to estimate the net selling prices, including variable consideration from chargebacks, product returns, rebates, and other adjustments. These estimates vary by product arrangement and buying group and are based on historical experience and current market conditions.

Given the inherent uncertainty in the underlying assumptions, these estimates are considered critical, and collectively, might result in a material adjustment, as the ultimate settlement of these arrangements may differ from the initial estimates. In determining this, the Group applies a constraint to the variable consideration and recognises revenue only to the extent that it is highly probable that a significant reversal will not occur, using appropriately prudent assumptions. Accordingly, the risk of a material downward adjustment to revenue is considered low. Refer to Notes 19 and 25 for sensitivity analysis.

### 3. Critical accounting judgements and key sources of estimation uncertainty continued

#### Chargebacks

##### Critical estimates

The key inputs and assumptions used in estimating this provision include estimates of chargeback rates, as informed by historical chargeback activity, expected chargeback rates for new products, and anticipated future sales trends.

#### Returns

##### Critical estimates

The key inputs and assumptions used in estimating this provision include the estimated portion of revenue subject to returns, as informed by historical return patterns and specific factors such as product dating and expiration, new product launches, competitive activity, and changes in contractual terms.

#### Rebates

##### Critical estimates

The key inputs and assumptions used in estimating this provision include estimates of rebates rates, as informed by historical relationships between rebates and revenue, past payment experience, changes in regulations, and anticipated future sales trends.

#### Intangible assets – impairment testing (Note 13)

##### Critical judgements

- Determining whether an impairment indication has occurred for individual intangible assets or group of assets. In such case, the Group performs an assessment to determine if the recoverable value of the intangible asset or group of assets is less than its carrying amount
- Determining expected launch dates for pipeline products
- For previously impaired assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only where there has been a sustained and discrete change in the assumptions and indicators associated with previous impairment losses

##### Critical estimates

- Estimating revenue and cash flow forecasts (including market size, estimated market share, number of competitors, net selling prices and profit margins for marketed and pipeline products)
- Estimating a discount rate and specific risk premiums
- Estimating an appropriate growth rate beyond the forecast period

As a result of the annual impairment trigger assessment and impairment testing for intangible assets, an impairment charge of \$15 million has been identified in relation to intangible assets (Notes 6 and 13).

#### Taxation (Note 10)

##### Tax and transfer pricing audit risk

##### Critical judgement

In common with most international organisations, the Group is subject to tax and transfer pricing audits from tax authorities from time to time. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made, management provides for its best estimate of the liability in line with IFRIC 23 principles. These estimates take into account the specific circumstances of each dispute and relevant external advice, and are inherently judgemental in nature and could change substantially over time as new facts emerge and each dispute progresses. The Group regularly takes professional advice to ensure the risks are appropriately analysed and managed with any ultimate potential liability being adequately provided, and continues to invest in its financial systems to improve the quality of the Group's financial data which reduces the risk of an adverse tax authority audit.

As at 31 December 2025, the Group's uncertain tax positions, excluding advanced payments amounted to \$38 million (2024: \$54 million) (Note 10). While it is not practical to provide a sensitivity analysis due to the number of uncertain tax positions held and the number of jurisdictions to which these relate, the Group reviews material uncertain tax positions on an individual basis and believes that it has accounted for an adequate provision for the liabilities likely to arise from open assessments and audits and continues to re-evaluate existing uncertain positions to determine if a change in facts and circumstances has occurred that would make it necessary to adjust.

#### Contingent liabilities

##### Critical judgement

The Group is often involved in a number of legal and administrative proceedings, as well as investigations, in the ordinary course of its business, including disputes and 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 which may result in a possible obligation depending on whether some uncertain future event occurs.

Assessments as to whether to recognise provisions, and of the amounts concerned, usually involve a series of complex judgements about future events and can rely heavily on estimates and assumptions. Often these issues are subject to substantial uncertainties and, therefore, the probability of a loss, if any, being sustained and/or an estimate of the amount of any loss is impracticable 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.

A contingent liability is not provided for but is disclosed in Note 36 if:

- payment is not probable, but more than remote, where the Group denies having engaged in conduct that would give rise to liability with respect to these lawsuits and is vigorously pursuing defence of legal proceedings, or
- it is a present obligation but the amount cannot be measured reliably

## Notes to the consolidated financial statements

### continued

#### 4. 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 2025	Injectables \$m	Hikma Rx \$m	Branded \$m	Others \$m	Total \$m
North America	924	1,037	–	15	1,976
Middle East and North Africa	234	–	839	16	1,089
Europe and rest of the world	251	–	10	9	270
United Kingdom	14	–	–	–	14
	1,423	1,037	849	40	3,349

  

Year ended 31 December 2024	Injectables \$m	Hikma Rx \$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

The top selling markets are shown below:

	2025 \$m	2024 \$m
United States	1,950	1,887
Saudi Arabia	331	301
Algeria	229	213
	2,510	2,401

In 2025, included in revenue arising from the Hikma Rx 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, contributing to \$402 million (12%), \$391 million (12%) and \$354 million (11%). In 2024, they contributed to \$424 million (14%), \$364 million (12%) and \$307 million (10%), respectively.

The following table provides contract balances related to revenue:

	2025 \$m	2024 \$m
Net trade receivables (Note 19)	997	896
Deferred income (Notes 25 and 28)	113	58
Refund liability (Note 25)	152	151
Indirect rebates and other allowances (Note 25)	188	173

Refer to note 30 for the credit terms ranges.

#### 5. Business segments

For management reporting purposes, the Group is organised into three principal operating divisions – Injectables, Branded and Hikma Rx. These divisions are the basis on which the Group reports its segmental information. (See business and financial review section on page 28 for more details on the business segments performance).

Core operating profit/(loss), defined as 'segment profit/(loss)', 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:

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Injectables</b>						
Revenue	1,423	–	1,423	1,324	(18)	1,306
Cost of sales	(758)	(16)	(774)	(634)	(4)	(638)
<b>Gross profit/(loss)</b>	<b>665</b>	<b>(16)</b>	<b>649</b>	690	(22)	668
Operating expenses	(224)	(58)	(282)	(222)	(75)	(297)
<b>Segment profit</b>	<b>441</b>	<b>(74)</b>	<b>367</b>	468	(97)	371
<i>Add back: depreciation and amortisation</i>	35	52	87	34	51	85
<i>Add back: impairment charges</i>	–	9	9	–	17	17
<i>Segment profit before depreciation, amortisation and impairment</i>	476	(13)	463	502	(29)	473

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Branded</b>						
Revenue	849	–	849	769	–	769
Cost of sales	(404)	–	(404)	(367)	–	(367)
<b>Gross profit</b>	<b>445</b>	<b>–</b>	<b>445</b>	402	–	402
Operating expenses	(221)	3	(218)	(213)	(7)	(220)
<b>Segment profit</b>	<b>224</b>	<b>3</b>	<b>227</b>	189	(7)	182
<i>Add back: depreciation and amortisation</i>	34	10	44	30	6	36
<i>Add back: impairment charges</i>	–	1	1	–	1	1
<i>Segment profit before depreciation, amortisation and impairment</i>	258	14	272	219	–	219

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Hikma Rx</b>						
Revenue	1,037	–	1,037	1,037	(11)	1,026
Cost of sales	(694)	–	(694)	(680)	–	(680)
<b>Gross profit/(loss)</b>	<b>343</b>	<b>–</b>	<b>343</b>	357	(11)	346
Operating expenses	(164)	(55)	(219)	(187)	8	(179)
<b>Segment profit</b>	<b>179</b>	<b>(55)</b>	<b>124</b>	170	(3)	167
<i>Add back: depreciation and amortisation</i>	31	38	69	29	35	64
<i>Add back: impairment charges/(reversal)</i>	–	15	15	–	(47)	(47)
<i>Segment profit before depreciation, amortisation and impairment</i>	210	(2)	208	199	(15)	184

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Others<sup>1</sup></b>						
Revenue	40	–	40	26	–	26
Cost of sales	(36)	–	(36)	(27)	–	(27)
<b>Gross profit/(loss)</b>	<b>4</b>	<b>–</b>	<b>4</b>	(1)	–	(1)
Operating expenses	(10)	–	(10)	(8)	–	(8)
<b>Segment loss</b>	<b>(6)</b>	<b>–</b>	<b>(6)</b>	(9)	–	(9)
<i>Add back: depreciation and amortisation</i>	5	–	5	4	–	4
<i>Segment loss before depreciation, amortisation and impairment</i>	(1)	–	(1)	(5)	–	(5)

1. Includes the 503B compounding business, the MENA diagnostics 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.

## Notes to the consolidated financial statements

### continued

#### 5. Business segments continued

Group	2025			2024		
	2025 Core results \$m	Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Segments' profit/(loss)</b>	<b>838</b>	<b>(126)</b>	<b>712</b>	818	(107)	711
Add back: segments' depreciation, amortisation and impairment	105	125	230	97	63	160
<b>Segments' profit/(loss) before depreciation, amortisation and impairment</b>	<b>943</b>	<b>(1)</b>	<b>942</b>	915	(44)	871
Unallocated expenses (excluding depreciation, amortisation and impairment) <sup>1</sup>	(90)	(72)	(162)	(91)	-	(91)
<b>Operating profit/(loss) before depreciation, amortisation and impairment</b>	<b>853</b>	<b>(73)</b>	<b>780</b>	824	(44)	780
Segments' depreciation, amortisation and impairment	(105)	(125)	(230)	(97)	(63)	(160)
Unallocated depreciation and amortisation	(7)	-	(7)	(8)	-	(8)
Unallocated impairment charges	-	(1)	(1)	-	-	-
<b>Operating profit/(loss)</b>	<b>741</b>	<b>(199)</b>	<b>542</b>	719	(107)	612
Finance income	11	72	83	8	-	8
Finance expense	(106)	(1)	(107)	(93)	(74)	(167)
Gain from investment at fair value through profit or loss (FVTPL)	1	-	1	1	-	1
Group's share of profit of joint venture	-	-	-	1	-	1
<b>Profit/(loss) before tax</b>	<b>647</b>	<b>(128)</b>	<b>519</b>	636	(181)	455
Tax	(139)	27	(112)	(138)	45	(93)
<b>Profit/(loss) for the year</b>	<b>508</b>	<b>(101)</b>	<b>407</b>	498	(136)	362
Attributable to:						
Non-controlling interests	5	-	5	3	-	3
<b>Equity holders of the parent</b>	<b>503</b>	<b>(101)</b>	<b>402</b>	495	(136)	359

1. Unallocated expenses (excluding depreciation, amortisation and impairment) primarily comprise employee costs, legal settlements (Note 6), professional fees and IT expenses. The increase compared to the prior year is mainly attributable to legal settlements (Note 6)

The following table provides an analysis of the Group's non-current assets<sup>2</sup> by geographic area:

	2025 \$m	2024 \$m
<b>North America</b>		
US	1,470	1,518
Canada	29	30
	<b>1,499</b>	<b>1,548</b>
<b>Middle East and North Africa</b>		
Jordan	336	344
Algeria	148	125
Morocco	103	92
United Arab Emirates	99	21
Saudi Arabia	87	75
Others	85	72
	<b>858</b>	<b>729</b>
<b>Europe and rest of the world</b>		
Portugal	180	147
Germany	48	40
Italy	33	24
Others	35	17
	<b>296</b>	<b>228</b>
<b>United Kingdom</b>	<b>3</b>	<b>7</b>
	<b>2,656</b>	<b>2,512</b>

2. Non-current assets exclude deferred tax assets (Note 10), investments at FVTOCI and other financial assets (Note 17)

#### 6. 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 2; the details are presented below:

2025		Injectables \$m	Branded \$m	Hikma Rx \$m	Unallocated \$m	Total \$m	Tax effect \$m	Impact on profit
								for the year \$m
	Legal settlements	-	-	-	(72)	(72)	17	(55)
	Pre-operational costs	(16)	-	-	-	(16)	4	(12)
	Insurance compensation in relation to the Group's losses in Sudan	-	14	-	-	14	(3)	11
	Gain on extinguishment of financial liability	6	-	-	-	6	(1)	5
	Reorganisation costs	(3)	-	(2)	-	(5)	1	(4)
	Intangible assets amortisation other than software	(52)	(10)	(38)	-	(100)	20	(80)
	Impairment charges on intangible assets, property, plant and equipment and right-of-use assets	(9)	(1)	(15)	(1)	(26)	6	(20)
	Remeasurement of contingent consideration liabilities	-	-	-	72	72	(17)	55
	Unwinding of contingent consideration liability	-	-	-	(1)	(1)	-	(1)
	<b>Exceptional items and other adjustments</b>	<b>(74)</b>	<b>3</b>	<b>(55)</b>	<b>(2)</b>	<b>(128)</b>	<b>27</b>	<b>(101)</b>

- Legal settlements: The Group reached an agreement to resolve all antitrust lawsuits brought against Hikma Pharmaceuticals USA Inc. by third-parties in the US who have purchased or been billed for Xyrem® (Sodium Oxybate). The agreed-upon settlement is not an admission of wrongdoing or legal liability. The Group settled a total of approximately \$72 million to cover for all related cases in July 2025. These matters have been previously disclosed as contingent liabilities
- Pre-operational costs: \$16 million related to the manufacturing plant acquired through the Xellia business combination in September 2024. These costs are incurred during the pre-operational phase and primarily relate to operational readiness, routine maintenance, and the recruitment and training of personnel. These activities are projected to conclude at the end of 2027, at which point the facility is expected to be fully operational. The estimated cost for 2026 is approximately \$18 million. Commissioning and refurbishment activities are ongoing, and costs that are directly attributable to bringing the plant to the condition necessary for its intended use are capitalised in accordance with IAS 16.
- Insurance compensation in relation to the Group's losses in Sudan of \$14 million (Note 7)
- Gain on extinguishment of financial liability: \$6 million resulting from a settlement agreement that reduced a financial liability related to the acquisition of a product-related intangible asset that was previously impaired
- Reorganisation costs: \$5 million of reorganisation costs related to a global restructuring program that started in 2024. This program delivers efficiencies across various Group functions, including R&D, benefitting from the integration of the Xellia business
- Intangible assets amortisation other than software of \$100 million (Note 13)
- Impairment charges: \$26 million of which \$15 million are related to intangible assets which mainly comprised \$13 million of product-related intangible assets following the discontinuation of pipeline products, \$10 million related to property, plant and equipment associated with discontinued projects and \$1 million related to right-of-use assets (Notes 7, 13, 14 and 15)
- Remeasurement of contingent considerations liabilities: \$72 million represents finance income which primarily resulted from the adjustment of royalty payment arrangements with certain of the Group's business partners, as well as the revaluation of liabilities associated with future contingent consideration payments recognised through business combinations (Notes 8, 25, 28 and 31)
- Unwinding of contingent consideration liability: \$1 million represents the finance expense resulting from the unwinding of contingent consideration liability recognised through business combinations (Notes 9, 25, 28 and 31)

#### Tax effect

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

## Notes to the consolidated financial statements continued

### 6. Exceptional items and other adjustments continued

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

2024		Injectables \$m	Branded \$m	Hikma Rx \$m	Unallocated \$m	Total \$m	Tax effect \$m	Impact on profit for the year \$m
Provision for rebates adjustment	Revenue	(18)	–	(11)	–	(29)	7	(22)
Pre-operational costs	Cost of sales	(4)	–	–	–	(4)	1	(3)
Reorganisation costs	SG&A	(7)	–	(4)	–	(11)	2	(9)
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)
<b>Exceptional items and other adjustments</b>		<b>(97)</b>	<b>(7)</b>	<b>(3)</b>	<b>(74)</b>	<b>(181)</b>	<b>45</b>	<b>(136)</b>

- Provision for rebates adjustment: \$29 million represents a change in historical estimates in relation to prior years rebates
- Pre-operational costs: \$4 million of costs incurred during the pre-operational phase of the manufacturing plant acquired through the Xellia business combination.
- Reorganisation costs: \$11 million of reorganisation costs related to a global restructuring program. This program will improve efficiencies across various Group functions, including R&D activities benefitting from the integration of the Xellia business
- Intangible assets amortisation other than software of \$92 million (Note 13)
- 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 and \$16 million to property, plant and equipment (Notes 7, 13 and 14)
- 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 (Notes 7 and 13). Additionally, there were impairment charges on property, plant and equipment of \$9 million mainly related to machinery and equipment associated with discontinued projects (Notes 7 and 14)
- 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 9, 25, 28 and 31)
- 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 9, 25, 28 and 31)

### 7. Other operating expenses/income

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Other operating expenses</b>						
Impairment charges (Notes 6, 13, 14 and 15)	–	26	26	–	31	31
Foreign exchange loss, net	7	–	7	16	–	16
Others	2	–	2	5	–	5
	<b>9</b>	<b>26</b>	<b>35</b>	<b>21</b>	<b>31</b>	<b>52</b>

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Other operating income</b>						
Insurance compensation in relation to the Group's losses in Sudan (Note 6)	–	14	14	–	–	–
Gain on extinguishment of financial liability (Note 6)	–	6	6	–	–	–
Impairment reversals (Notes 6, 13 and 14)	–	–	–	–	60	60
Others	11	–	11	3	–	3
	<b>11</b>	<b>20</b>	<b>31</b>	<b>3</b>	<b>60</b>	<b>63</b>

### 8. Finance income

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
Remeasurement of contingent consideration liabilities (Notes 6, 25, 28 and 31)	–	72	72	–	–	–
Interest income	6	–	6	8	–	8
Others	5	–	5	–	–	–
	<b>11</b>	<b>72</b>	<b>83</b>	<b>8</b>	<b>–</b>	<b>8</b>

### 9. Finance expense

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
Interest on borrowings	82	–	82	72	–	72
Bank commissions and charges	14	–	14	13	–	13
Net foreign exchange loss	4	–	4	5	–	5
Lease accretion of interest (Note 15)	3	–	3	3	–	3
Unwinding and remeasurement of contingent consideration and other financial liabilities (Notes 6, 25, 28 and 31)	–	1	1	–	74	74
Others	3	–	3	–	–	–
	<b>106</b>	<b>1</b>	<b>107</b>	<b>93</b>	<b>74</b>	<b>167</b>

### 10. Tax

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
<b>Current tax</b>						
Current year	140	(19)	121	142	(2)	140
Adjustment to prior years	4	–	4	18	–	18
<b>Deferred tax</b>						
Current year	(5)	(8)	(13)	1	(43)	(42)
Adjustment to prior year	–	–	–	(23)	–	(23)
	<b>139</b>	<b>(27)</b>	<b>112</b>	<b>138</b>	<b>(45)</b>	<b>93</b>

The Group incurred a tax expense of \$112 million (2024: \$93 million); the reported and core effective tax rates are 21.6% and 21.5% respectively (2024: 20.4% and 21.7% respectively). The reported effective tax rate is lower than the standard rate primarily due to the earnings mix.

## Notes to the consolidated financial statements

### continued

#### 10. Tax continued

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

	2025 \$m	2024 \$m
<b>Profit before tax</b>	<b>519</b>	455
Tax at the UK corporation tax rate of 25% (2024: 25%)	130	114
Effect of rates different than the UK rate	(28)	(32)
Change in uncertain tax positions	(8)	(2)
Permanent differences	4	6
Other local taxes and reliefs	9	5
Pillar 2 Top up Tax	3	7
Prior year adjustments	4	(5)
Movement in recognition of deferred taxes	(2)	(1)
Unremitted earnings	-	1
<b>Tax expense for the year</b>	<b>112</b>	93

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 2025 and prior years. As at 31 December 2025, the Group's uncertain tax positions, excluding advanced payments, amounted to \$38 million (2024: \$54 million). In 2025, the total movement on the uncertain tax positions was \$16 million. Of this amount, \$8 million was released to the consolidated income statement due to resolution of tax audits, and \$8 million relates to agreed-upon settlement. If all identifiable 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.

#### 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 2025.

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. 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 \$3 million (2024: \$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, including taxable amounts expected to arise from the reversal of deferred tax liabilities. 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	
	2025 \$m	2024 \$m
Deferred tax assets	307	293
Deferred tax liabilities	(16)	(18)
	<b>291</b>	275

#### 10. Tax continued

The table below represents the deferred tax movement in 2025 and 2024:

	Returns and inventory-related provision \$m	Intangible assets <sup>1</sup> \$m	Other provisions and accruals \$m	Unremitted earnings \$m	Research and Development \$m	Others \$m	Total \$m
<b>Balance at 1 January 2024</b>	90	54	59	(3)	-	1	201
Credit/(charge) to income	16	20	(1)	(1)	13	18	65
Equity adjustment	-	-	-	-	-	1	1
Currency translation impact	(1)	1	(1)	-	-	9	8
Reclassification	-	-	-	-	29	(29)	-
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>105</b>	<b>75</b>	<b>57</b>	<b>(4)</b>	<b>42</b>	<b>-</b>	<b>275</b>
Credit/(charge) to income	4	(10)	(2)	-	6	15	13
Currency translation impact	-	-	1	-	-	2	3
<b>Balance at 31 December 2025</b>	<b>109</b>	<b>65</b>	<b>56</b>	<b>(4)</b>	<b>48</b>	<b>17</b>	<b>291</b>

1. Intangibles category includes items related to contingent liabilities

The Group has a potential deferred tax asset of \$480 million (2024: \$457 million) of which \$307 million (2024: \$293 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 \$287 million (2024: \$273 million), with a tax effect of \$60 million mainly due to the unpredictability of the related future profit streams. Of these gross temporary differences, \$230 million (2024: \$205 million) relate to losses, of which \$192 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 2026. The remaining \$57 million represent other short-term temporary differences that relate to multiple jurisdictions.

In addition, there has been no change to the position of the Cantonal tax credits in Switzerland of \$114 million (CHF90 million) granted in 2024. These Swiss non-refundable tax credits can be utilised over a 10-year period from the fiscal year 2024 until they expire in 2033. We continue not to recognise a deferred tax asset on this item.

During the year, there has been no movement on the deferred tax liability recognised on temporary differences relating to the unremitted earnings of overseas subsidiaries (2024: \$1 million increase). No deferred tax liability has been recognised on the remaining unremitted earnings of \$578 million (2024: \$499 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.

## Notes to the consolidated financial statements

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### 11. 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 the employee benefit trust (EBT) (Note 29). 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.

	2025			2024		
	2025 Core results \$m	Exceptional items and other adjustments (Note 6) \$m	2025 Reported results \$m	2024 Core results \$m	Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m
Profit attributable to equity holders of the parent	503	(101)	402	495	(136)	359

The weighted average number of ordinary shares in free issue used in calculating basic and diluted EPS is shown below:

	2025 Number	2024 Number
Basic EPS	220,587,683	221,333,249
Effect of potentially dilutive Ordinary Shares from share-based awards	2,096,488	2,160,072
Diluted EPS	222,684,171	223,493,321

The basic and diluted EPS are as follows:

	2025 Core Cents	2025 Reported Cents	2024 Core Cents	2024 Reported Cents
Basic EPS	228	182	224	162
Diluted EPS	226	181	221	161

### 12. Dividends

The amounts recognised as distributions to equity holders in the year were as follows:

	Paid in 2025 \$m	Paid in 2024 \$m
Final dividend for the year ended 31 December 2024 of 48 cents (31 December 2023: 47 cents) per share	106	104
Interim dividend during the year ended 31 December 2025 of 36 cents (31 December 2024: 32 cents) per share	79	71
	185	175

The proposed final dividend for the year ended 31 December 2025 is 48 cents (2024: 48 cents).

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 23 April 2026 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 2025 (220,106,915), the final dividend would be \$106 million.

### 13. Goodwill and other intangible assets

The changes in the carrying value of goodwill and other intangible assets for the years ended 31 December 2025 and 31 December 2024 are as follows:

	Goodwill \$m	Other intangible assets			Total \$m
		Product-related intangibles \$m	Software \$m	Other identified intangibles \$m	
<b>Cost</b>					
Balance at 1 January 2024	796	1,422	138	317	2,673
Additions	–	24	–	49	73
Translation adjustments	(8)	(7)	(1)	(2)	(18)
Business combination	2	73	–	–	75
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>790</b>	<b>1,512</b>	<b>137</b>	<b>364</b>	<b>2,803</b>
Additions	–	104	2	17	123
Disposals	–	–	(1)	–	(1)
Translation adjustments	11	2	–	6	19
<b>Balance at 31 December 2025</b>	<b>801</b>	<b>1,618</b>	<b>138</b>	<b>387</b>	<b>2,944</b>

#### Accumulated amortisation and impairment

Balance at 1 January 2024	(408)	(878)	(107)	(180)	(1,573)
Charge for the year	–	(72)	(8)	(20)	(100)
Impairment reversal	–	44	–	–	44
Impairment charge	–	(8)	–	(14)	(22)
Translation adjustments	–	2	–	2	4
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>(408)</b>	<b>(912)</b>	<b>(115)</b>	<b>(212)</b>	<b>(1,647)</b>
Charge for the year	–	(80)	(8)	(20)	(108)
Disposals	–	–	1	–	1
Impairment charge	–	(13)	–	(2)	(15)
Translation adjustments	–	(1)	–	(4)	(5)
<b>Balance at 31 December 2025</b>	<b>(408)</b>	<b>(1,006)</b>	<b>(122)</b>	<b>(238)</b>	<b>(1,774)</b>

#### Carrying amount

<b>At 31 December 2025</b>	<b>393</b>	<b>612</b>	<b>16</b>	<b>149</b>	<b>1,170</b>
At 31 December 2024	382	600	22	152	1,156

Of the total intangible assets other than goodwill, \$137 million (2024: \$157 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	
	2025 \$m	2024 \$m
Injectables	231	227
Branded	162	155
<b>Total</b>	<b>393</b>	<b>382</b>

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.

## Notes to the consolidated financial statements

### continued

### 13. Goodwill and other intangible assets continued

#### 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	Valuation basis	Terminal growth rate (perpetuity)		Discount rate		
		2025	2024	2025	2024	
Injectables	VIU	2.5%	2.5%	12.6%	12.6%	Pre-tax
Branded	VIU	2.4%	2.4%	14.3%	14.3%	Pre-tax
Hikma Rx	VIU	1.0%	1.0%	12.8%	10.7%	Pre-tax
Complex respiratory	n/a	–	– <sup>1</sup>	n/a	8.1%	Post-tax
Key assumptions	<ul style="list-style-type: none"> <li>– Revenue and cash flow forecasts (including market size, estimated market share, number of competitors, net selling prices and profit margins for marketed and pipeline products)</li> <li>– Expected launch dates for pipeline products</li> <li>– Terminal growth rates</li> <li>– Discount rates</li> </ul>					
Determination of assumptions	<ul style="list-style-type: none"> <li>– 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</li> <li>– Margins reflect past experience, adjusted for expected changes in the future</li> <li>– Establishing the launch date and probability of a successful product approval for pipeline products</li> <li>– Terminal growth rates are based on the Group's experience in its markets</li> <li>– Discount rates for each CGU are derived from specific regions/countries</li> </ul>					
Period of specific projected cash flows	5 years					

1. In 2024, the majority of projected cash flows for the Complex respiratory CGU extended over a seven-year period

#### Complex respiratory CGU

The Group carried out an impairment trigger assessment for the Complex Respiratory CGU. Based on this assessment, no indicators of impairment or reversal of previous impairments were identified for the CGU during the period.

In 2024, 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 yielded a recoverable amount of \$127 million, which 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.

#### Injectables and Branded CGUs

In accordance with IAS 36, the Group conducted its annual impairment test for the Injectables and Branded CGUs by carrying forward the most recent detailed calculations of their recoverable amounts from 2023 and 2024, respectively. This approach was considered appropriate as the assets and liabilities of the CGUs have not changed significantly since the most recent recoverable amount calculations, and the previous calculations indicated that the recoverable amount significantly exceeded the carrying amount for both CGUs. Additionally, an analysis of events and changes in circumstances since the prior assessments indicated that the likelihood of the current recoverable amount being lower than the carrying amount for both CGUs is remote.

#### Hikma Rx CGU

The Group conducted its annual impairment test for the Hikma Rx 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.

In 2024, the Group conducted an impairment test for the Hikma Rx CGU, and the valuation did not result in any impairment for the CGU.

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 (See pages 66 to 79).

### 13. Goodwill and other intangible assets continued

#### Product-related intangible assets

##### Product rights not yet available for use

Product rights not yet available for use amounts to \$94 million (2024: \$84 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 \$7 million in the Injectables segment and \$6m in the Hikma Rx segment due to the discontinuation of pipeline products (2024: \$8 million in the Injectables segment).

##### Product rights

Product rights consist of marketed products of \$518 million (2024: \$516 million) which include two products in the injectables CGU valued at \$107 million (2024: \$118 million) and \$48 million (2024: \$52 million) with a remaining useful life of ten years and fourteen years, respectively. Product rights also include a product in the Complex respiratory CGU valued at \$104 million (2024: \$120 million) with a remaining useful life of six 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 (2024: \$1 million). The software has an average estimated useful life that varies from three to ten years.

As at 31 December 2025, no impairment charge was identified (2024: \$nil).

##### Other identified intangibles

Other identified intangibles comprise marketing rights, customer relationships and trade names of \$149 million (2024: \$152 million) of which \$42 million represent assets not yet available for use (2024: \$72 million). The Group performs an impairment review of other identified intangible assets that are not yet available for use annually, and performs impairment trigger assessment for assets in use. The result of this test was an impairment charge of \$2 million in the Injectables segment due to the discontinuation of a marketing rights contract (2024: \$14 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.

## Notes to the consolidated financial statements

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#### 14. Property, plant and equipment

	Land and buildings \$m	Machinery and equipment \$m	Vehicles, fixtures and equipment \$m	Projects under construction \$m	Total \$m
<b>Cost</b>					
<b>Balance at 1 January 2024</b>	797	894	148	272	2,111
Additions	6	21	10	133	170
Disposals	(1)	(16)	(5)	–	(22)
Transfers	12	31	10	(53)	–
Business combination	52	1	–	62	115
Translation adjustment	(15)	(21)	(6)	(5)	(47)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>851</b>	<b>910</b>	<b>157</b>	<b>409</b>	<b>2,327</b>
Additions	7	25	11	153	196
Disposals	–	(7)	(6)	–	(13)
Transfers	52	41	12	(105)	–
Translation adjustment	23	26	4	11	64
Reclassification	–	(7)	–	9	2
<b>Balance at 31 December 2025</b>	<b>933</b>	<b>988</b>	<b>178</b>	<b>477</b>	<b>2,516</b>
<b>Accumulated depreciation and impairment</b>					
<b>Balance at 1 January 2024</b>	(278)	(546)	(124)	(67)	(1,015)
Charge for the year	(24)	(48)	(15)	–	(87)
Disposals	1	16	5	–	22
Impairment reversal	1	15	–	–	16
Impairment charges	(1)	(3)	–	(5)	(9)
Translation adjustment	7	13	4	–	24
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>(294)</b>	<b>(553)</b>	<b>(130)</b>	<b>(72)</b>	<b>(1,049)</b>
Charge for the year	(27)	(52)	(15)	–	(94)
Disposals	–	6	5	–	11
Impairment charges	–	(2)	–	(8)	(10)
Translation adjustment	(8)	(17)	(3)	–	(28)
Reclassification	–	(7)	14	(9)	(2)
<b>Balance at 31 December 2025</b>	<b>(329)</b>	<b>(625)</b>	<b>(129)</b>	<b>(89)</b>	<b>(1,172)</b>
<b>Carrying amount</b>					
<b>At 31 December 2025</b>	<b>604</b>	<b>363</b>	<b>49</b>	<b>388</b>	<b>1,404</b>
At 31 December 2024	557	357	27	337	1,278

Land is not subject to depreciation.

None of the Group's property, plant and equipment are pledged as collateral for long-term loans as at 31 December 2025 (2024: \$nil).

As at 31 December 2025, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to \$96 million (2024: \$79 million).

During the year ended 31 December 2025, \$5 million of borrowing costs have been capitalised (2024: \$3 million).

In 2025, the Group recognised an impairment charge of \$10 million in relation to machinery and equipment associated with discontinued projects mainly within the Hikma Rx CGU (Notes 6 and 7). In 2024, the Group recognised an impairment charge of \$9 million mainly in relation to machinery and equipment associated with discontinued projects and impairment reversal of \$16 million mainly related to machinery and equipment within the Complex respiratory CGU (Notes 6 and 7).

#### 15. Right-of-use assets and lease liabilities

The carrying amounts of right-of-use assets recognised and the movements during the year were as follows:

	Buildings \$m	Vehicles \$m	Total \$m
<b>At 1 January 2024</b>	40	5	45
Additions	3	8	11
Business combination	2	–	2
Depreciation expense	(6)	(4)	(10)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>39</b>	<b>9</b>	<b>48</b>
Additions	<b>6</b>	<b>2</b>	<b>8</b>
Retirements	(1)	–	(1)
Depreciation expense	(7)	(3)	(10)
Impairment charge	(1)	–	(1)
<b>Balance at 31 December 2025</b>	<b>36</b>	<b>8</b>	<b>44</b>

The carrying amounts of lease liabilities and the movements during the year were as follows:

	2025 \$m	2024 \$m
<b>At 1 January</b>	<b>57</b>	66
Additions	<b>8</b>	11
Business combination	–	2
Accretion of interest (Note 9)	<b>3</b>	3
Retirements	(1)	(1)
Repayments	(14)	(24)
<b>Balance at 31 December</b>	<b>53</b>	57
Current	<b>8</b>	11
Non-current	<b>45</b>	46

The following is the maturity analysis of lease liabilities:

	2025 \$m	2024 \$m
<b>Breakdown by maturity:</b>		
Within one year	<b>8</b>	11
In the second year	<b>6</b>	7
In the third year	<b>5</b>	5
In the fourth year	<b>4</b>	4
In the fifth year	<b>3</b>	3
In the sixth year	<b>2</b>	2
Thereafter	<b>25</b>	25
	<b>53</b>	57

At 31 December 2025, lease liabilities included optional extension periods amounting to \$20 million on a discounted basis (2024: \$19 million).

The following are the amounts recognised in the consolidated income statement:

	2025 \$m	2024 \$m
Depreciation expense of right-of-use assets	(10)	(10)
Impairment of right-of-use assets	(1)	–
Interest expense on lease liabilities	(3)	(3)
Expense relating to short-term leases	(6)	(4)
<b>Total amount recognised in the consolidated income statement</b>	<b>(20)</b>	(17)

## Notes to the consolidated financial statements

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#### 16. Investment in joint venture

The Group's share in Hubei Haosun Pharmaceutical Co., Ltd. was 49% at 31 December 2025 (2024: 49%) with an investment balance of \$11 million at 31 December 2025 (2024: \$11 million). The Group's share of the profit for the year ended 31 December 2025 was \$0.3 million (2024: \$1.2 million) and dividends received were \$1 million (2024: \$nil).

Summarised financial information in respect of the Group's interests in Hubei Haosun Pharmaceutical Co., Ltd. is set out below:

	As at 31 December	
	2025 \$m	2024 \$m
Total assets	24	25
Total liabilities	(5)	(5)
Net assets	19	20
<b>Group's share of net assets of joint venture</b>	<b>9</b>	<b>10</b>

  

	For the	For the
	year ended 31 December 2025 \$m	year ended 31 December 2024 \$m
Total revenue	6	8
Net profit	1	2
<b>Group's share of profit of joint venture</b>	<b>-</b>	<b>1</b>

#### 17. Other non-current assets

	As at 31 December	
	2025 \$m	2024 \$m
Investments at FVTOCI	40	51
Advance payment related to non-financial assets	19	19
Long-term prepayments	8	-
Other financial assets	25	14
	<b>92</b>	<b>84</b>

**Investments at FVTOCI** include investments which are not held for trading and which the Group irrevocably designated as measured at fair value through other comprehensive income.

During the year, the Group increased its investment in four existing ventures by \$3 million.

The total portfolio as at 31 December 2025 includes investments in unlisted shares without readily determinable fair values that fall under level 3 valuation (Note 31). The fair value is estimated by management based on the cost of investment and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds.

During the year, the total change in fair value was a net loss of \$13 million (2024: \$6 million net loss) recognised as other comprehensive expense.

**Advance payment related to non-financial assets** represents cash paid in advance that will be mainly utilised against the future acquisition of product licences, materials or finished products.

**Other financial assets** mainly represent long-term receivables and upfront fees on a syndicated revolving credit facility.

#### 18. Inventories

	As at 31 December	
	2025 \$m	2024 \$m
Finished goods	510	409
Work-in-progress	137	113
Raw and packing materials	466	490
Goods in transit	66	36
Spare parts	59	52
Provisions against inventory	(132)	(114)
	<b>1,106</b>	<b>986</b>

The movements in the provisions against inventory are as follows:

	As at 1 January	Additions	Utilisation	Translation	As at
	\$m	\$m	\$m	adjustments \$m	31 December \$m
Provisions against inventory in 2025	114	96	(79)	1	132
Provisions against inventory in 2024	111	51	(41)	(7)	114

The cost of inventory recognised as an expense within cost of sales in the consolidated income statement was \$1,869 million (2024: \$1,671 million), including the cost of inventory-related provision of \$96 million (2024: \$51 million).

#### 19. Trade and other receivables

	As at 31 December	
	2025 \$m	2024 \$m
Gross trade receivables	1,393	1,362
Chargebacks and other allowances	(320)	(391)
Expected credit loss allowance	(76)	(75)
Net trade receivables	997	896
VAT and sales tax recoverable	55	44
Other receivables	9	9
Net trade and other receivables	<b>1,061</b>	<b>949</b>

The fair value of receivables is estimated to be not significantly different from the respective carrying amounts.

The movement in chargebacks and other allowances and expected credit loss allowance is as follows:

	As at 31 December 2024 and 1 January 2025 \$m	Additions, net \$m	Utilisation \$m	Translation adjustments \$m	As at 31 December 2025 \$m
	Chargebacks and other allowances	391	2,596	(2,667)	-
Expected credit loss allowance	75	1	-	-	76
	<b>466</b>	<b>2,597</b>	<b>(2,667)</b>	<b>-</b>	<b>396</b>

	As at 31 December 2023 and 1 January 2024 \$m	Additions, net \$m	Utilisation \$m	Translation adjustments \$m	As at 31 December 2024 \$m
	Chargebacks and other allowances	352	2,758	(2,719)	-
Expected credit loss allowance	81	2	-	(8)	75
	<b>433</b>	<b>2,760</b>	<b>(2,719)</b>	<b>(8)</b>	<b>466</b>

More details on the Group's policy for credit and concentration risk are provided in Note 30.

## Notes to the consolidated financial statements continued

### 19. Trade and other receivables continued

At 31 December 2025, the provision balance relating to chargebacks amounted to \$212 million (2024: \$273 million). Based on the conditions existing at the balance sheet date, a decrease by one hundred basis-points in the overall chargeback rate of 58% (2024: 57%) would reduce the provision by approximately \$4 million (2024: approximately \$5 million).

At 31 December 2025, the provision balance relating to customer rebates amounted to \$38 million (2024: \$45 million). Based on the conditions existing at the balance sheet date, a decrease by fifty basis-points in the rebates rate of 3.8% (2024: 4.4%) would reduce the provision by approximately \$5 million (2024: approximately \$5 million).

### 20. Cash and cash equivalents

	As at 31 December	
	2025 \$m	2024 \$m
Cash at banks and on hand <sup>1</sup>	157	127
Time deposits	43	59
Money market deposits	17	2
	<b>217</b>	<b>188</b>

1. In 2025, cash at banks included \$76 million placed in interest-bearing accounts (2024: \$24 million)

Money market deposits comprise investment in funds at FVTPL that are subject to insignificant risk of changes in fair value and can be readily converted into cash that fall under level 1 valuation (Note 31).

### 21. Other current assets

	As at 31 December	
	2025 \$m	2024 \$m
Restricted cash	111	–
Prepayments	87	73
Investment at FVTPL	26	25
Others	17	18
	<b>241</b>	<b>116</b>

**Restricted cash** represents cash held in restricted accounts for legal settlements, with a corresponding provision at 31 December 2025 (Note 24). Of this amount, a total of \$110 million was subsequently paid in January 2026.

**Investment at FVTPL** comprise a portfolio of debt instruments that are managed by an asset manager and which the Group designated as measured at fair value through profit or loss. These assets are classified as level 1 as they are based on quoted prices in active markets (Note 31).

**Others** mainly represent compensation due from suppliers in relation to inventory price adjustments.

### 22. Short-term financial debts

	As at 31 December	
	2025 \$m	2024 \$m
Short-term borrowings	14	21
Current portion of long-term borrowings (Note 26)	92	621
	<b>106</b>	<b>642</b>

In 2025, the weighted average interest rate incurred for short-term borrowings was 11.1% (2024: 9.1%).

In 2024, the current portion of long-term borrowings comprised the previous Eurobond, which matured and was repaid in July 2025. Subsequently, a new Eurobond was issued in July 2025 with a maturity date of July 2030. This new Eurobond is presented under long-term borrowings as at 31 December 2025 (Note 26).

### 23. Trade and other payables

	As at 31 December	
	2025 \$m	2024 \$m
Trade payables	400	358
Accrued expenses	292	266
Other payables	23	26
	<b>715</b>	<b>650</b>

The fair value of payables is estimated to be not significantly different from the respective carrying amounts.

### 24. Provisions

	Provision for end of service indemnity	Provision for legal settlements	Total
	\$m	\$m	
<b>Balance at 1 January 2024</b>	30	129	159
Additions	3	–	3
Remeasurement of post-employment benefit obligations <sup>1</sup>	1	–	1
Settlements	(5)	–	(5)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>29</b>	<b>129</b>	<b>158</b>
Additions	5	72	77
Unwinding of post-employment benefit obligations	1	–	1
Remeasurement of post-employment benefit obligations <sup>1</sup>	2	–	2
Settlements	(4)	(75)	(79)
<b>Balance at 31 December 2025</b>	<b>33</b>	<b>126</b>	<b>159</b>

1. The remeasurement is due to actuarial valuations and changes in actuarial assumptions, and is recognised in other comprehensive expense

	2025	2024
	\$m	\$m
Due within one year	119	122
Due after more than one year	40	36
	<b>159</b>	<b>158</b>

Provisions are often subject to uncertainty regarding the timing and settlement amounts. When a settlement is reached and the uncertainty is resolved, these amounts are not classified to trade and other payables and remain classified within provisions. This is to provide more transparent disclosure of subsequent movements. The remaining balance at 31 December 2025 includes \$111 million that was placed into restricted cash, of which a total of \$110 million was agreed for settlement and subsequently paid in January 2026 (Note 21).

The addition of \$72 million in the provision for legal settlements is related to an agreement reached to settle all antitrust lawsuits brought against Hikma Pharmaceuticals USA Inc. by third-parties in the US who have purchased or been billed for Xyrem® (Sodium Oxybate). The agreed-upon settlement is not an admission of wrongdoing or legal liability the Sodium Oxybate settlement. This provision was settled during the year (Note 6).

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.

## Notes to the consolidated financial statements

### continued

#### 25. Other current liabilities

	As at 31 December	
	2025 \$m	2024 \$m
Indirect rebates and other allowances	188	173
Refund liability	152	151
Deferred income (Note 28)	55	28
Acquired contingent liability (Note 28)	24	20
Contingent consideration liabilities (Notes 6, 28 and 31)	–	85
Others	12	18
	<b>431</b>	<b>475</b>

**Indirect rebates and other allowances:** mainly represent rebates granted to healthcare authorities and certain indirect customers under contractual arrangements. At 31 December 2025, the provision balance relating to the indirect rebates amounted to \$110 million (2024: \$100 million). Based on the conditions existing at the balance sheet date, a decrease by fifty basis-points in the rebates rate of 5.4% (2024: 4.9%) would reduce the provision by approximately \$10 million (2024: approximately \$10 million).

**Refund liability** reflects provisions for product returns, where the Group allows customers to return products within a specified period prior to and subsequent to the expiration date. Based on the conditions existing at the balance sheet date, a decrease by fifteen basis-points in the returns and allowed rate of 1.3% (2024: 1.4%) would reduce the provision by approximately \$17 million (2024: approximately \$16 million).

**Deferred income** mainly 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 and deferred lease income arising from the lease component within contract manufacturing services.

As at 31 December 2025, total deferred income amounted to \$113 million (2024: \$58 million). Of this, the current portion was \$55 million (2024: \$28 million), which comprised \$47 million in contract liabilities (2024: \$28 million) and \$8 million in deferred lease income (2024: \$nil). The non-current portion amounted to \$58 million (2024: \$30 million), which comprised \$24 million in contract liabilities (2024: \$13 million) and \$34 million in deferred lease income (2024: \$17 million).

During the year, revenue of \$27 million (2024: \$21 million) was recognised as performance obligations were satisfied.

The movement for indirect rebates and other allowances, refund liability and deferred income for the years ended 31 December 2025 and 2024 was as follows:

	Indirect rebates and other allowances \$m	Refund liability \$m	Deferred income \$m	Total \$m
<b>Balance at 1 January 2024</b>	145	158	21	324
Additions	334	55	58	447
Utilisations	(306)	(61)	(21)	(388)
Translation adjustment	–	(1)	–	(1)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>173</b>	<b>151</b>	<b>58</b>	<b>382</b>
Additions	350	42	82	474
Utilisations	(336)	(42)	(27)	(405)
Translation adjustment	1	1	–	2
<b>Balance at 31 December 2025</b>	<b>188</b>	<b>152</b>	<b>113</b>	<b>453</b>

	2025		2024	
	\$m	\$m	\$m	\$m
Current		395		352
Non-current (Note 28)		58		30
		<b>453</b>		<b>382</b>

#### 26. Long-term financial debts

	As at 31 December	
	2025 \$m	2024 \$m
Long-term borrowings	1,537	1,228
Less: current portion (Note 22)	(92)	(621)
	<b>1,445</b>	<b>607</b>
Breakdown by maturity:		
Within one year	92	621
In the second year	125	118
In the third year	561	129
In the fourth year	157	117
In the fifth year	554	242
In the sixth year	48	1
	<b>1,537</b>	<b>1,228</b>
Breakdown by currency:		
US dollar	1,440	1,156
Algerian dinar	45	31
Jordanian dinar	24	7
Moroccan dirham	21	23
Tunisian dinar	6	2
Euro	1	9
	<b>1,537</b>	<b>1,228</b>

In 2025, the weighted average interest rate incurred for long-term borrowings was 5.1% (2024: 5.1%).

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 2025, the facility had a carrying value of \$100 million (2024: \$240 million) and a fair value of \$100 million (2024: \$240 million) and an unutilised amount of \$1,050 million (2024: \$910 million). The facility can be used for general corporate purposes
- A new \$500 million 5.125%, five-year Eurobond with a rating of BBB (S&P & Fitch) that matures on 8 July 2030. At 31 December 2025, the facility had a carrying value of \$495 million and a fair value of \$505 million. This bond was issued to refinance the previous \$500 million, 3.25% Eurobond that matured in July 2025
- A new \$400 million three-year syndicated loan facility that matures on 6 November 2028. At 31 December 2025, the facility had a carrying value of \$398 million and a fair value of \$398 million. The proceeds were partially used to settle the previous \$400 million five-year syndicated loan facility, which had an outstanding balance of \$162 million at 31 December 2024, the remaining proceeds were used for general corporate purposes
- A new \$250 million six-year loan facility from the International Finance Corporation that matures on 15 July 2031. At 31 December 2025, the facility had a carrying value of \$247 million and a fair value of \$247 million. The proceeds were used for general corporate purposes
- 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 2025, the facility had a carrying value of \$153 million (2024: \$185 million) and a fair value of \$153 million (2024: \$185 million). The proceeds were used for general corporate purposes
- A \$150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 31 December 2025, the facility had a carrying value of \$43 million (2024: \$63 million) and a fair value of \$41 million (2024: \$61 million). The proceeds were used for general corporate purposes

Where relevant, covenants on major financial debt arrangements are suspended while the Group retains its investment-grade status. As of 31 December 2025, 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.

## Notes to the consolidated financial statements

### continued

#### 27. Reconciliation of movement in net debt

	2025 \$m	2024 \$m
<i>Interest-bearing loans and borrowings (Notes 22 and 26)</i>		
<b>Balance at 1 January</b>	<b>1,249</b>	1,125
Proceeds from issue of long-term financial debts	<b>2,402</b>	684
Proceeds from issue of short-term financial debts	<b>349</b>	387
Repayment of long-term financial debts	<b>(2,093)</b>	(536)
Repayment of short-term financial debts	<b>(357)</b>	(411)
Upfront fees and Eurobond transaction costs	<b>(8)</b>	–
Amortisation of upfront fees	<b>3</b>	3
Foreign exchange translation movements	<b>6</b>	(3)
<b>Balance at 31 December</b>	<b>1,551</b>	1,249
<i>Lease liabilities (Note 15)</i>		
<b>Balance at 1 January</b>	<b>57</b>	66
Additions	<b>8</b>	11
Business combination	<b>–</b>	2
Accretion of interest	<b>3</b>	3
Retirements	<b>(1)</b>	(1)
Repayment of lease liabilities	<b>(14)</b>	(24)
<b>Balance at 31 December</b>	<b>53</b>	57
<b>Total Debt</b>	<b>1,604</b>	1,306
Less: cash and cash equivalents (Note 20)	<b>(217)</b>	(188)
<b>Net debt<sup>1</sup></b>	<b>1,387</b>	1,118

1. Net debt includes long and short-term financial debts and lease liabilities, net of cash and cash equivalents. Net debt excludes acquired contingent liability and contingent consideration liability (Notes 25 and 28)

#### 28. Other non-current liabilities

	As at 31 December	
	2025 \$m	2024 \$m
Deferred income (Note 25)	<b>58</b>	30
Contingent consideration liability (Notes 6, 25 and 31)	<b>7</b>	68
Acquired contingent liability (Note 25)	<b>1</b>	29
	<b>66</b>	127

#### 29. Share capital

Issued and fully paid – included in shareholders' equity:

	2025	2024
<b>Number of shares at 1 January</b>	<b>234,719,686</b>	233,914,604
Shares issued for employees share scheme	<b>–</b>	805,082
<b>Number of shares at 31 December</b>	<b>234,719,686</b>	234,719,686
<b>Balance at 31 December (in \$m)</b>	<b>40</b>	40

As at 31 December 2025, 12,833,233 of the issued share capital were held as treasury shares (2024: 12,833,233), and 1,779,538 shares were held in the employee benefit trust (EBT) (2024: 1,455,190). Treasury shares have no right to receive dividends, and the EBT has waived its entitlement to dividends. While the voting rights attached to treasury shares are not exercisable, shares held in the EBT retain their voting rights. A total of 220,106,915 shares were in free issue (2024: 220,431,263).

In 2025, there was no newly issued share capital as the EBT purchased shares to satisfy the vested share awards under the share-based compensation schemes (2024: 805,082).

Shares held in the EBT were acquired using funds provided by the Group to fulfil its obligation to deliver shares when employees exercise their awards. These shares are deducted from other reserves, with a corresponding transfer to retained earnings when utilised for the exercise of share awards. During the year, the Group acquired 1,500,000 shares for a total consideration of \$36 million, and 1,175,652 shares were utilised for the exercise of awards.

#### 30. Financial policies for risk management and their objectives

##### Capital management and liquidity risk

The Group manages its capital and monitors its liquidity to have reasonable assurance that the Group will be able to continue as a going concern and deliver its growth strategy objectives, while reducing its cost of capital and maximising the return to shareholders through the optimisation of the debt and equity mix. The Group regularly reviews the capital structure by considering the level of available capital and the short to medium-term strategic plans concerning future capital spend, as well as the need to meet dividends, capital allocation priorities, and borrowing ratios.

The Group defines capital as equity plus net debt which includes long and short-term financial debts (Notes 22 and 26), lease liabilities (Note 15), net of cash and cash equivalents (Note 20). Group net debt excludes acquired contingent liability and contingent consideration liability (Notes 25 and 28).

During the year, the Group continued its strategy of obtaining debt financing at both the Group level and at the operating entities level. This enables the Group to borrow at competitive rates and to build relationships with local, regional and international banks and is therefore deemed to be the most effective means of raising finance, while maintaining the balance between borrowing cost, asset and liability management, and consolidated balance sheet currency risk management.

In order to monitor the available net funds, management reviews financial capital reports on a monthly basis, in addition to the continuous review by the Group treasury function.

At 31 December 2025, the Group's gearing ratio (total debt/equity) was 62% (2024: 56%).

##### Cash management

The Group manages the deployment of cash balances to predefined limits approved by the Board of Directors under the cash/risk management policy. Per the policy, the Group's excess cash should be held with highly rated global and regional financial institutions. The aim of the policy is to mitigate the risk of holding cash in certain currencies, countries and financial institutions, through specific thresholds. The Group reviews the policy periodically to meet its risk appetite.

The maturity analysis of the future contractual cash flows in relation to the Group's financial liabilities is as follows:

	Less than one year \$m	One to five years \$m	More than five years \$m	Total \$m
<b>2025</b>				
Interest-bearing long-term borrowings (Note 26)	<b>149</b>	<b>1,539</b>	<b>49</b>	<b>1,737</b>
Interest-bearing short-term borrowings (Note 22)	<b>15</b>	–	–	<b>15</b>
Interest-bearing lease liabilities (Note 15)	<b>10</b>	<b>21</b>	<b>36</b>	<b>67</b>
Trade and other payables (Note 23)	<b>715</b>	–	–	<b>715</b>
Contingent consideration (Note 28)	–	–	<b>10</b>	<b>10</b>
	<b>889</b>	<b>1,560</b>	<b>95</b>	<b>2,544</b>
	Less than one year \$m	One to five years \$m	More than five years \$m	Total \$m
<b>2024</b>				
Interest-bearing long-term borrowings (Note 26)	677	683	2	1,362
Interest-bearing short-term borrowings (Note 22)	22	–	–	22
Interest-bearing lease liabilities (Note 15)	14	26	38	78
Trade and other payables (Note 23)	650	–	–	650
Contingent consideration (Notes 25 and 28)	86	82	8	176
	1,449	791	48	2,288

The Group regularly monitors all cash, cash equivalents and debt to maintain liquidity needs. This is done by analysing debt headroom and expected cash flows. The Group seeks to be proactive in its liquidity management to avoid any adverse liquidity effect.

At 31 December 2025, the Group had undrawn facilities of \$1,415 million (2024: \$1,297 million). Of these facilities, \$1,050 million (2024: \$924 million) were committed long-term facilities.

## Notes to the consolidated financial statements

### continued

### 30. Financial policies for risk management and their objectives continued

#### Credit and concentration of risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated balance sheet are net of allowances for expected credit loss, chargebacks, and other allowances. A provision for impairment is made based on expected credit loss which is estimated based on previous experience, current events and forecasts of future conditions. A loan or receivable is considered impaired when there is no reasonable expectation of recovery, or when a debtor fails to make a contractual payment for a specific period which varies based on the type of debtor and the market in which they operate.

During the year ended 31 December 2025, the Group's largest two customers in the MENA region represented 6.5% of Group revenue (2024: 6.5%), 5.0% from one customer in Saudi Arabia (2024: 5.0%), and 1.5% from one customer in Algeria (2024: 1.5%). At 31 December 2025, the net receivables due from all customers based in Saudi Arabia and Algeria were \$97 million and \$88 million respectively (2024: \$79 million and \$63 million respectively).

During the year ended 31 December 2025, three key US wholesalers represented 34% of Group revenue (2024: 35%). At 31 December 2025, the amount of net receivables due from all US customers was \$532 million (2024: \$522 million).

Trade receivable exposures are monitored consistently as they arise. Credit limits are set as deemed appropriate for the customer, based on a number of qualitative and quantitative factors related to the creditworthiness of a particular customer. The Group is exposed to a variety of customers ranging from government-backed agencies and large private wholesalers to privately owned pharmacies, and the underlying local economic risks vary across the Group. In line with local market practice, customers in the MENA region are offered relatively long payment terms compared to customers in Europe and North America. Typical credit terms in North America range from 30 to 90 days, in Europe 30 to 120 days, and in MENA 180 to 360 days.

The Group manages this risk through the implementation of stringent credit policies, procedures, the use of trade finance instruments and certain credit insurance agreements.

The following table provides a summary of the age of trade receivables (Note 19):

	Not past due on the reporting date \$m	Past due				Total \$m
		Less than 90 days \$m	Between 91 and 180 days \$m	Between 181 and 360 days \$m	Over one year \$m	
<b>At 31 December 2025</b>						
Expected credit loss rate	0.1%	0.2%	19.5%	18.6%	65.3%	5.4%
Gross trade receivables as at 31 December 2025	1,184	62	21	26	100	1,393
Expected credit loss allowance	(1)	–	(4)	(5)	(66)	(76)
Chargebacks and other allowances	(320)	–	–	–	–	(320)
<b>Net trade receivables</b>	<b>863</b>	<b>62</b>	<b>17</b>	<b>21</b>	<b>34</b>	<b>997</b>

	Not past due on the reporting date \$m	Past due				Total \$m
		Less than 90 days \$m	Between 91 and 180 days \$m	Between 181 and 360 days \$m	Over one year \$m	
<b>At 31 December 2024</b>						
Expected credit loss rate	0.1%	0.6%	18.5%	14.8%	77.0%	5.5%
Gross trade receivables as at 31 December 2024	1,157	62	26	34	83	1,362
Expected credit loss allowance	(1)	–	(5)	(5)	(64)	(75)
Chargebacks and other allowances	(391)	–	–	–	–	(391)
<b>Net trade receivables</b>	<b>765</b>	<b>62</b>	<b>21</b>	<b>29</b>	<b>19</b>	<b>896</b>

### 30. Financial policies for risk management and their objectives continued

#### Market risk

The Group is exposed to foreign exchange and interest rate risks. The Group's objective is to reduce, where it is appropriate to do so, fluctuations in earnings and cash flow associated with changes in interest rates and foreign currency rates. Management actively monitors these exposures to manage the volatility relating to these exposures by entering into a variety of derivative financial instruments, if needed.

#### Interest rate risk

The interest rate profile of the Group's interest-bearing financial assets and liabilities is set out below:

	As at 31 December 2025			As at 31 December 2024		
	Fixed rate \$m	Floating rate \$m	Total \$m	Fixed rate \$m	Floating rate \$m	Total \$m
<b>Financial liabilities</b>						
Interest-bearing loans and borrowings (Notes 22 and 26)	582	969	1,551	597	652	1,249
Lease liabilities (Note 15)	53	–	53	57	–	57
<b>Financial assets</b>						
Interest-bearing cash and cash equivalents (Note 20)	–	136	136	–	85	85

An interest rate sensitivity analysis assumes an instantaneous one percentage point change in interest rates in all currencies from their levels at 31 December 2025 with all other variables held constant. Based on the composition of the Group's net debt portfolio as at 31 December 2025, a one percentage point increase/decrease in interest rates would result in a \$8 million increase/decrease in net finance cost per year (2024: \$6 million increase/decrease).

#### Foreign exchange risk and currency risk

The Group uses the US dollar as its reporting currency and is therefore exposed to foreign exchange movements primarily in the Euro, Algerian dinar, Egyptian pound, Tunisian dinar and Moroccan dirham. Consequently, where appropriate, the Group may enter into various contracts, which change in value as foreign exchange rates change, to hedge against the risk of movement in foreign-denominated assets and liabilities. Due to the lack of open currency markets, the Algerian dinar, the Tunisian dinar, the Moroccan dirham and the Egyptian pound cannot be hedged at reasonable cost. Where possible, the Group uses financing facilities denominated in local currencies to mitigate the risks. Movements in the Jordanian dinar and the Saudi riyal had no impact on the consolidated income statement as these currencies are pegged against the US dollar.

Currency risks, as defined by IFRS 7, arise on account of financial instruments being denominated in a currency that is other than the functional currency of an entity and being of a monetary nature.

The currencies that have a significant impact on the Group's consolidated financial statements and the exchange rates used are as follows:

	Year-end rates		Average rates	
	2025	2024	2025	2024
US dollar /Euro	0.851	0.965	0.884	0.924
US dollar /Algerian dinar	129.560	135.743	131.555	134.037
US dollar /Saudi riyal	3.750	3.750	3.750	3.750
US dollar /Pound sterling	0.742	0.799	0.758	0.783
US dollar /Jordanian dinar	0.709	0.709	0.709	0.709
US dollar /Egyptian pound	47.604	50.771	49.142	45.309
US dollar /Moroccan dirham	9.128	10.111	9.351	9.940
US dollar /Tunisian dinar	2.901	3.185	3.001	3.117

## Notes to the consolidated financial statements continued

### 30. Financial policies for risk management and their objectives continued

The net foreign currency exposures for the years ended 31 December 2025 and 2024 were as follows:

	Financial assets/(liabilities)		
	US dollar \$m	Euro \$m	Others' \$m
<b>2025</b>			
Functional currency of entity:			
– Jordanian dinar	190	(4)	(8)
– Euro	61	–	2
– Algerian dinar	(14)	–	–
– Saudi riyal	(32)	(19)	–
– Egyptian pound	(47)	(2)	–
– Tunisian dinar	1	2	–
– Moroccan dirham	(20)	(7)	–
– US Dollar	–	(4)	7
	<b>139</b>	<b>(34)</b>	<b>1</b>
<b>2024</b>			
Functional currency of entity:			
– Jordanian dinar	141	7	3
– Euro	24	–	–
– Algerian dinar	(15)	–	–
– Saudi riyal	15	(9)	–
– Egyptian pound	(32)	(8)	–
– Tunisian dinar	–	2	–
– Moroccan dirham	(15)	(6)	–
– US Dollar	–	1	13
	<b>118</b>	<b>(13)</b>	<b>16</b>

1. Others include Saudi Riyal, Jordanian Dinar, Egyptian Pound, Japanese Yen, Pound Sterling, Swiss Franc and UAE Dirham

A sensitivity analysis based on a 10% movement in foreign exchange rates would result in a \$11 million (2024: \$12 million) movement in foreign exchange loss/gain on the Group results.

The Group sets certain limits on liquid funds per currency (other than the US dollar) and per country.

### 31. Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying values of the following financial assets/liabilities are not significantly different from their fair values, as explained below:

- Cash and cash equivalents – due to the short-term maturities of these financial instruments and given that generally they have negligible credit risk, management considers the carrying amounts not to be significantly different from their fair values
- Restricted cash (Note 21) – the fair value of restricted cash is not considered to be significantly different from the carrying value
- Other financial assets (Note 17) – mainly represent long-term receivables and up-front fees carried at amortised cost, of which the fair value is estimated not to be significantly different from the respective carrying amounts
- Receivables and payables – the fair values of receivables and payables are estimated not to be significantly different from the respective carrying amounts
- Short-term loans and overdrafts approximate to their fair value because of the short maturity of these instruments
- Long-term loans – loans with variable rates are re-priced in response to any changes in market rates and so management considers their carrying values not to be significantly different from their fair values
- Provisions – where settlement has been agreed but not yet paid, such balances remain within provisions, rather than reclassified to trade and other payables, to provide transparent disclosure of movements. The remaining balance at 31 December 2025 includes \$110 million that was agreed for settlement and subsequently paid in January 2026 (Note 24). The fair value of this agreed settlement amount is not estimated to be different from its carrying amount

Loans with fixed rates relate mainly to:

- \$500 million 5.125%, five-year Eurobond with a carrying value of \$495 million at 31 December 2025 and fair value of \$505 million, accounted for at amortised cost. The fair value is determined with reference to a quoted price in an active market as at the balance sheet date (a level 1 fair value) (Note 26)
- A ten-year \$150 million loan from the International Finance Corporation with a carrying value of \$42 million at 31 December 2025 and a fair value of \$41 million. Fair value is estimated by discounting future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities of such loans (a level 2 fair value)

Management classifies items that are recognised at fair value based on the level of the inputs used in their fair value determination as described below:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities
- **Level 2:** Inputs that are observable for the asset or liability
- **Level 3:** Inputs that are not based on observable market data

The following financial assets/liabilities are presented at their fair value:

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>At 31 December 2025</b>				
<b>Financial assets</b>				
Investment at FVTPL (Note 21)	26	–	–	26
Money market deposit (Note 20)	17	–	–	17
Investments in unlisted shares at FVTOCI (Note 17)	–	–	40	40
<b>Total financial assets</b>	<b>43</b>	<b>–</b>	<b>40</b>	<b>83</b>
<b>Financial liabilities</b>				
Contingent consideration liability (Note 28)	–	–	7	7
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>
<b>At 31 December 2024</b>				
<b>Financial assets</b>				
Investment at FVTPL (Note 21)	25	–	–	25
Money market deposit (Note 20)	2	–	–	2
Investments in listed shares at FVTOCI (Note 17)	1	–	–	1
Investments in unlisted shares at FVTOCI (Note 17)	–	–	50	50
<b>Total financial assets</b>	<b>28</b>	<b>–</b>	<b>50</b>	<b>78</b>
<b>Financial liabilities</b>				
Contingent consideration liabilities (Notes 25 and 28)	–	–	153	153
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>153</b>	<b>153</b>

Investments in unlisted shares at FVTOCI represent investments in start-ups, measured at cost and adjusted for impairment and revaluations based on relevant available information and recent financing rounds.

## Notes to the consolidated financial statements continued

### 31. Fair value of financial assets and liabilities continued

The following table presents the changes in Level 3 items for the years ended 31 December 2025 and 2024:

	Financial assets \$m	Financial liabilities \$m
<b>At 1 January 2024</b>	53	42
Settled	–	(13)
Remeasurement of contingent consideration and other financial liability recognised in finance expense	–	71
Unwinding of contingent consideration and other financial liability recognised in finance expense	–	3
Contingent consideration related to business combination in the period	–	50
Change in fair value of investments at FVTOCI	(5)	–
Additions of investments at FVTOCI	2	–
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>50</b>	<b>153</b>
Settled	–	(75)
Remeasurement of contingent consideration liabilities recognised in finance income	–	(72)
Unwinding of contingent consideration liability recognised in finance expense	–	1
Change in fair value of investments at FVTOCI	(13)	–
Additions of investments at FVTOCI	3	–
<b>Balance at 31 December 2025</b>	<b>40</b>	<b>7</b>

### 32. Audit remuneration

The Group auditor's remuneration on a worldwide basis is as follows:

	2025 \$m	2024 (restated) <sup>1</sup> \$m
Fees to the company's auditor and its associates for the audit of the parent company and consolidated financial statements	2.6	3.0
Fees to the company's auditor and its associates for the audit of the financial statements of the Group's subsidiaries	0.7	0.7
<b>Total audit fees</b>	<b>3.3</b>	<b>3.7</b>
Audit-related assurance services	0.3	0.3
Other non-audit fees	0.4	0.2
<b>Total audit and non-audit fees</b>	<b>4.0</b>	<b>4.2</b>

1. Amounts have been restated to reflect final amounts billed in relation to 2024

Audit-related assurance services relate to review procedures in respect of the interim financial information. In 2025, other non-audit fees represented other assurance services in connection with the Eurobond offering, the Group's sustainability report and new regulatory requirement in Morocco. Additionally, nominal non-audit fees were charged in both years related to subscriptions to a technical accounting portal.

A description of the work of the Audit Committee is set out in the Audit Committee report on pages 111 to 115 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

### 33. Staff costs

The average monthly number of employees (including Executive Directors) was:

	2025 Number	2024 Number
Production	5,696	5,545
Sales, general and administration	3,353	3,224
Research and development	554	539
	<b>9,603</b>	<b>9,308</b>

### 33. Staff costs continued

The aggregate remuneration comprised the following:

	2025 \$m	2024 \$m
Wages, salaries and bonuses	485	452
Health insurance	48	47
Social security costs	47	45
Car and housing allowances	28	24
Share-based payments (Note 34)	23	27
Post-employment benefits	17	16
End of service indemnity	15	18
Other costs and employee benefits	29	25
	<b>692</b>	<b>654</b>

### 34. Share-based payments

#### Long-term incentive plan (LTIP)

The 2023 Long-Term Incentive Plan (LTIP) was introduced under the 2023 Remuneration Policy and was approved by shareholders at the 2023 Annual General Meeting. Under the LTIP, the Company grants performance awards and restricted deferred bonus awards to Executive Directors of the Group, along with restricted awards for management.

#### Three-year LTIP performance awards

The three-year LTIP performance awards are conditional grants to the Executive Directors of the Group that are dependent on certain non-market and market conditions with a vesting period of three years from the grant date and are then subject to a two-year holding period.

The fair value per share is the face value of shares on the date of grant for non-market conditions. For market conditions, valuation is based on the Monte Carlo methodology. No discounting for dividend yield is applied as participants will receive the benefit of dividends paid during the vesting period in the form of additional shares.

The cost is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period after the grant date. The cost for the year was \$7 million (2024: \$7 million) and has been recorded in the consolidated income statement as part of selling, general and administrative expenses.

Details of the outstanding grants under this plan are shown below:

	2025 grants 9 April	2024 grants 9 April	2023 grants 31 Aug	2023 grants 30 May	Total Number
<b>Year 2025</b>					
Beginning balance	–	745,548	28,717	588,711	1,362,976
Granted during the year	752,000	–	–	–	752,000
Dividends equivalent during the year	12,124	25,639	989	20,245	58,997
Forfeited during the year	(204,003)	(113,709)	(16,616)	–	(334,328)
<b>Outstanding at 31 December</b>	<b>560,121</b>	<b>657,478</b>	<b>13,090</b>	<b>608,956</b>	<b>1,839,645</b>
Exercisable at 31 December	–	–	–	–	–
Weighted average remaining contractual life (years)	2.27	1.27	0.67	0.41	1.29
<b>Year 2024</b>					
Beginning balance	–	–	27,829	608,514	636,343
Granted during the year	–	788,967	–	–	788,967
Dividends equivalent during the year	–	8,661	888	18,220	27,769
Forfeited during the year	–	(52,080)	–	(38,023)	(90,103)
<b>Outstanding at 31 December</b>	<b>–</b>	<b>745,548</b>	<b>28,717</b>	<b>588,711</b>	<b>1,362,976</b>
Exercisable at 31 December	–	–	–	–	–
Weighted average remaining contractual life (years)	–	2.27	1.67	1.41	1.89
Fair value of each share at grant date \$	21.00	20.62	27.06	21.13	
The share price at grant date \$	22.66	22.96	27.74	22.32	

## Notes to the consolidated financial statements continued

### 34. Share-based payments continued

#### LTIP deferred bonus awards

Under this scheme, 50% of the annual bonus is deferred into an award to the Executive Directors of the Group over shares for a vesting period of three years. Awards are subject to the achievement of Group and individual KPIs in the prior year.

The cost of share-based payments for these share awards is measured by reference to the fair value at the date at which the awards are granted. Fair value is determined based on the share price as at the date of grant. No discounting for dividend yield is applied as participants will receive the benefit of dividends paid during the vesting period in the form of additional shares. The cost is recognised, together with a corresponding increase in equity, on a straight-line basis over the year of performance and the vesting period after the grant date.

The cost of the deferred bonus awards of \$2 million (2024: \$1 million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses.

Details of the outstanding grants under this plan are shown below:

	2025 grants 9 April	2024 grants 9 April	Total Number
<b>Year 2025</b>			
Beginning Balance	–	76,550	76,550
Granted during the year	87,229	–	87,229
Dividends equivalent during the year	1,406	2,633	4,039
<b>Outstanding at 31 December</b>	<b>88,635</b>	<b>79,183</b>	<b>167,818</b>
Exercisable at 31 December	–	–	–
Weighted average remaining contractual life (years)	2.27	1.27	1.80
<b>Year 2024</b>			
Beginning Balance	–	–	–
Granted during the year	–	75,587	75,587
Dividends equivalent during the year	–	963	963
<b>Outstanding at 31 December</b>	<b>–</b>	<b>76,550</b>	<b>76,550</b>
Exercisable at 31 December	–	–	–
Weighted average remaining contractual life (years)	–	2.27	2.27
Fair value of each share at grant date \$	22.66	22.96	
The share price at grant date \$	22.66	22.96	

### 34. Share-based payments continued

#### Two-year LTIP restricted awards

Under this award, the Group makes grants of conditional awards to management across the Group for a period of two years. Awards are dependent on the achievement of individual and Group KPIs one year prior to the grant.

The cost of share-based payments for these share awards is measured by reference to the fair value at the date at which the awards are granted. Fair value is determined based on the share price as at the date of grant discounted by dividend yield. This cost is recognised, together with a corresponding increase in equity, on a straight-line basis over the year of performance and the vesting period after the grant date.

The cost of the two-year LTIP awards of \$12 million (2024: \$11 million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses.

Details of the outstanding grants under this plan are shown below:

	2025 grants 9 April	2024 grants 9 April	Total Number
<b>Year 2025</b>			
Beginning Balance	–	853,849	853,849
Granted during the year	796,672	–	796,672
Forfeited during the year	(46,027)	(75,259)	(121,286)
<b>Outstanding at 31 December</b>	<b>750,645</b>	<b>778,590</b>	<b>1,529,235</b>
Exercisable at 31 December	–	–	–
Weighted average remaining contractual life (years)	1.27	0.27	0.76
<b>Year 2024</b>			
Beginning Balance	–	–	–
Granted during the year	–	922,023	922,023
Exercised during the year	–	(1,633)	(1,633)
Forfeited during the year	–	(66,541)	(66,541)
<b>Outstanding at 31 December</b>	<b>–</b>	<b>853,849</b>	<b>853,849</b>
Exercisable at 31 December	–	–	–
Weighted average remaining contractual life (years)	–	1.27	1.27
Fair value of each share at grant date \$	21.44	21.75	
The share price at grant date \$	22.66	22.96	
Expected dividend yield %	2.80%	2.74%	

## Notes to the consolidated financial statements

### continued

#### 34. Share-based payments continued

##### Executive incentive plan

The 2014 Executive Incentive Plan (EIP) was approved by shareholders at the 2014 Annual General Meeting. The EIP is a combined cash bonus (element A), deferred shares (element B) and restricted shares (element C) scheme. In 2023, this plan was replaced by the 2023 Long-Term Incentive Plan (LTIP).

Under the EIP, the Company made grants of conditional awards under element B and element C to senior management and Executive Directors of the Group. Awards were dependent on the achievement of individual and Group KPIs over one year prior to grant. Element B share awards had a two-year vesting period, and were then subject to a two-year holding period during which they were subject to forfeiture conditions. Element C share awards have a three-year vesting period but are not subject to a forfeiture condition.

The cost of the EIP of \$2 million (2024: \$6 million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses and research and development expenses.

The fair value per share is the face value of share on the date of grant less the present value of dividends expected to be paid during the vesting period.

The weighted average exercise share price for 2025 is \$28.14.

Details of the outstanding grants under this plan are shown below:

	2023 grants 30 May	2023 grants 30 May	2022 grants 25 Feb	2022 grants 25 Feb	2021 grants 25 Feb	2018 grants 16 May	2017 grants 13 Apr	2016 grants 17 March	Total Number
<b>Year 2025</b>									
Beginning balance	145,545	555,439	102,956	-	-	14,257	27,508	38,350	884,055
Exercised during the year	-	(542,831)	(102,956)	-	-	(14,257)	(27,508)	(38,350)	(725,902)
Forfeited during the year	-	(12,608)	-	-	-	-	-	-	(12,608)
<b>Outstanding at 31 December</b>	<b>145,545</b>	<b>-</b>	<b>145,545</b>						
Exercisable at 31 December	-	-	-	-	-	-	-	-	-
Weighted average remaining contractual life (years)	0.41	-	-	-	-	-	-	-	0.41
<b>Year 2024</b>									
Beginning balance	153,847	583,295	115,361	399,252	100,442	14,257	27,508	38,350	1,432,312
Exercised during the year	(2,558)	(15,218)	(9,013)	(391,377)	(100,442)	-	-	-	(518,608)
Forfeited during the year	(5,744)	(12,638)	(3,392)	(7,875)	-	-	-	-	(29,649)
<b>Outstanding at 31 December</b>	<b>145,545</b>	<b>555,439</b>	<b>102,956</b>	<b>-</b>	<b>-</b>	<b>14,257</b>	<b>27,508</b>	<b>38,350</b>	<b>884,055</b>
Exercisable at 31 December	-	-	-	-	-	14,257	27,508	38,350	80,115
Weighted average remaining contractual life (years)	1.41	0.41	0.15	-	-	3.38	2.36	1.21	0.69
Fair value of each share at grant date \$	21.30	21.30	25.00	25.38	31.71	18.45	23.52	26.21	
The share price at grant date \$	22.32	22.32	26.14	26.14	33.09	19.09	23.98	26.98	
Expected dividend yield %	2.36%	2.36%	1.50%	1.50%	1.43%	1.71%	0.97%	0.71%	

#### 34. Share-based payments continued

##### Management incentive plan

The 2009 Management Incentive Plan (MIP) was approved by shareholders at the 2010 Annual General Meeting and the 2018 MIP was approved by shareholders at the 2018 Annual General Meeting. Under the MIP, the Company made grants of conditional awards to management across the Group below senior management level. Awards were dependent on the achievement of individual and Group KPIs one year prior to grant and a two-year vesting period. This plan was replaced by the 2023 Long-Term Incentive Plan (LTIP).

In 2025, no cost has been recorded in the consolidated income statement against the MIP incentive plan (2024: \$3 million)

The fair value per share is the face value of shares on the date of grant less the present value of dividends expected to be paid during the vesting period.

The weighted average exercise share price for 2025 is \$28.76.

Details of the outstanding grants under this plan are shown below:

	2023 grants 30 May	2022 grants 25 Feb	2018 grants 16 May	Total Number
<b>Year 2025</b>				
Beginning balance	470,394	1,928	707	473,029
Exercised during the year	(447,115)	(1,928)	(707)	(449,750)
Forfeited during the year	(23,279)	-	-	(23,279)
<b>Outstanding at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Year 2024</b>				
Beginning balance	545,683	327,434	707	873,824
Exercised during the year	(16,550)	(313,101)	-	(329,651)
Forfeited during the year	(58,739)	(12,405)	-	(71,144)
<b>Outstanding at 31 December</b>	<b>470,394</b>	<b>1,928</b>	<b>707</b>	<b>473,029</b>
Exercisable at 31 December	1,958	1,928	707	4,593
Weighted average remaining contractual life (years)	0.41	0.08	3.38	0.41
Fair value of each share at grant date \$	21.3	25.38	18.45	
The share price at grant date \$	22.32	26.14	19.09	
Expected dividend yield %	2.36%	1.50%	1.71%	

## Notes to the consolidated financial statements

### continued

### 35. Defined contribution retirement benefit plan

The Group has defined contribution retirement plans in four of its subsidiaries: Hikma Pharmaceuticals PLC – United Kingdom, Hikma Pharmaceuticals LLC, Arab Pharmaceutical Manufacturing PSC and Hikma Pharmaceuticals USA Inc. The details of each contribution plan are as follows:

#### Hikma Pharmaceuticals PLC

Hikma Pharmaceuticals PLC has a defined contribution pension plan available for staff working in the United Kingdom whereby Hikma Pharmaceuticals PLC contributes 10% of basic salary. Employees are immediately entitled to 100% of the contributions, accessible only upon retirement. Hikma Pharmaceuticals PLC contributions for the year ended 31 December 2025 were \$0.4 million (2024: \$0.3 million).

#### Hikma Pharmaceuticals LLC

Hikma Pharmaceuticals LLC has an employee savings plan whereby Hikma Pharmaceuticals LLC fully matches employees' contributions, which are fixed at 10% of basic salary. Employees are entitled to 100% of Hikma Pharmaceuticals LLC contributions after three years of employment with the Company. Hikma Pharmaceuticals LLC contributions for the year ended 31 December 2025 were \$3.8 million (2024: \$3.7 million).

#### Arab Pharmaceutical Manufacturing PSC

Arab Pharmaceuticals Manufacturing PSC has an employee savings plan whereby Arab Pharmaceuticals Manufacturing PSC fully matches employees' contributions, which are fixed at 10% of basic salary. Employees are entitled to 100% of Arab Pharmaceuticals Manufacturing PSC contributions after three years of employment with the Company. Arab Pharmaceuticals Manufacturing PSC contributions for the year ended 31 December 2025 were \$0.6 million (2024: \$0.6 million).

#### Hikma Pharmaceuticals USA Inc.:

##### 401(k) Retirement Plan

Hikma Pharmaceuticals USA Inc. has a 401(k)-defined contribution plan, which allows all eligible employees to defer a portion of their income through contributions to the plan. Eligible employees can begin contributing to the plan after being employed for 90 days. Employees can defer up to 95% of their eligible income into the plan, not to exceed \$23,500 (2024: \$23,000), not including catch-up contributions available to eligible employees as outlined by the Internal Revenue Service. The company matches the employees' eligible contribution dollar-for-dollar on the first 6% of eligible pay contributed to the plan. Employer contributions vest 50% after two years of service and 100% after three years of service. Employees are considered to have completed one year of service for the purposes of vesting upon the completion of 1,000 hours of service at any time during a plan year. Employer contributions to the plan for the year ended 31 December 2025 were \$9 million (2024: \$8 million). The assets of this plan are held separately from those of the Group. The only obligation of the Group with respect to this plan is to make specified contributions.

##### Deferred Compensation Plan

Hikma Pharmaceuticals USA Inc. has a defined contribution pension plan available for senior management personnel working in the United States whereby Hikma Pharmaceuticals USA Inc. contributes 10% of basic salary and eligible employees can defer up to 50% of their base salary and 100% of their variable compensation. Eligible employees are entitled to 100% of the contributions after completing 5 years of service after they become eligible for the plan. Hikma Pharmaceuticals USA Inc. contributions for the year ended 31 December 2025 were \$0.7 million (2024: \$0.7 million).

### 36. 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 \$42 million (2024: \$49 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 \$10 million (2024: \$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 often involved in a number of legal proceedings in the ordinary course of its business, including litigation 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 impracticable 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 imposed jointly and severally with other defendants and 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.)). Hikma is one of nineteen defendants in a bellwether trial scheduled for September 2026. At this point in the proceedings, the Group does not believe sufficient evidence exists and is impracticable 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 25 June 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 in the district court was scheduled to begin on 8 September 2026, but on 16 January 2026, the United States Supreme Court accepted Hikma's petition to consider whether the case should have been dismissed. Accordingly, further proceedings in the trial court have been stayed pending the outcome of the Supreme Court case. At this point, the Group does not believe sufficient evidence exists and is impracticable to make a reasonable estimate of any potential liability.

## Notes to the consolidated financial statements

### continued

### 37. Related parties

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its joint venture and other related parties are disclosed below.

#### Trading transactions

During the year ended 31 December 2025, the Group entered into the following transactions with related parties:

**Darhold Limited (Darhold):** is a related party of Hikma because three Directors of Hikma jointly constitute the majority of directors and shareholders (with immediate family members) in Darhold and because Darhold owns 25.56% (2024: 25.56%) of the share capital and 27.04% (2024: 27.04%) of the voting capital of Hikma. Other than dividends (as paid to all shareholders), there were no transactions between the Group and Darhold Limited during the year.

**Hubei Haosun Pharmaceutical Co., Ltd.:** is a related party of Hikma because the Group holds an interest of 49% in the joint venture (JV) with Haosun (2024: 49%). During the year, total direct purchases from Haosun were \$0.3 million (2024: \$3.2 million). In addition, in certain countries the Group purchases from Haosun indirectly. During the year total indirect purchases from Haosun were \$0.7 million (2024: \$0.7 million).

**Labatec Pharma (Labatec):** is a related party of the Group because Labatec is owned by the family of two Directors of Hikma. During the year, total Group sales to Labatec amounted to \$2.3 million (2024: \$2.9 million), and total Group purchases amounted to \$2.8 million (2024: \$1.7 million). At 31 December 2025, the net amount owed by Labatec to the Group was \$0.7 million (2024: \$0.8 million).

#### Transactions with the former CEO

For the period from December 2022 to December 2025, one of the Group's subsidiaries entered into an arrangement with a family member of the former CEO for the use of a vacant building located on company-owned land. No consideration was charged under this arrangement. The former CEO also had short term quasi-loan arrangements during 2024 and 2025, under which gross withdrawals of \$62,000 and \$358,000 were made in each year, respectively. The outstanding balance at each year-end was \$nil.

#### Remuneration of key management personnel

The remuneration of the key management personnel (comprising the Executive Directors, Non-Executive Directors and the senior management as set out in the corporate governance report) of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of the individual Directors is provided in the audited part of the Remuneration Committee report on pages 118 to 149.

	2025	2024
	\$m	\$m
Short-term employee benefits	14.8	15.2
Share-based payments	9.5	10.7
Other benefits	1.5	1.7
	25.8	27.6

### 38. Subsidiaries and joint venture

The subsidiaries and joint venture of Hikma Pharmaceuticals PLC are as follows:

Company's name	Incorporated in	Address of the registered office	Owned by the Group	
			Ownership % Ordinary Shares At 31 December 2025	Ownership % Ordinary Shares At 31 December 2024
Al Jazeera Pharmaceutical Industry S.A.R.L	Algeria	Zone d'Activité, Propriété N° 379 Section N° 04 Staoueli, Algeria	99%	99%
Algerie Industrie Mediterraneene Du Medicament S.A.R.L.	Algeria	Zone d'Activité 16/15 Staoueli, Algeria	91%	91%
Hikma Pharma Algeria S.A.R.L.	Algeria	Zone d'Activité 16/15 Staoueli, Algeria	100%	100%
SPA Al Dar Al Arabia pour la Fabrication de Médicaments	Algeria	Zone d'Activité El Boustane N° 78, Sidi Abdellah, Al Rahmania, Algeria	100%	100%
Hikma Canada Limited	Canada	5995 Avebury Rd, Suite 804, Mississauga, ON L5R 3P9, Canada	100%	100%
Hubei Haosun Pharmaceutical Co., Ltd. <sup>1</sup>	China	No 20 Juxian Road, Gedian Economic and Technology Development Area, Hubei, China	49%	49%
Hikma d.o.o.	Croatia	Slavonska avenija 24/6 Zagreb (Grad Zagreb), Croatia	100%	100%
Hikma Pharma S.A.E	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	100%	100%
Hikma Pharmaceuticals Industries S.A.E	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	100%	100%
Hikma Specialised Pharmaceuticals (S.A.E)	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	98%	98%
Hikma for Importation Co. LLC	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	100%	100%
Hikma France	France	105 Rue Marcel Dassault, 92100 – Boulogne Billancourt – France	100%	100%
Hikma Pharma GmbH	Germany	Lochamer Strasse 13, 82152, Martinsried, Germany	100%	100%
Thymoorgan Pharmazie GmbH	Germany	Schiffgraben 23, DE-38690, Goslar, OT Vienenburg, Germany	100%	100%
Hikma Services India Private Limited	India	207, B Wing, Gala Quest Building, Paranjape B Scheme Road No. 1, Subhash Road, Vile Parle East Mumbai, Maharashtra, 400057, India	100%	100%
Hikma Italia S.p.A	Italy	Viale Certosa 10, 27100, Pavia, Italy	100%	100%
Hikma Pharma Limited* <sup>2</sup>	Jersey	47 Esplanade, St Helier, JE1 0BD, Jersey	100%	100%
Arab Medical Containers LLC	Jordan	P.O. Box 80, Sahab Industrial Estate, 11512, Jordan	100%	100%
Arab Pharmaceutical Manufacturing PSC	Jordan	Al Buhaira – Salt, P.O. Box 42, Jordan	100%	100%
Hikma International Pharmaceuticals LLC (Exempt)	Jordan	Business Park Development Zone Building No. (5), 4th Floor, Amman, Jordan	100%	100%
Hikma International Ventures and Development LLC (Exempt)	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Hikma Investment LLC*	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Hikma Pharmaceuticals LLC	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Hikma Pharmaceuticals LLC (Jordan) (FREE ZONE)	Jordan	Al-Mushatta – Al Qastal Free Zone P.O. Box 182400 11118 Amman, Jordan	100%	100%
International Pharmaceutical Research Centre LLC	Jordan	P.O. Box 963166, 1 Queen Rania Street, Sport City Circle, Amman, 11196, Jordan	51%	51%
Sofia Travel and Tourism	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Al Jazeera Pharmaceutical Industries Ltd <sup>2</sup>	KSA	Riyadh Gallery, Olaya Street, P.O. Box 106229, Riyadh, 11666, Saudi Arabia	100%	100%
The Regional Headquarters Company for Hikma Pharmaceuticals for the Headquarters of Foreign Companies <sup>2</sup>	KSA	3005, Imam Saud bin Abdulaziz bin Mohammed Road, 7815 Riyadh 12262, Saudi Arabia	100%	100%
Hikma Pharma Industry	KSA	7709, Al Munisf, 3637, Riyadh, Saudi Arabia	100%	100%

## Notes to the consolidated financial statements

### continued

### 38. Subsidiaries and joint venture continued

Company's name	Incorporated in	Address of the registered office	Owned by the Group	
			Ownership % Ordinary Shares At 31 December 2025	Ownership % Ordinary Shares At 31 December 2024
Société de Promotion Pharmaceutique du Maghreb (Promopharm S.A.)	Morocco	Zone Industrielle du Sahel, Rue N. 7, Had Soualem, Province de Settat, Morocco	94%	94%
Hikma Pharma Benelux B.V	Netherlands	Atoomweg 12, 1627 LE Hoorn, Netherlands	100%	100%
Hikma Farmaceutica, (Portugal) S.A	Portugal	Estrada Rio Da Mo no.8, 8º, 8B-Fervenca, 2705-906, Terrugem SNT, Portugal	100%	100%
Lifotec Farmaceutica S.G.P.S.S.A*	Portugal	Estrada Nacional 9, Fervenca, São João das Lampas e Terrugem, Sintra, Portugal	100%	100%
Hikma Care for Medicines and Medical Supplies Company	Palestine	Mahatma Ghandi Street, Betunia Ramallah, Palestine	51%	51%
Hikma Pharmaceuticals	Palestine	West Bank Al Birah, Ramallah	100%	100%
Hikma Espana S.L	Spain	Calle Anabel Segura no.11, Edificio A, planta 1a, oficina 2, 28108 – Alcobendas, Madrid, Spain	100%	100%
Pharma Ixir Co. Ltd	Sudan	Khartoum State, Buri Al Lamab Area, Block (9), Building No. (98), Sudan	51%	51%
Savannah Pharmaceutical Industries Co. Ltd	Sudan	Port Sudan, Red Sea State, South Transit District, Building No. (57), Block No. (1/Z), Sudan	100%	100%
Eurohealth International S.A.R.L. <sup>2</sup>	Switzerland	Rue des Battoirs 7, 1205 Genève, Switzerland	100%	100%
APM Tunisie S.A.R.L.	Tunisia	14 Rue 8609 – Zone Industrielle Charguia 1 – Tunis Carthage 2035	100%	100%
STE D'Industrie Pharmaceutique Ibn Al Baytar*	Tunisia	11 Rue 8610 Charguia 1-2035 Tunis-Carthage, Tunisia	100%	100%
STE Medicef	Tunisia	Avenue Habib Bourguiba, Sidi Thabet, 2020 Ariana, Tunisia	100%	100%
Hikma Emerging Markets and Asia Pacific FZ-LLC <sup>2</sup>	United Arab Emirates	Premises 202-204, Floor 2, Building 26, Dubai Health Care City, United Arab Emirates	100%	100%
Hikma International Trading Limited <sup>2</sup>	United Arab Emirates	Office No. FZJOB1020, Jebel Ali Free Zone, Dubai, United Arab Emirates	100%	100%
Hikma MENA FZE* <sup>2</sup>	United Arab Emirates	Office No. FZJOB1020 Jebel Ali Free Zone, Dubai, United Arab Emirates	100%	100%
Hikma Healthcare FZ-LLC <sup>2</sup>	United Arab Emirates	Premises No. DSP-HQSOU-VD-F13-284, Thirteenth Floor, Dubai Science Park – South Tower, Dubai, United Arab Emirates	100%	–
Hikma UK Limited* <sup>2</sup>	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
Hikma Ventures Limited <sup>2</sup>	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
West-Ward Holdings Limited*	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
Hikma Pharmaceuticals International Limited*	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
Eurohealth (U.S.A.) Inc	United States	200 Connell Drive, Berkeley Heights, NJ 07922	100%	100%
Hikma Speciality USA, Inc.	United States	1900 Arlingate Lane, Columbus, Ohio 43228	100%	100%
Hikma Labs Inc.	United States	1809 Wilson Road, Columbus, Ohio 43228	100%	100%
West-Ward Columbus Inc.	United States	1809 Wilson Road, Columbus, Ohio 43228	100%	100%
Hikma Injectables USA, Inc.	United States	36 Stults Road, Dayton, New Jersey 08810	100%	100%
Hikma Pharmaceuticals USA Inc.	United States	200 Connell Drive, Berkeley Heights, NJ 07922	100%	100%
Hikma Finance USA LLC	United States	200 Connell Drive, Berkeley Heights, NJ 07922	100%	100%
TACCA, LLC	United States	200 Connell Drive, Berkeley Heights, NJ 07922	90%	90%
Pytrione LLC	United States	200 Connell Drive, Berkeley Heights, NJ 07922	84%	84%

1. The investment in joint venture is accounted for using the equity method (Note 16)

2. Owned by Hikma Pharmaceuticals PLC (the Company)

The investments in subsidiaries are all stated at cost in Hikma Pharmaceuticals PLC and are consolidated in line with IFRS 10.

The Group's subsidiaries principally operate in trading pharmaceuticals products and associated goods and services, except for Sofia Travel and Tourism subsidiary which coordinates employees' travel arrangements.

Companies marked (\*) were incorporated as holding companies.

### 39. Subsequent event

#### Share buyback

On 26 February 2026, Hikma announced a share buyback programme of up to \$250 million to be executed during 2026. The buyback has been sized to maintain balance sheet efficiency whilst leaving significant headroom for continued investment opportunities.

# Company balance sheet

At 31 December 2025

	Note	2025 \$m	2024 \$m
<b>Non-current assets</b>			
Investments in subsidiaries	3	3,298	3,291
Due from subsidiaries	4	45	39
Intangible assets		3	4
Other non-current assets		1	2
Right-of-use asset		-	2
Property, plant and equipment		-	1
		<b>3,347</b>	<b>3,339</b>
<b>Current assets</b>			
Trade and other receivables	5	230	346
Due from subsidiaries	4	68	69
Cash and cash equivalents	6	24	40
Other current assets	7	33	31
		<b>355</b>	<b>486</b>
<b>Total assets</b>		<b>3,702</b>	<b>3,825</b>
<b>Current liabilities</b>			
Short-term financial debts	8	51	84
Due to subsidiaries	9	29	28
Income tax provision		9	2
Lease liability		1	2
Other current liabilities		22	22
		<b>112</b>	<b>138</b>
<b>Net current assets</b>		<b>243</b>	<b>348</b>
<b>Non-current liabilities</b>			
Long-term financial debts	8	344	288
Due to subsidiaries	9	71	75
Lease liability		-	1
		<b>415</b>	<b>364</b>
<b>Total liabilities</b>		<b>527</b>	<b>502</b>
<b>Net assets</b>		<b>3,175</b>	<b>3,323</b>
<b>Equity</b>			
Share capital	11	40	40
Share premium		282	282
Other reserves		(40)	(35)
Profit for the year	12	50	164
Retained earnings		2,843	2,872
<b>Total equity</b>		<b>3,175</b>	<b>3,323</b>

The financial statements of Hikma Pharmaceuticals PLC, registered number 5557934, on pages 212 to 218 were approved by the Board of Directors on 25 February 2026 and signed on its behalf by:

**Said Darwazah**  
Executive Chairman and CEO  
25 February 2026

**Khalid Nabils**  
Chief Financial Officer

# Company statement of changes in equity

	Note	Share capital \$m	Share premium \$m	Other reserves			Retained earnings \$m	Total \$m
				Capital redemption reserve \$m	Employee benefit trust (EBT) reserve (Note 11) \$m	Total other reserves \$m		
<b>Balance at 1 January 2024</b>		40	282	2	-	2	3,021	3,345
Profit for the year	12	-	-	-	-	-	164	164
<b>Total comprehensive income for the year</b>		-	-	-	-	-	164	164
Cost of equity-settled employee share scheme		-	-	-	-	-	27	27
Purchase of shares held in employee benefit trust (EBT)		-	-	-	(38)	(38)	-	(38)
Exercise of equity-settled employee share scheme		-	-	-	1	1	(1)	-
Dividends paid		-	-	-	-	-	(175)	(175)
<b>Balance at 31 December 2024 and 1 January 2025</b>		40	282	2	(37)	(35)	3,036	3,323
Profit for the year	12	-	-	-	-	-	50	50
<b>Total comprehensive income for the year</b>		-	-	-	-	-	50	50
Cost of equity settled employee share scheme		-	-	-	-	-	23	23
Purchase of shares held in employee benefit trust (EBT)		-	-	-	(36)	(36)	-	(36)
Exercise of equity-settled employee share scheme		-	-	-	31	31	(31)	-
Dividends paid		-	-	-	-	-	(185)	(185)
<b>Balance at 31 December 2025</b>		<b>40</b>	<b>282</b>	<b>2</b>	<b>(42)</b>	<b>(40)</b>	<b>2,893</b>	<b>3,175</b>

At 31 December 2025, the Company had retained earnings available for distribution of \$1,846 million, which is determined with reference to the Companies Act 2006 and to the guidance issued by the Institute of Chartered Accountants in England and Wales in 2017.

For the proposed final dividend for the year ended 31 December 2025, see Note 12 to the Group consolidated financial statements.

# Notes to the Company financial statements

## 1. Adoption of new and revised standards

The impact of the new and revised standards on the Company is consistent with that on the Group. Details are given in Note 1 to the Group consolidated financial statements.

## 2. Significant accounting policies

### Basis of accounting

The Company financial statements have been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the following exemptions from the requirements of IFRS Accounting Standards as below:

- Paragraph 10(d) of IAS 1 'Presentation of Financial Statements' (statement of cash flows)
- Paragraph 16 of IAS 1 'Presentation of Financial Statements' (statement of compliance with all IFRS Accounting Standards)
- Paragraph 38A of IAS 1 'Presentation of Financial Statements' (requirements for minimal of two primary statements, including cash flow statements)
- Paragraph 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'
- Paragraph 111 of IAS 1 'Presentation of Financial Statements' (cash flow statement information)
- Paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements' (capital disclosures)
- IFRS 7 'Financial Instruments: Disclosure'
- Paragraph 17 of IAS 24 'Related Parties Disclosures'
- Paragraph 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'
- IAS 7 'Statement of Cash Flow'
- Paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement'

No individual profit and loss account is prepared as provided by section 408 of the Companies Act 2006.

The Company financial statements have been prepared under the historical cost basis, except for the revaluation to fair value of certain financial assets and liabilities. The principal accounting policies adopted are the same as those set out in Note 2 to the Group consolidated financial statements with the addition of the policies noted below.

### Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment. The carrying value of investments is reviewed for impairment when there is an indication that the investment might be impaired. Any provision resulting from an impairment review is charged to the Company profit and loss. Testing for impairment requires making estimates for the valuation of the investments.

### Financial assets at amortised cost

Trade receivables acquired from subsidiaries through an intercompany factoring arrangement and intercompany receivables are classified as financial assets at amortised cost and are measured at amortised cost using the effective interest method less any expected credit loss. The Company applies a general approach in calculating expected credit loss for the intercompany receivables. At the reporting date, all outstanding balances were considered to have low credit risk; therefore, the general approach using a 12-month probability of default was applied when assessing expected credit loss on a 12-month period basis. The Company applies a simplified approach for the intercompany factoring arrangement.

### Share-based payments

Equity-settled employee share schemes are accounted for in accordance with IFRS 2 'Share based payment'. The current charge relating to the subsidiaries' employees is recharged to the respective subsidiary.

The Company provides funding to the employee benefit trust (EBT) to acquire Company shares, fulfilling its obligation to deliver shares when employees, including those within the Company's subsidiaries, exercise their awards. Shares held by the EBT are deducted from other reserves, with a corresponding transfer to retained earnings upon their delivery to satisfy exercise of share awards.

There are no critical judgements and estimates involved in applying the above accounting policies, that may have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The presentational and functional currency of Hikma Pharmaceuticals PLC is the US dollar as the majority of the Company's transactions are conducted in US dollars.

## 3. Investments in subsidiaries

The details of investment in subsidiaries are stated in Note 38 to the Group's consolidated financial statements.

The following table provides the movement of the investments in subsidiaries:

	2025 \$m	2024 \$m
Beginning balance	3,291	3,303
Additions	11	–
Impairment charges	(4)	(12)
<b>Ending balance</b>	<b>3,298</b>	<b>3,291</b>

The additions for the year reflects capital injections to Hikma Ventures Limited, The Regional Headquarters Company for Hikma Pharmaceuticals for the Headquarters of Foreign Companies, and Hikma Healthcare FZ-LLC. The impairment charges are related to the investment in Hikma Ventures Limited, driven by a decline in its net asset value.

## 4. Due from subsidiaries

	As at 31 December	
	2025 \$m	2024 \$m
<b>Non-current</b>		
Hikma UK Limited	22	19
Hikma Pharma Industry	20	20
Hikma Emerging Markets and Asia Pacific FZ-LLC	4	4
Al Jazeera Pharmaceuticals Industries Ltd	3	–
Less: provision for expected credit loss	(4)	(4)
	<b>45</b>	<b>39</b>

	As at 31 December	
	2025 \$m	2024 \$m
<b>Current</b>		
Hikma Pharmaceuticals USA Inc.	27	49
Hikma MENA FZE	11	–
Hikma Emerging Markets and Asia Pacific FZ-LLC	8	7
Al Jazeera Pharmaceuticals Industries Ltd	7	2
Arab Pharmaceutical Manufacturing PSC	6	4
Hikma Pharma S.A.E	2	2
Others	15	12
Less: provision for expected credit loss	(8)	(7)
	<b>68</b>	<b>69</b>

## 5. Trade and other receivables

	As at 31 December	
	2025 \$m	2024 \$m
Trade and other receivables	230	346

Trade and other receivables primarily comprise trade receivables acquired from subsidiaries under an intercompany non-recourse factoring arrangement. The credit risk associated with these factored receivables is similar to that of the Group's US receivables since it relates to the same credit portfolio and customers.

## Notes to the Company financial statements

### continued

#### 6. Cash and cash equivalents

	As at 31 December	
	2025	2024
	\$m	\$m
Cash at banks and on hand <sup>1</sup>	7	8
Money market time deposits	17	–
Time deposits	–	32
	<b>24</b>	<b>40</b>

1. In 2025, cash at banks included \$4 million placed in interest-bearing accounts (2024: \$nil)

Money market deposits comprise investment in funds at FVTPL that are subject to insignificant risk of changes in fair value and can be readily converted into cash that fall under level 1 valuation (see Note 31 to the Group consolidated financial statements).

#### 7. Other current assets

	As at 31 December	
	2025	2024
	\$m	\$m
Investment at FVTPL	26	25
Prepayments	6	5
Others	1	1
	<b>33</b>	<b>31</b>

**Investment at FVTPL** comprises a portfolio of debt instruments that are managed by an asset manager and which the Company has designated as measured at fair value through profit or loss. These assets are classified as level 1 as they are based on quoted prices in active markets (see Note 31 to the Group consolidated financial statements).

#### 8. Financial debts

	As at 31 December	
	2025	2024
	\$m	\$m
Long-term borrowings	395	372
Less: current portion of long-term borrowings	(51)	(84)
	<b>344</b>	<b>288</b>

Financial debt arrangements were as follows:

- \$1,150 million syndicated revolving credit facility that matures on 4 January 2029. At 31 December 2025, the facility had a carrying value of \$100 million (2024: \$240 million) and a fair value of \$100 million (2024: \$240 million) and an unutilised amount of \$1,050 million (2024: \$910 million). This facility is available in two tranches: one tranche of \$760 million for Hikma Pharmaceuticals PLC, of which \$nil million was utilised (2024: \$55 million), and a second tranche of \$390 million for Hikma Finance USA LLC, of which \$100 million was utilised (2024: \$185 million). This facility can be used for general corporate purposes.
- A new \$400 million three-year syndicated loan facility that matures on 6 November 2028. At 31 December 2025, the facility had a carrying value of \$398 million and a fair value of \$398 million. This facility was granted in two tranches: one tranche of \$200 million for Hikma Pharmaceuticals PLC, of which the carrying value at 31 December 2025 was \$199 million, and a second tranche of \$200 million for Hikma Finance USA LLC with a carrying value of \$199 million. The proceeds were partially used to settle the previous \$400 million five-year syndicated loan facility that was outstanding at 31 December 2024, the remaining proceeds were used for general corporate purposes.
- 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 2025 the facility had a carrying value of \$153 million (2024: \$185 million) and a fair value of \$153 million (2024: \$185 million). The proceeds were used for general corporate purposes.
- A \$150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 31 December 2025, the facility had a carrying value of \$43 million (2024: \$63 million) and a fair value of \$41 million (2024: \$61 million). The proceeds were used for general corporate purposes.

The weighted average interest rates incurred by the Group are disclosed in Notes 22 and 26 to the Group's consolidated financial statements.

#### 9. Due to subsidiaries

	As at 31 December	
	2025	2024
	\$m	\$m
<b>Non-current</b>		
Al Jazeera Pharmaceuticals Industries Ltd	33	45
Hikma Pharmaceuticals LLC	30	30
Hikma Investments LLC	8	–
	<b>71</b>	<b>75</b>

The balances above relate to intercompany revolving credit facilities executed for cash management purposes.

	As at 31 December	
	2025	2024
	\$m	\$m
<b>Current</b>		
Hikma Pharmaceuticals LLC	24	20
Hikma Farmaceutica, (Portugal) S.A	3	4
Others	2	4
	<b>29</b>	<b>28</b>

#### 10. Staff costs

Hikma Pharmaceuticals PLC has an average of 28 employees (2024: 30 employees) (excluding Executive Directors); with a total compensation expense of \$9 million (2024: \$8 million), of which salaries and bonuses were \$6 million (2024: \$6 million), the remaining \$3 million (2024: \$2 million) mainly represents national insurance contributions and other employee benefits. Further information about the remuneration of the individual Directors is provided in the audited part of the Remuneration Committee report on pages 118 to 149.

#### 11. Share capital

Issued and fully paid – included in shareholders' equity:

	2025	2024
<b>Number of shares at 1 January</b>	<b>234,719,686</b>	233,914,604
Shares issued for employees share scheme	–	805,082
<b>Number of shares at 31 December</b>	<b>234,719,686</b>	234,719,686
<b>Balance at 31 December (in \$m)</b>	<b>40</b>	40

As at 31 December 2025, 12,833,233 of the issued share capital were held as treasury shares (2024: 12,833,233), and 1,779,538 shares were held in the employee benefit trust (EBT) (2024: 1,455,190). Treasury shares have no right to receive dividends, and the employee benefit trust (EBT) has waived its entitlement to dividends. While the voting rights attached to treasury shares are not exercisable, shares held in the EBT retain their voting rights. A total of 220,106,915 were in free issue (2024: 220,431,263).

In 2025, there was no issued share capital as the EBT purchased shares to satisfy the vested share awards under the share-based compensation schemes (2024: 805,082).

Shares held in the EBT were acquired using funds provided by the Company to fulfil its obligation to deliver shares when employees, including those within the Company's subsidiaries, exercise their awards. These shares are deducted from other reserves, with a corresponding transfer to retained earnings when utilised for the exercise of share awards. During the year, the Company acquired 1,500,000 shares for a total consideration of \$36 million, and 1,175,652 shares were utilised for the exercise of awards.

#### 12. Profit for the year

The net profit in the Company for the year is \$50 million (2024: \$164 million). This mainly includes dividend income of \$74 million (2024: \$198 million) in addition to factoring income from a subsidiary, general and administrative expenses and net financing expenses. Audit fees for the Company are included within fees to the Company's auditor and its associates for the audit of the parent company and consolidated financial statements as disclosed in Note 32 to the Group's consolidated financial statements.

## Notes to the Company financial statements continued

### 13. Contingent liabilities and financial guarantees

A contingent liability existed at the balance sheet date for standby letters of credit totalling \$10 million (2024: \$14 million) for potential stamp duty obligations that may arise from the repayment of loans by intercompany guarantors. It is not probable that any repayment will be made by the intercompany guarantors.

In addition, the Company guaranteed Hikma Finance USA LLC \$500 million, 5.125%, five-year Eurobond issued in July 2025 (Note 26 to the Group consolidated financial statements). The Company has also guaranteed Hikma Pharmaceuticals USA Inc. contingent consideration related to a business combination with a carrying value as of 31 December 2025 of \$7 million (2024: \$103 million) (Note 25 and 28 to the Group consolidated financial statements). Financial guarantees issued by the Company on behalf of subsidiaries are accounted for at fair value in accordance with IFRS 9. The fair value of these liabilities is immaterial given the low probability of default for any of the related subsidiaries.