

Hikma delivers a solid H1 performance and re-affirms expectations for strong growth in the second half

London, 7 August 2025 - Hikma Pharmaceuticals PLC and its subsidiaries ('Hikma' or 'Group'), the multinational pharmaceutical company, today reports its Interim Results for the six months ended 30 June 2025.

Riad Mishlawi, Chief Executive Officer of Hikma, said:

"In the first half of 2025, the strategic changes and renewed focus we put in place have started to deliver tangible results. We achieved strong revenue growth and built solid momentum across the business. While core operating profit was lower due to a strong comparator in 2024 and a change in product mix, we expect a return to growth in the second half and are pleased to reiterate our full-year 2025 guidance for the Group.

Demand across our portfolio remains robust, we are successfully launching new products, strengthening our manufacturing capabilities, and securing key strategic partnerships. We are also making significant strides in advancing our pipeline and increasing our investment in R&D. With this foundation, we are well-positioned for the future and I look forward to sharing more updates on our continued growth."

Group H1 highlights:

Reported results million	H1 2025 ¹	H1 2024	Change	Constant currency change
Revenue	1,658	1,569	6%	5%
Operating profit	259	351	(26)%	(25)%
Profit attributable to shareholders	238	226	5%	6%
Cashflow from operating activities	161	198	(19)%	-
Basic earnings per share (cents)	108	102	6%	7%
Interim dividend per share (cents)	36	32	12%	-

Core results ³ million	H1 2025	H1 2024	Change	Constant currency change
Core revenue	1,657	1,569	6%	5%
Core operating profit	373	402	(7)%	(6)%
Core EBITDA ⁴	429	453	(5)%	(5)%
Core profit attributable to shareholders	270	283	(5)%	(4)%
Core basic earnings per share (cents)	122	128	(5)%	(3)%

H1 FINANCIAL HIGHLIGHTS

- **Group revenue up 6% driven by robust volumes across all segments and geographies**
 - Injectables revenue up 12% driven by good performances in Europe (up 26%), MENA (up 16%) and North America (up 8%), supported by recent launches and the Xellia portfolio
 - Branded revenue up 4% as we continue to increase market share across MENA
 - Hikma Rx⁵ revenue down 1%, as expected, with differentiated portfolio performing well
- **Group core operating profit down 7% but continue to expect strong growth in H2**
 - Injectables core operating profit down 7% (down 4% in constant currency) and core operating margin of 30.0%, reflecting evolving product mix and appreciation of the Euro
 - Hikma Rx core operating profit down 12% vs strong H1 2024, with 17.6% core operating margin
 - Branded core operating profit up 3% (up 1% in constant currency), with core operating margin of 30.4%, reflecting the usual weighting of costs to the second half of the year
 - Reported Group operating profit of 259 million, down 26%, impacted by the non-core legal settlement related to sodium oxybate
- **Robust balance sheet, cashflow and dividend growth**
 - Cashflow from operating activities of 161 million (H1 2024: 198 million)
 - Net debt⁶ to core EBITDA⁷ of 1.7x at 30 June 2025 (31 December 2024: 1.4x)

- Interim dividend of 36 cents per share, up 12%

STRATEGIC PROGRESS

- **Increasing investment to support growth**
 - 20% increase in R&D investment vs H1 2024, as we invest to accelerate pipeline growth
- **Successful integration of Xellia to strengthen Injectables and Hikma Rx**
 - Zagreb R&D centre, with over 80 employees now contributing to both Injectables and Hikma Rx
 - Upgrade of Bedford, Ohio Injectables facility on track
- **Broadening and enhancing portfolio through approvals and launches**
 - Received US FDA approval for TYZAVAN™, a novel ready-to-use formulation of vancomycin injection, and ustekinumab, a biosimilar referencing Stelara®
 - Expanded oral oncology portfolio in MENA with the launch of palbociclib (Papillio) and improved market share for key therapies in diabetes, multiple sclerosis and respiratory
 - Launched the first generic of mercaptopurine oral suspension in the US, with FDA Competitive Generic Therapy designation
- **Strengthening the pipeline through strategic partnerships and agreements**
 - Signed seven partnerships across all three businesses, including an exclusive licensing agreement with pharmaand GmbH (pharma&) to commercialise rucaparib, an innovative oral oncology therapy, across MENA
 - Acquired the FDA-approved Abbreviated New Drug Application (ANDA) for trametinib tablets from Novugen

MAINTAINING STRONG 2025 GROUP OUTLOOK

- 2025 Group revenue growth of 4% to 6%
- 2025 Group core operating profit of 730 million to 770 million

INTERNATIONAL TRADE POLICIES AND US DOMESTIC MANUFACTURING

- The US administration's trade strategy involving the introduction of tariffs on direct US imports is being closely monitored. The situation remains dynamic and Hikma continues to assess the situation and take mitigating actions where appropriate
- The full year 2025 outlook for the Group takes into account an impact from tariffs as implemented at the date of this release, and related inflationary pressures
- During the first half, Hikma announced it will invest 1 billion by 2030 to further expand its US manufacturing and R&D capabilities
- Hikma has a long history of consistently expanding its US manufacturing capabilities and volume capacity, and is uniquely positioned as a large domestic manufacturer of generic medicines needed by the US healthcare system to treat patients nationwide

Further information:

A pre-recorded presentation will be available at www.hikma.com at 07:00 BST. Hikma will also hold a live Q&A conference call at 09:00am BST, and a recording will be made available on the Company's website.

To join via conference call please dial:

United Kingdom (toll free): +44 808 189 0158

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About Hikma:

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

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

STRATEGIC REVIEW

We continued to implement our strategic priorities in the first half of 2025, making strong progress expanding our portfolio, strengthening our pipeline, enhancing our manufacturing capabilities and signing new partnerships.

In the US we maintained our position as a top-three provider of generic sterile injectables by volume⁸ and a key supplier of non-injectable generic medicines. In the MENA region, we remain the second largest pharmaceutical company by sales⁹, with a growing portfolio and reach. In Europe, we are the sixth largest supplier of injectables by sales¹⁰ thanks to our expansion in France, Spain and the UK.

Injectables

Our Injectables business, which manufactures and supplies generic injectable medicines to hospitals across North America, Europe and MENA delivered good revenue growth in the first half with profit impacted by a change in product mix and the strong appreciation of the Euro.

In North America, where we launched 11 products, we benefitted from liraglutide, the first approved ANDA for a generic GLP-1 referencing Victoza®, as well as the Xellia portfolio acquired in September 2024¹¹. Their respective contribution to sales helped to offset competition on some of our larger products. We are making excellent progress with our R&D projects, which will support the long-term growth of the Injectables business. During the first half, we received FDA approval for the biosimilar ustekinumab, and for our reformulated vancomycin ready-to-use bag, TYZAVAN™, which we will launch in the second half. Our Canadian business continues to grow as we actively address product shortages, reinforcing Hikma's position as a trusted and reliable supplier of essential medicines.

Our MENA business had a strong first half, building market share across the portfolio. We had a good performance from our oncology, biotechnology and anti-infective portfolios as well as new launches, including our first diagnostic product from our partnership with Guardant Health.

In Europe, we performed well across our established and recently entered markets. For example in France, which we entered in 2022, we more than doubled revenue in the first half. We are expanding our European portfolio through new launches, with 19 in the first half, and we are also benefiting from our local European manufacturing capabilities. We expect contract manufacturing revenues, which are largely generated in Europe, to be second half weighted.

Branded

Our Branded business, which supplies branded generics and in-licensed patented products across the MENA region, continued to grow market share across the region. Chronic therapy areas remain a key driver of our expansion, with treatments for diabetes, respiratory illness and multiple sclerosis all contributing to growth in the first half. We also remain a leader in oral oncology in the region, with a particularly good contribution from recently launched products, including the targeted breast cancer therapy, palbociclib, sold under our brand name Papillio, a first generic of this important medicine in Algeria.

We have a significant and expanding manufacturing presence in the region, where localisation is key to our strategy, and during the first half of 2025 we have continued to make operational enhancements, including facility expansions, automation and rolling out inspection-readiness programmes, which will collectively improve efficiencies and enhance our quality levels.

Hikma Rx, which supplies oral and other non injectable generic and specialty products to the US retail

market, delivered a good first half performance against a heavily H1-weighted 2024 result.

Our differentiated portfolio is performing well with strong volume growth, especially for our inhalation products, which is partially offsetting expected levels of price erosion. We have also maintained our strong position in the sodium oxybate market.

We continue to focus on efficiencies in this business, improving output and managing our cost base. Concurrently, we have increased our R&D spend, as previously communicated, as we work to ensure we build out our pipeline to drive future performance.

We continue to leverage our state-of-the-art production facility in Columbus, Ohio for contract manufacturing for a range of customers, and preparations at the site are ongoing for our previously announced contract with a large global pharmaceutical company.

Outlook for full year 2025

We continue to expect Group revenue to grow in the range of 4% to 6%, and for core operating profit to be in the range of 730 million to 770 million.

We continue to expect Injectables revenue to grow in the range of 7% to 9%. We now expect core operating margin to be in the range of 32% to 33% (previously mid-30s), primarily reflecting the strong appreciation of the Euro, as well as some inflationary pressure on shipping and other expenses.

We now expect Branded revenue to grow in the range of 6% to 7% on both a constant currency and reported basis and for core operating margin to be close to 25%, reflecting a favourable product mix and strong performance from new launches.

We continue to expect Hikma Rx revenue to be broadly flat vs 2024, and core operating margin to be around 16%.

We expect Group core net finance expense to be in the range of 90 million to 95 million and the core effective tax rate to be around 22%.

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

Medium term guidance

We held an investor event at our Columbus, Ohio plant in May, showcasing both our Hikma Rx and Injectables businesses, and at the same time we introduced medium term guidance:

- Group revenue CAGR of 6% to 8% between 2024-2027
- Group core EBIT CAGR of 7% to 9% between 2024-2027
- Group revenue of 5 billion by 2030

FINANCIAL REVIEW

The financial review set out below summarises the performance of the Group and our three main business segments: Injectables, Branded and Hikma Rx, for the six months ended 30 June 2025.

Group

million	H1 2025	H1 2024	Change	Constant currency change
Revenue	1,658	1,569	6%	5%
Core revenue	1,657	1,569	6%	5%
Gross profit	715	756	(5)%	(6)%
Gross margin	43.1%	48.2%	(5.1)pp	(5.2)pp
Core gross profit	724	756	(4)%	(5)%
Core gross margin	43.7%	48.2%	(4.5)pp	(4.6)pp
Operating profit	259	351	(26)%	(25)%
Operating margin	15.6%	22.4%	(6.8)pp	(6.5)pp
Core operating profit	373	402	(7)%	(6)%
Core operating margin	22.5%	25.6%	(3.1)pp	(2.7)pp
Core EBITDA	429	453	(5)%	(5)%

Core EBITDA margin	25.9%	28.9%	(3.0)pp	(2.7)pp
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Group revenue grew 6%, reflecting good growth in the Branded and Injectables businesses, offset by a slight decline in the Hikma Rx business.

Core gross profit declined 4% and core gross margin was 43.7%. The decline reflects a change in the distribution of gross profit across the year compared to 2024, when gross profit of Hikma Rx and Branded was strongly weighted to the first half. In addition, this reflects the change in product and geographic mix in the Injectables business.

Group reported operating expenses were 456 million (H1 2024: 405 million). Group core operating expenses were 351 million (H1 2024: 354 million).

Group reported selling, general and administrative (SG&A) expenses were 396 million (H1 2024: 325 million), reflecting a provision of 72 million taken for a legal settlement. Core SG&A expenses were 278 million (H1 2024: 280 million). This reflects reduced commercial spend in Hikma Rx following the out-licensing of Kloxxado®, offset by normal course increases in other businesses.

Core and reported R&D expenses were up 20% to 73 million (H1 2024: 61 million), representing 4.4% of revenue (H1 2024: 3.9%).

Reported other net operating income was 14 million (H1 2024: 19 million expense). This includes 14 million non-core income from an insurance settlement related to the Group's business in Sudan. Core other net operating income was 1 million (H1 2024: 13 million expense).

Group reported operating profit reduced by 26% and Group core operating profit decreased by 7%, with a core operating margin of 22.5%.

Group revenue by business segment

million	H1 2025		H1 2024	
Injectables	683	41%	609	39%
Branded	437	26%	419	27%
Hikma Rx	523	32%	528	33%
Others	15	1%	13	1%
Total	1,658		1,569	

Group revenue by region

million	H1 2025		H1 2024	
North America	975	59%	944	60%
MENA	554	33%	518	33%
Europe and ROW	129	8%	107	7%
Total	1,658		1,569	

Injectables

million	H1 2025	H1 2024	Change	Constant currency change
Revenue	683	609	12%	12%
Gross profit	307	327	(6)%	(6)%
Gross margin	44.9%	53.7%	(8.8)pp	(8.6)pp
Core gross profit	317	327	(3)%	(3)%
Core gross margin	46.4%	53.7%	(7.3)pp	(7.2)pp
Operating profit	175	190	(8)%	(4)%
Operating margin	25.6%	31.2%	(5.6)pp	(4.4)pp
Core operating profit	205	221	(7)%	(4)%
Core operating margin	30.0%	36.3%	(6.3)pp	(5.0)pp

Injectables revenue grew 12% in the first half, benefitting from the breadth of the portfolio, our broad geographic exposure and the contribution from recent launches.

In North America we are benefitting from recently launched products as well as the contribution from the Xellia portfolio. This has more than offset increased competition on certain products.

In Europe and rest of world (ROW) we are seeing strong demand for our own products, particularly in recently entered markets such as France, driven by an expanding portfolio and market shortage dynamics. We continue to expect sales from contract manufacturing to be weighted to the second half.

ynamics. We continue to expect sales from contract manufacturing to be weighted to the second half.

In MENA, our biosimilar portfolio continues to perform well and we are seeing good progress with private market opportunities.

Injectables core gross profit was down 3% and core gross margin contracted to 46.4%. This decline was driven by a change in product and geographic mix, including the dilutive impact of the Xellia portfolio, for which production is currently outsourced, and ongoing competition on some of our higher margin products in the US.

Injectables operating profit declined 8%. Injectables core operating profit declined 7%, and core operating margin was 30.0%, down from 36.3% in H1 2024. This reflects the gross profit movement as well as further costs related to the appreciation of the Euro.

During H1 2025, the Injectables business launched 11 products in North America, three in MENA, and 19 in Europe and ROW. We submitted 21 filings to regulatory authorities across all markets. We further developed our portfolio through new licensing agreements.

Branded

million	H1 2025	H1 2024	Change	Constant currency change
Revenue	437	419	4%	3%
Gross profit	232	232	0%	(2)%
Gross margin	53.1%	55.4%	(2.3)pp	(2.6)pp
Core gross profit	232	232	0%	(2)%
Core gross margin	53.1%	55.4%	(2.3)pp	(2.6)pp
Operating profit	143	126	13%	10%
Operating margin	32.7%	30.1%	2.6pp	2.0pp
Core operating profit	133	129	3%	1%
Core operating margin	30.4%	30.8%	(0.4)pp	(0.8)pp

Branded revenue grew 4%, with a good performance across our markets, against an unusually high comparator period in H1 2024, due to the timing of tenders.

Branded reported and core gross profit were flat, with core gross margin reducing slightly to 53.1%, reflecting the timing of higher margin oncology tenders in H1 2024.

Branded reported operating profit increased 13%, which included non-core income from an insurance settlement related to the Sudan business. Core operating profit grew 3%, reflecting higher foreign exchange related costs in 2024. In constant currency, Branded core operating profit grew 1%.

During H1 2025, the Branded business launched 14 products and submitted 36 filings to regulatory authorities. Revenue from in-licensed products represented 29% of Branded revenue (H1 2024: 28%).

Hikma Rx

million	H1 2025	H1 2024	Change
Revenue	523	528	(1)%
Core revenue	522	528	(1)%
Gross profit	176	197	(11)%
Gross margin	33.7%	37.3%	(3.6)pp
Core gross profit	175	197	(11)%
Core gross margin	33.5%	37.3%	(3.8)pp
Operating profit	70	87	(20)%
Operating margin	13.4%	16.5%	(3.1)pp
Core operating profit	92	104	(12)%
Core operating margin	17.6%	19.7%	(2.1)pp

Hikma Rx revenue declined 1% in the first half. We saw good volume growth in our inhalation portfolio, which helped to partially offset expected price erosion.

The 11% reduction in Hikma Rx core and reported gross profit and the gross margin contraction to 33.5% was primarily due to price erosion and a slight increase in costs, as well as to a strong comparator period, as price erosion in 2024 was realised in the second half of the year.

Hikma Rx reported operating profit declined 20%, and core operating profit declined 12%. We have offset a meaningful increase in R&D spend by reducing other costs, primarily sales and marketing spend.

During H1 2025, we launched three products and submitted three filings to regulatory authorities.

Other businesses

Other businesses comprise our 503B compounding business, as well as Arab Medical Containers (AMC), a manufacturer of plastic specialised medicinal sterile containers, and International Pharmaceuticals Research Centre (IPRC), which conducts bio-equivalency studies. Other businesses contributed revenue of 15 million (H1 2024: 13 million) with a core operating loss of 4 million (H1 2024: 3 million loss) as we continue to invest in the development of our compounding business.

Research and development

Our investment in R&D and business development is core to our strategy and enables us to continue expanding the Group's product portfolio.

	H1 2025 submissions	H1 2025 approvals	H1 2025 launches
Injectables	21	29	33
North America	3	15	11
MENA	15	5	3
Europe	3	9	19
Hikma Rx	3	2	3
Branded	36	22	14
Total	60	53	50

Net finance income/(expense)

	H1 2025	H1 2024	Change	Constant currency change
Finance income	75	4	1,775%	1,750%
Finance expense	(40)	(68)	(41)%	(40)%
Net finance income/(expense)	35	(64)	(155)%	(152)%
Core finance income	4	4	0%	(25)%
Core finance expense	(40)	(44)	(9)%	(7)%
Core net finance expense	(36)	(40)	(10)%	(3)%

Reported net finance income was 35 million, compared with a net finance expense of 64 million in 2024. Reported net finance income includes income of 71 million resulting from amendments to royalty payment arrangements and remeasurement of contingent consideration payment liabilities. Core net finance expense was 36 million.

We continue to expect core net finance expense to be between 90 million to 95 million for the full year.

Tax

The Group incurred a reported tax expense of 55 million (H1 2024: 59 million). Excluding the tax impact of exceptional items and other adjustments, the Group core tax expense was 66 million in H1 2025 (H1 2024: 77 million). The core effective tax rate¹² for H1 2025 was 19.5% (H1 2024: 21.2%). We continue to expect the Group's core effective tax rate to be around 22% for the full year.

Profit attributable to shareholders and earnings per share

Profit attributable to shareholders was 238 million (H1 2024: 226 million). Core profit attributable to shareholders was 270 million (H1 2024: 283 million). Reported basic earnings per share was 108 cents (H1 2024: 102 cents). Core basic earnings per share was 122 cents (H1 2024: 128 cents).

Dividend

The Board is recommending an interim dividend of 36 cents per share (H1 2024: 32 cents per share). The interim dividend will be paid on Thursday 18 September 2025 to eligible shareholders on the register at the close of business on Friday 15 August 2025.

Net cash flow, working capital and net debt

The Group generated operating cash flow of 161 million (H1 2024: 198 million).

Group working capital days were 259 at 30 June 2025. This compares to 240 days at 31 December 2024 and 251 days at 30 June 2024.

Cash capital expenditure was 68 million (H1 2024: 69 million). In the US, 21 million was spent on upgrades and capacity expansion across our Cherry Hill, Bedford and Columbus sites. In MENA, 35 million was spent strengthening and expanding our local manufacturing sites across our markets. In Europe, we spent 12 million enhancing and expanding our manufacturing capabilities in Portugal.

We continue to expect Group capital expenditure to be around 170 million to 190 million in 2025.

The Group's total debt was 1,558 million at 30 June 2025 (31 December 2024: 1,306 million; 30 June

2024: 1,276 million), reflecting higher debt utilisation to fund the Xellia acquisition and the acquisition of brand rights from Takeda.

The Group's cash balance was 236 million at 30 June 2025 (31 December 2024: 188 million). The Group's net debt was 1,322 million at 30 June 2025 (31 December 2024: 1,118 million)¹³. We continue to have a strong balance sheet with a net debt to core EBITDA ratio of 1.7x (31 December 2024: 1.4x).

On 8 July 2025, the Group issued a new 500 million five-year Eurobond with a 5.125% coupon rate to refinance the previously issued 500 million five-year Eurobond, which had a 3.25% coupon rate and matured on 9 July 2025.

On 15 July 2025, the Group signed a 250 million six-year loan agreement with International Finance Corporation (IFC).

Net assets

Net assets at 30 June 2025 were 2,551 million (31 December 2024: 2,321 million). Net current assets were 501 million (31 December 2024: 285 million).

Statement of Directors' responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), as issued by the International Accounting Standards Board (IASB), UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the Hikma Pharmaceuticals PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

By order of the Board

Said Darwazah

Riad Mishlawi

Executive Chairman
6 August 2025

Chief Executive Officer
6 August 2025

The Board of Directors that served during all or part of the six-month period to 30 June 2025 and their respective responsibilities can be found on the Leadership team section of www.hikma.com. This excludes John Castellani, who stepped down from his position as a Non-Executive Director on 24 April 2025.

Cautionary statement

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

Definitions

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

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

Core results

Reported results represent the Group's overall performance. However, these results can include one-off

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

Constant currency

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

Constant currency numbers in H1 2025 represent reported H1 2025 numbers translated using H1 2024 exchange rates, excluding price increases in the business resulting from the devaluation of currencies.

Core EBITDA

Core EBITDA is reported operating profit before depreciation, amortisation on software, adjusted for exceptional items and other adjustments recognised within reported operating profit.

	H1 2025 million	H1 2024 million
Reported operating profit	259	351
Depreciation	51	47
Amortisation	49	49
Impairment charges	7	6
Reorganisation costs	2	-
Pre-production setup costs	10	-
Provision for rebates adjustment	(1)	-
Provision for legal settlement	72	-
Gain on extinguishment of financial liability	(6)	-
Insurance compensation in relation to the Group's investment losses in Sudan	(14)	-
Core EBITDA	429	453

Core EBITDA for the twelve months ending 30 June 2025, which is used in the calculation of net debt to core EBITDA, was 800 million.

Working capital days

We believe Group working capital days provides a useful measure of the Group's working capital management and liquidity. Group working capital days are calculated as Group receivable days plus Group inventory days, less Group payable days. Group receivable days are calculated as Group trade receivables x 365, divided by trailing 12 months Group revenue. Group inventory days are calculated as Group inventory x 365 divided by trailing 12 months Group reported cost of sales. Group payable days are calculated as Group trade payables x 365, divided by trailing 12 months Group reported cost of sales¹⁴.

Group net debt

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

Group net debt million	Jun-25	Dec-24
Short-term financial debts	(706)	(642)
Short-term lease liabilities	(10)	(11)
Long-term financial debts	(798)	(607)
Long-term lease liabilities	(44)	(46)
Total debt	(1,558)	(1,306)
Cash	236	188
Net debt	(1,322)	(1,118)

Forward looking statements

This announcement contains certain statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature with respect to Hikma's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. All statements other than statements of historical fact may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward

looking words such as "intends", "believes", "anticipates", "expects", "estimates", "forecasts", "targets", "aims", "budget", "scheduled" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

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

Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation ((EU) No. 596/2014) and the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), Hikma does not undertake to update the forward looking statements contained in this announcement to reflect any changes in events, conditions or circumstances on which any such statement is based or to correct any inaccuracies which may become apparent in such forward looking statements. Except as expressly provided in this announcement, no forward looking or other statements have been reviewed by the auditors of Hikma. All subsequent oral or written forward looking statements attributable to Hikma or any of its members, directors, officers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Past share performance cannot be relied on as a guide to future performance. Nothing in this announcement should be construed as a profit forecast.

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

Principal risks and uncertainties

The Group faces risks from a range of sources that could have a material impact on our financial commitments and ability to trade in the future. The principal risks are determined via robust assessment considering our risk context by the Board of Directors with input from executive management.

During the first half of 2025, the US administration's trade strategy involving the introduction of tariffs on direct imports has been closely monitored. The situation remains dynamic. Hikma continues to assess the situation and take mitigating actions where appropriate.

In addition, Hikma has closely monitored the conflict in the Middle East and responded to ensure the safety of our people, and to mitigate potential disruptions to shipping and operations. The situation is managed by local, regional and group management teams across multiple principal risk areas, overseen by the Executive Committee and Board.

The principal risks facing the company have not materially changed in the last six months, and are set out in the 2024 annual report on pages 82 - 86. The Board recognises that certain risk factors that influence the principal risks are outside of the control of management. The Board is satisfied that the principal risks are being managed appropriately and consistently with the target risk appetite. The set of principal risks should not be considered as an exhaustive list of all the risks the Group faces.

Principal risks	What does the risk cover?
Industry dynamics	The commercial viability of the industry and business model we operate may change significantly as a result of geopolitical instability and conflict, macroeconomic and trade factors, local political action, societal pressures, regulatory interventions or changes to participants in the value chain of the industry.
Product pipeline	Selecting, developing and registering new products that meet market needs and regulations, aligned with Hikma's strategy to provide a continuous source of future growth.
People	Developing, maintaining and adapting organisational structures, management processes and controls, and talent attraction and retention to enable effective delivery by the business in the face of rapid and constant internal and external change.
Reputation	Building and maintaining trusted relationships with our stakeholders relies on developing and sustaining our reputation as one of our most valuable assets.
Ethics and compliance	Maintaining a culture underpinned by ethical decision-making, with appropriate internal controls to ensure staff and third parties comply with our Code of Conduct, associated policies and procedures, as well as all applicable legislation.
Information and cyber security, technology	Ensuring the integrity, confidentiality, availability and resilience of data, securing information stored and/or processed internally or externally from

and infrastructure	cyber and non-cyber threats, maintaining and developing technology systems that enable business processes, and ensuring infrastructure supports the organisation effectively.
Legal, regulatory and intellectual property	Complying with laws and regulations, and advising on their application. Managing litigation, governmental investigations, sanctions, contractual terms and conditions and adapting to their changes while preserving shareholder value, business integrity and reputation.
Inorganic growth	Identifying, accurately pricing and realising expected benefits from acquisitions or divestments, licensing, or other business development activities.
Active pharmaceutical ingredient (API) and third-party risk management	Maintaining availability of supply, quality and competitiveness of API purchases and ensuring proper understanding and control of third-party risks.
Crisis and continuity management	Developing, maintaining and adapting capabilities and processes to anticipate, prepare for, respond and adapt to sudden disruptions and gradual change, including geopolitical instability and conflict, natural catastrophe, economic turmoil, cyber events, operational issues, pandemic, political crisis, and regulatory intervention.
Product quality and safety	Maintaining compliance with current Good Practices for Manufacturing (cGMP), Laboratory (cGLP), Clinical (cGCP), Compounding (cGCP), Distribution (cGDP) and Pharmacovigilance (cGVP) by staff, and ensuring compliance is maintained by all relevant third parties involved in these processes.
Financial control and reporting	Effectively managing income, expenditure, assets and liabilities, liquidity, exchange rates, tax uncertainty, debtor and associated activities, and reporting accurately, in a timely manner and in compliance with statutory requirements and accounting standards.

^[1] Throughout this document, H1 2025 refers to the six months ended 30 June 2025 and H1 2024 refers to the six months ended 30 June 2024.

² Constant currency numbers in H1 2025 represent reported H1 2025 numbers translated using H1 2024 exchange rates, excluding price increases in the business resulting from the devaluation of currencies.

³ Core results throughout the document are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 5. Core results are a non-IFRS measure.

⁴ Core EBITDA is reported operating profit before depreciation, amortisation on software, adjusted for exceptional items and other adjustments recognised within reported operating profit.

⁵ During the first half, the business formerly known as Generics was renamed Hikma Rx

⁶ Group net debt is calculated as Group total debt less Group total cash. Group net debt is a non-IFRS measure that includes long and short-term financial debts (Note 10), lease liabilities, net of cash and cash equivalents and restricted cash, if any. See page 14 for a reconciliation of Group net debt to reported IFRS figures

⁷ For the purposes of the leverage calculation, core EBITDA is calculated for trailing twelve months ended 30 June 2025. See page 13 for a reconciliation to reported IFRS results and core EBITDA

⁸ IQVIA MAT June 2025, generic injectable volumes by countries, excluding branded generics and Becton Dickinson

⁹ Based on internal analysis by using data from the following source: IQVIA MDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved

¹⁰ IQVIA Injectable generic products, Hospital + Germany Retail, 2024 USD sales

¹¹ Group revenue includes 44 million contribution from products acquired through the Xellia acquisition, which closed on 10 September 2024. These revenues are recognised under Injectables

¹² Core effective tax rate is calculated as core tax expense as a percentage of core profit before tax

¹³ See page 14 for a reconciliation of Group net debt to reported IFRS results

¹⁴ Trailing 12 months Group revenue is calculated as Group revenue for the 12 months ending 30 June 2025 which equates to 3,216 million. Trailing 12 months Group reported cost of sales is calculated as Group reported cost of sales for the 12 months ending 30 June 2025 which equates to 1,842 million

Independent review report to Hikma Pharmaceuticals PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Hikma Pharmaceuticals PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Results of Hikma Pharmaceuticals PLC for the 6 month period ended 30 June 2025 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), as issued by the International Accounting Standards Board (IASB), UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated interim balance sheet as at 30 June 2025;
- the Condensed consolidated interim income statement and the Condensed consolidated interim statement of comprehensive income for the period then ended;
- the Condensed consolidated interim statement of changes in equity for the period then ended;
- the Condensed consolidated interim cash flow statement for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results of Hikma Pharmaceuticals PLC have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), as issued by the International Accounting Standards Board (IASB), UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Interim Results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Results, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants
London
6 August 2025

Hikma Pharmaceuticals PLC
Condensed consolidated interim income statement

Note	H1 2025		H1 2024		H1 2024	
	H1 2025 Core results (m) (Unaudited)	Exceptional items and other adjustments (Note 5) (m) (Unaudited)	H1 2025 Reported results (m) (Unaudited)	H1 2024 Core results (m) (Unaudited)	Exceptional items and other adjustments (Note 5) (m) (Unaudited)	H1 2024 Reported results (m) (Unaudited)

	3	1,657	1	1,658	1,569	-	1,569
Revenue		(933)		(943)	(813)	-	(813)
Cost of sales			(10)			-	
Gross profit/(loss)		724	(9)	715	756	-	756
Selling, general and administrative expenses		(278)	(118)	(396)	(280)	(45)	(325)
Impairment loss on financial assets, net		(1)	-	(1)	-	-	-
Research and development expenses		(73)	-	(73)	(61)	-	(61)
Other operating expenses		(8)	(7)	(15)	(14)	(6)	(20)
Other operating income		9	20	29	1	-	1
Total operating expenses		(351)	(105)	(456)	(354)	(51)	(405)
Operating profit/(loss)	4	373	(114)	259	402	(51)	351
Finance income		4	71	75	4	-	4
Finance expense		(40)	-	(40)	(44)	(24)	(68)
Gain from investments at fair value through profit or loss (FVTPL)		1	-	1	-	-	-
Group's share of profit of joint venture		-	-	-	1	-	1
Profit/(loss) before tax		338	(43)	295	363	(75)	288
Tax	6	(66)	11	(55)	(77)	18	(59)
Profit/(loss) for the half-year		272	(32)	240	286	(57)	229
Attributable to:							
Non-controlling interests		2	-	2	3	-	3
Equity holders of the parent		270	(32)	238	283	(57)	226
		272	(32)	240	286	(57)	229
Earnings per share (cents)							
Basic		122		108	128		102
Diluted		121		107	127		101

Hikma Pharmaceuticals PLC

Condensed consolidated interim statement of comprehensive income

	H1 2025 Core results m (Unaudited)	H1 2025 Exceptional items and other adjustments (Note 5) m (Unaudited)	H1 2025 Reported results m (Unaudited)	H1 2024 Core results m (Unaudited)	H1 2024 Exceptional items and other adjustments (Note 5) m (Unaudited)	H1 2024 Reported results m (Unaudited)
Profit for the half-year	272	(32)	240	286	(57)	229
Other comprehensive income/(expense)						
Items that may subsequently be reclassified to the consolidated income statement, net of tax:						
Currency translation movement	92	-	92	(41)	-	(41)
Items that will not subsequently be reclassified to the consolidated income statement:						
Change in investments at fair value through other comprehensive income (FVTOCI)	(10)	-	(10)	(5)	-	(5)
Total other comprehensive income/(expense) for the half-year	82	-	82	(46)	-	(46)
Total comprehensive income for the half-year	354	(32)	322	240	(57)	183
Attributable to:						
Non-controlling interests	2	-	2	3	-	3
Equity holders of the parent	352	(32)	320	237	(57)	180
	354	(32)	322	240	(57)	183

Hikma Pharmaceuticals PLC

Condensed consolidated interim balance sheet

	Note	30 June 2025 m (Unaudited)	31 December 2024 m (Audited)
Non-current assets			
Goodwill		393	382
Other intangible assets	8	824	774
Property, plant and equipment		1,329	1,278
Right-of-use assets		44	48
Investment in joint venture		11	11
Deferred tax assets		294	293

Financial and other non-current assets	102	84
	<u>2,997</u>	<u>2,870</u>
Current assets		
Inventories	1,082	986
Income tax recoverable	37	24
Trade and other receivables	1,069	949
Cash and cash equivalents	236	188
Other current assets	133	116
	<u>2,557</u>	<u>2,263</u>
Total assets	<u>5,554</u>	<u>5,133</u>
Current liabilities		
Short-term financial debts	10	706
Lease liabilities		10
Trade and other payables		611
Income tax payable		86
Provisions	12	194
Other current liabilities	9	449
	<u>2,056</u>	<u>1,978</u>
Net current assets	<u>501</u>	<u>285</u>
Non-current liabilities		
Long-term financial debts	10	798
Lease liabilities		44
Deferred tax liabilities		17
Provisions	12	36
Other non-current liabilities	11	52
	<u>947</u>	<u>834</u>
Total liabilities	<u>3,003</u>	<u>2,812</u>
Net assets	<u>2,551</u>	<u>2,321</u>
Equity		
Share capital		40
Share premium		282
Other reserves		(256)
Retained earnings		2,472
Equity attributable to equity holders of the parent	<u>2,538</u>	<u>2,310</u>
Non-controlling interests		13
Total equity	<u>2,551</u>	<u>2,321</u>

The condensed consolidated interim financial information of Hikma Pharmaceuticals PLC for the six-month period ended 30 June 2025 was approved by the Board of Directors on 6 August 2025 and signed on its behalf by:

Said Darwazah
Executive Chairman
6 August 2025

Riad Mishlawi
Chief Executive Officer

Hikma Pharmaceuticals PLC

Condensed consolidated interim statement of changes in equity

Note	Share capital	Share premium	Other reserves				Employee benefit trust (EBT) reserve	Total other reserves	Retained earnings	Equity attributable to equity shareholders of the parent	Non-controlling interests	Total equity
	m	m	Merger and revaluation reserves	Translation reserve	Capital redemption reserve							
	m	m	m	m	m	m						
Balance at 31 December 2023 (audited) and 1 January 2024												
Profit for the half-year	40	282	35	(319)	2	-	(282)	2,158	2,198	11	2,209	
Change in the fair value of investments at FVT OCI	-	-	-	-	-	-	-	226	226	3	229	
Currency translation movement	-	-	-	(41)	-	-	(41)	-	(41)	-	(41)	
Total comprehensive income for the half-year	-	-	-	(41)	-	-	(41)	221	180	3	183	
Total transactions with owners, recognised directly in equity	-	-	-	(41)	-	-	(41)	-	(41)	-	(41)	
Cost of equity-settled employee share scheme	-	-	-	-	-	-	-	15	15	-	15	
Purchase of shares held in employee benefit trust (EBT)	-	-	-	-	-	(3)	(3)	-	(3)	-	(3)	
Dividends paid	7	-	-	-	-	-	-	(104)	(104)	-	(104)	
Balance at 30 June 2024 (unaudited)	40	282	35	(360)	2	(3)	(326)	2,290	2,286	14	2,300	
Balance at 31 December 2024 (audited) and 1 January 2025												
Profit for the half-year	40	282	35	(374)	2	(37)	(374)	2,362	2,310	11	2,321	
Change in the fair value of investments at FVT OCI	-	-	-	-	-	-	-	238	238	2	240	
Currency translation movement	-	-	-	-	-	-	-	(10)	(10)	-	(10)	
Total comprehensive income for the half-year	-	-	-	92	-	-	92	-	92	-	92	
Total transactions with owners, recognised directly in equity	-	-	-	92	-	-	92	228	320	2	322	
Cost of equity-settled employee share scheme	-	-	-	-	-	-	-	16	16	-	16	
Purchase of shares held in employee benefit trust (EBT)	-	-	-	-	-	(2)	(2)	-	(2)	-	(2)	
Exercise of equity-settled employee share scheme	-	-	-	-	-	28	28	(28)	-	-	-	
Dividends paid	7	-	-	-	-	-	-	(106)	(106)	-	(106)	
Balance at 30 June 2025 (unaudited)	40	282	35	(282)	2	(11)	(256)	2,472	2,538	13	2,551	

1. The cost of shares purchased and held by the Employee Benefit Trust (EBT) during the period ended 30 June 2024 has been reclassified from retained earnings to the EBT reserve within equity

Hikma Pharmaceuticals PLC
Condensed consolidated interim cash flow statement

Note	H1 2025		H1 2024	
	m (Unaudited)	m (Unaudited)	m (Unaudited)	m (Unaudited)
Cash flows from operating activities				
Cash generated from operations	13	221	234	
Income taxes paid		(60)	(36)	
Net cash inflow from operating activities		161	198	
Cash flow from investing activities				
Purchase of property, plant and equipment		(68)	(69)	
Proceeds from disposal of property, plant and equipment		1	-	
Purchase of intangible assets		(104)	(39)	
Additions of investments at FVTOCI		(2)	(2)	
Deposit received related to asset held for sale		-	1	
Payments of contingent consideration liability		(45)	(1)	
Interest income received		3	4	
Net cash outflow from investing activities		(215)	(106)	
Cash flow from financing activities				
Proceeds from issue of long-term financial debts		402	211	
Repayment of long-term financial debts		(214)	(148)	
Proceeds from short-term borrowings		182	253	
Repayment of short-term borrowings		(123)	(219)	
Repayment of lease liabilities		(4)	(16)	
Dividends paid	7	(106)	(104)	
Interest and bank charges paid		(37)	(38)	
Decrease in restricted cash		-	10	
Purchase of shares held in employee benefit trust (EBT)		(2)	-	
Payment to co-development and earnout payment agreement		-	(1)	
Net cash inflow (outflow) from financing activities		98	(52)	
Net increase in cash and cash equivalents		44	40	
Cash and cash equivalents at beginning of the half-year		188	205	
Foreign exchange translation movements		4	(9)	
Cash and cash equivalents at end of the half-year		236	236	

Hikma Pharmaceuticals PLC
Notes to the condensed consolidated interim financial statements

1. General information

Hikma Pharmaceuticals PLC is a public limited liability company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The registered office address is 1 New Burlington Place, London W1S 2HR, UK.

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.

2. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (financial statements) for the six months ended 30 June 2025 have been prepared on a going concern basis in accordance with International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), as issued by the International Accounting Standards Board (IASB), UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The condensed consolidated interim financial statements do not include all of the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with:

- I. UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.
- II. International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The financial information does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for 2024 has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006. These interim financial statements have been reviewed, not audited.

The currency used in the presentation of the accompanying financial statements is the US dollar () as most of the Group's business is conducted in US dollars.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 with the exception of the adoption of the new revised standard set out below, as well as the estimates required in determining the provision for income taxes in accordance with IAS 34 as of 30 June 2025.

New standards, interpretations and amendments

The following revised Standard and Interpretation has been issued and is effective for annual periods beginning on 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IAS 21 (Amendments)	Lack of Exchangeability
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This amendment had no significant impact on the condensed consolidated interim financial statements of the Group but may impact the accounting for future transactions and arrangements.

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

2. Basis of preparation and accounting policies continued

Going concern

The Directors have considered the going concern position of the Group at 30 June 2025. The Directors believe that the Group is well diversified due to its geographic spread, product diversity and large customer and supplier base. The Group's business activity, together with the factors likely to affect its future development, performance and position are set out in these Interim Results. The Interim Results also include a summary of the financial position, cash flow and borrowing facilities. At 30 June 2025 the Group had undrawn long term committed banking facilities of 695 million. The Group's total debt at 30 June 2025 was 1,558 million while the Group's cash and cash equivalents at 30 June 2025 were 236 million making the net debt¹ 1,322 million. The Group's net debt to trailing core EBITDA of 800 million ratio was 1.7x at 30 June 2025 (31 December 2024: 1.4x). Taking into account the Group's current position and its principal risks for a period of at least 12 months from the date of this results announcement, a going concern assessment has been prepared using realistic scenarios, including a combined severe but plausible downside risk scenario considering specific risks facing the business related to maintenance of certain product prices, launch and commercialisation of new products and political stability. This assessment demonstrated sufficient liquidity headroom. Therefore, the Directors believe that the Group is adequately placed to manage its business and financing risks successfully, despite the current uncertain economic and geo-political outlook. Having reassessed the principal risks, the Directors have concluded it is appropriate to adopt the going concern basis of accounting in preparing the interim financial information and there is no material uncertainty requiring disclosure in this regard.

Covenants on major financial debt arrangements are suspended while the Group retains its investment grade status from two rating agencies. During the period ended 30 June 2025, the Group's investment grade rating was upgraded by S&P and Fitch to BBB.

1. Net debt includes long and short-term financial debts and lease liabilities, net of cash and cash equivalents and restricted cash, (if any)

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

3. Revenue from contracts with customers

Business and geographical markets

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

H1 2025 (unaudited)	Injectables	Hikma	Branded m	Others m	Total m
	m	Rx ¹ m			
North America	446	523	-	6	975
Middle East and North Africa	115	-	433	6	554
Europe and Rest of the World	114	-	4	3	121
United Kingdom	8	-	-	-	8

	683	523	437	15	1,658
	Injectables	Hikma Rx ¹	Branded	Others	Total
	m	m	m	m	m
H1 2024 (unaudited)					
North America	412	528	-	4	944
Middle East and North Africa	99	-	413	6	518
Europe and Rest of the World	92	-	6	3	101
United Kingdom	6	-	-	-	6
	609	528	419	13	1,569

The top selling markets are shown below:

	H1 2025 m (Unaudited)	H1 2024 m (Unaudited)
United States	962	929
Saudi Arabia	171	145
Algeria	120	129
	1,253	1,203

In H1 2025, revenue arising from Hikma Rx and Injectables segments included sales the Group made to three wholesalers, each accounting for equal to or greater than 10% of the Group's revenue: 201 million (12% of Group revenue), 180 million (11% of Group revenue) and 177 million (11% of Group revenue). In H1 2024, revenue included sales made to two wholesalers, each accounting for equal to or greater than 10% of the Group's revenue: 200 million (13% of Group revenue) and 178 million (11% of Group revenue).

1. During the first half, the Group renamed its Generics segment to Hikma Rx

4. Business segments

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

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

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

4. Business segments continued

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

Injectables	H1 2025			H1 2024		
	H1 2025 Core results m (Unaudited)	Exceptional items and other adjustments (note 5) m (Unaudited)	H1 2025 Reported results m (Unaudited)	H1 2024 Core results m (Unaudited)	Exceptional items and other adjustments (note 5) m (Unaudited)	H1 2024 Reported results m (Unaudited)
Revenue	683	-	683	609	-	609
Cost of sales	(366)	(10)	(376)	(282)	-	(282)
Gross profit/(loss)	317	(10)	307	327	-	327
Total operating expenses	(112)	(20)	(132)			
Segment result	205	(30)	175	(106)	(31)	(137)
				221	(31)	190

Hikma Rx ¹	H1 2025			H1 2024		
	H1 2025 Core results m	Exceptional items and other adjustments (note 5) m	H1 2025 Reported results m	H1 2024 Core results m	Exceptional items and other adjustments (note 5) m	H1 2024 Reported results m

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	522	1	523	528	-	528
Cost of sales	(347)	-	(347)	(331)	-	(331)
Gross profit	175	1	176	197	-	197
Total operating expenses	(83)	(23)	(106)			
Segment result	92	(22)	70	(93)	(17)	(110)
	92	(22)	70	104	(17)	87

Branded	H1 2025			H1 2024		
	Exceptional items and other adjustments (note 5)		Reported results	Exceptional items and other adjustments (note 5)		Reported results
	Core results m		m	Core results m		m
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	437	-	437	419	-	419
Cost of sales	(205)	-	(205)	(187)	-	(187)
Gross profit	232	-	232	232	-	232
Total operating expenses	(99)	10	(89)			
Segment result	133	10	143	(103)	(3)	(106)
	133	10	143	129	(3)	126

Others ²	H1 2025			H1 2024		
	Exceptional items and other adjustments (note 5)		Reported results	Exceptional items and other adjustments (note 5)		Reported results
	Core results m		m	Core results m		m
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	15	-	15	13	-	13
Cost of sales	(15)	-	(15)	(13)	-	(13)
Gross profit	-	-	-	-	-	-
Total operating expenses	(4)	-	(4)			
Segment result	(4)	-	(4)	(3)	-	(3)
	(4)	-	(4)	(3)	-	(3)

1. During the first half, the Group renamed its Generics segment to Hikma Rx

2. Others mainly comprise Arab Medical Containers LLC, International Pharmaceutical Research Center LLC and the 503B compounding business

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

4. Business segments continued

Group	H1 2025			H1 2024		
	Exceptional items and other adjustments (note 5)		Reported results	Exceptional items and other adjustments (note 5)		Reported results
	Core results m		m	Core results m		m
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segments' results	426	(42)	384	451	(51)	400
Unallocated expenses ¹	(53)	(72)	(125)	(49)	-	(49)
Operating profit/(loss)	373	(114)	259	402	(51)	351
Finance income	4	71	75	4	-	4
Finance expense	(40)	-	(40)	(44)	(24)	(68)
Loss from investment at fair value through profit or loss (FVTPL)	1	-	1	-	-	-
Group's share of profit of joint venture	-	-	-	1	-	1
Profit/(loss) before tax	338	(43)	295	363	(75)	288
Tax	(66)	11	(55)	(77)	18	(59)
Profit/(loss) for the half-year	272	(32)	240	286	(57)	229

Attributable to: Non- controlling interests	2	-	2	3	-	3
Equity holders of the parent	270	(32)	238	283	(57)	226
	272	(32)	240	286	(57)	229

1. Reported unallocated corporate expenses mainly comprise provision for legal settlements, employee costs and professional fees. The increase compared to the prior period is primarily attributable to the provision for legal settlements recognised in H1 2025 (Note 5)

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

5. Exceptional items and other adjustments

Exceptional items and other adjustments are disclosed separately in the condensed consolidated income statement to assist in the understanding of the Group's core performance.

H1 2025	Injectables m	Branded m	Hikma Rx m	Unallocated m	Total m	Tax effect m	Impact on profit for the period m
Exceptional items and other adjustments							
Provision for legal settlements	SG&A	-	-	(72)	(72)	18	(54)
Insurance compensation in relation to the Group's losses in Sudan	Other operating income	-	14	-	14	(3)	11
Pre-production setup costs	Cost of sales	(10)	-	-	(10)	2	(8)
Gain on extinguishment of financial liability	Other operating income	6	-	-	6	(1)	5
Reorganisation costs	SG&A	(1)	-	(1)	(2)	-	(2)
Provision for rebates adjustment	Revenue	-	-	1	-	-	1
Intangible assets amortisation other than software	SG&A	(25)	(3)	(16)	(44)	8	(36)
Impairment charge on intangible assets and property, plant and equipment	Other operating expenses	-	(1)	(6)	-	2	(5)
Remeasurement of contingent consideration liabilities	Finance income	-	-	-	71	(15)	56
Exceptional items and other adjustments		(30)	10	(22)	(1)	(43)	11
							(32)

- Provision for 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 booked a total provision of approximately 72 million to cover the agreed settlement amount for all related cases. These matters have been previously disclosed as contingent liabilities (Note 12)
- 14 million represents insurance compensation in relation to the Group's losses in Sudan in a prior period
- Pre-production setup costs: 10 million related to the manufacturing plant acquired through the Xellia business combination in 2024. These costs are incurred during the pre-operational phase where commissioning and refurbishment of the plant is taking place. These activities are expected to be completed by the end of 2026, with further costs expected to be incurred in H2 2025 and 2026
- 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: 2 million of reorganisation costs related to a global restructuring program that started in 2024. Completion of these activities is projected in 2025, with an estimated additional cost of approximately 3 million. This program will improve efficiencies across various Group functions, including R&D activities benefitting from the integration of Xellia business combination
- Provision for rebates adjustment: 1 million represents a change in historical estimates in relation to prior years rebates
- Intangible assets amortisation other than software of 44 million
- Impairment charge on intangible assets and property, plant and equipment: 7 million of impairment charge mainly related to a product-related intangible asset due to the discontinuation of a pipeline product
- Remeasurement of contingent considerations liabilities: 71 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 9, 11 and 15)

Tax effect

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

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

5. Exceptional items and other adjustments continued

H1 2024	Injectables m	Branded m	Hikma Rx m	Unallocated m	Total m	Impact on profit for the period m	
						Tax effect m	(m)
Exceptional items and other adjustments							
Intangible assets amortisation other than software	SG&A	(25)	(3)	(17)	-	(45)	12
Impairment charge on property, plant and equipment and intangible assets	Other operating expenses	(6)	-	-	-	(6)	1
Remeasurement of contingent consideration and other financial liability	Finance expense	-	-	-	(23)	(23)	5
Unwinding of contingent consideration and other financial liability	Finance expense	-	-	-	(1)	(1)	-
Exceptional items and other adjustments		(31)	(3)	(17)	(24)	(75)	18
							(57)

- Intangible assets amortisation other than software of 45 million
- Impairment charge on property, plant and equipment and intangible assets: 6 million of impairment charge mainly relates to machinery and equipment associated with discontinued projects
- Remeasurement of contingent consideration and other financial liability: 23 million primarily 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
- Unwinding of contingent consideration and other financial liability: 1 million primarily represents the finance expense resulting from the unwinding of contingent consideration recognised through business combinations

6. Tax

The Group incurred a tax expense of 55 million (H1 2024: 59 million). The reported effective tax rate for H1 2025 is 18.6% (H1 2024: 20.5%), representing the best estimate of the average annual effective tax rate expected for the full year on a legal entity basis, applied to the pre-tax income for H1 2025 and adjusted for the tax effect of any discrete items recorded in the same period.

The prior year reported effective tax rate for the Group was higher than the same period this year primarily due to the difference in earnings mix.

The application of tax law and practice is subject to some uncertainty and amounts are provided where the likelihood of a cash outflow is probable.

Global minimum tax

The Group is within the scope of the OECD Pillar Two model rules. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate.

Based on the latest assessment of the Pillar Two rules, the Group does not expect to incur a material top up tax charge.

US Finance Act

On 4 July 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law, introducing changes to US tax legislation. As the legislation was enacted after the reporting period, its provisions are not reflected in the interim tax position. The Group is currently assessing the potential impact of these changes on future financial periods.

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

7. Dividends

	H1 2025 m <u>(Unaudited)</u>	H1 2024 m <u>(Unaudited)</u>
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2024 of 48 cents (2023: 47 cents) per share	106 <u>106</u>	104 <u>104</u>

The proposed interim dividend for H1 2025 is 36 cents (H1 2024: 32 cents) per share.

The proposed interim dividend will be paid on 18 September 2025 to eligible shareholders on the register at the close of business on 15 August 2025 and has not been included as a liability in these condensed consolidated interim financial statements.

Based on the number of shares in free issue at 30 June 2025 of 221,451,926 the total proposed interim dividend amount is 80 million.

8. Other intangible assets

Other intangible assets increased by 50 million (H1 2024: decreased by 1 million) during the period, primarily due to additions of 101 million (H1 2024: 52 million) offset by amortisation of 49 million (H1 2024: 49 million) and impairment charges of 6 million (H1 2024: 1 million).

9. Other current liabilities

	30 June 2025 m <u>(Unaudited)</u>	31 December 2024 m <u>(Audited)</u>
Deferred income (Note 11)	41	28
Refund liability	158	151
Contingent and deferred consideration liabilities (Notes 5, 11 and 15)	30	85
Acquired contingent liability (Note 11)	17	20
Indirect rebates and other allowances	185	173
Others	18	18
	<u>449</u>	<u>475</u>

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

Refund liabilities relate to provisions for product returns, where the Group allows customers to return products within a specified period prior to and subsequent to the expiration date.

Indirect rebates and other allowances mainly represent rebates granted to healthcare authorities and certain indirect customers under contractual arrangements.

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

10. Financial debts

Short-term financial debts

	30 June 2025 m <u>(Unaudited)</u>	31 December 2024 m <u>(Audited)</u>
Bank overdrafts	3	4
Import and export financing ¹	76	14
Short-term loans	3	3
Current portion of long-term loans	624	621
	<u>706</u>	<u>642</u>

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

Long-term financial debts

	30 June 2025 m <u>(Unaudited)</u>	31 December 2024 m <u>(Audited)</u>
Long-term loans	922	729
Long-term borrowings (Eurobond)	500	499
	<u>1,422</u>	<u>1,228</u>

Less: current portion of long-term loans	(b24)	(b21)
Long-term financial loans	798	607
Breakdown by maturity:		
Within one year	624	621
In the second year	111	118
In the third year	107	129
In the fourth year	471	117
In the fifth year	109	242
In the sixth year	-	1
	1,422	1,228

The financial debts are held at amortised cost.

Major financial debts arrangements include:

- a) 1,150 million syndicated revolving credit facility that matures on 04 January 2029. At 30 June 2025, the facility had an outstanding balance of 465 million (31 December 2024: 240 million) and a fair value of 465 million (31 December 2024: 240 million) and an unutilised amount of 685 million (31 December 2024: 910 million). The facility can be used for general corporate purposes.
- b) A 500 million 3.25%, five-year Eurobond with a rating of BBB (S&P & Fitch) that matured on 9 July 2025. At 30 June 2025, the bond had a carrying value of 500 million (31 December 2024: 499 million) and a fair value of 499 million (31 December 2024: 493 million).
- c) A 400 million five-year syndicated loan facility that matures on 13 October 2027. At 30 June 2025, the facility had an outstanding balance of 134 million (31 December 2024: 162 million) and a fair value of 134 million (31 December 2024: 162 million).

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

10. Financial debts continued

Long-term financial debts continued

- a) 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 30 June 2025, the facility had an outstanding balance of 168 million (31 December 2024: 185 million) and a fair value of 168 million (31 December 2024: 185 million).
- b) A 150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 30 June 2025, the facility had an outstanding balance of 54 million (31 December 2024: 63 million) and a fair value of 51 million (31 December 2024: 61 million).

On 3 July 2025, the Group entered into a 250 million six-year loan facility from the International Finance Corporation that matures on 3 July 2031. The proceeds were used for general corporate purposes.

On 8 July 2025, the Group issued a new 500 million five-year Eurobond with a 5.125% coupon rate to refinance the previously issued 500 million five-year Eurobond, with a 3.25% coupon rate which matured on 9 July 2025.

11. Other non-current liabilities

	30 June 2025	31 December 2024
	m	m
	(Unaudited)	(Audited)
Contingent consideration liability (Notes 5, 9 and 15)	7	68
Acquired contingent liability (Note 9)	20	29
Deferred income (Note 9)	25	30
	52	127

Contingent consideration liabilities represent contractual liabilities arising from business combinations to make payments to third parties in the form of milestone payments that depend on the achievement of certain regulatory approvals; and payments based on future sales of certain products. The current portion of these liabilities are recognised in other current liabilities (Note 9).

The contingent consideration liability is accounted for as a financial liability at fair value under IFRS 9 (Note 15).

Acquired contingent liability was recognised as part of a business combination. On acquisition, the acquired contingent liability was recognised at fair value under IFRS 3 'Business Combinations' and it is subsequently measured at the higher of the amount that would be recognised under IAS 37 'Provisions

Subsequently measured at the higher of the amount that would be recognised under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less any settlements made in respect of the liability.

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

12. Provisions

	30 June 2025 m	31 December 2024 m
	(Unaudited)	(Audited)
Provision for legal settlements	201	129
Provision for end of service indemnity	29	29
	<u>230</u>	<u>158</u>
Due within one year	194	122
Due after more than one year	36	36
	<u>230</u>	<u>158</u>

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

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.

13. Cash generated from operating activities

	H1 2025 m	H1 2024 m
	(Unaudited)	(Unaudited)
Profit before tax	295	288
Adjustments for depreciation, amortisation and impairment charges of:		
Property, plant and equipment	47	47
Intangible assets	55	50
Right-of-use of assets	5	5
Gain from investments at fair value through profit or loss (FVTPL)	(1)	-
Cost of equity-settled employee share scheme	16	15
Finance income	(75)	(4)
Finance expense	40	68
Foreign exchange loss	8	14
Gain on termination of lease	-	(1)
Group's share of profit of joint venture	-	(1)
Changes in working capital:		
Change in trade and other receivables	(107)	(130)
Change in other current assets	(15)	(19)
Change in inventories	(62)	(66)
Change in trade and other payables	(44)	(24)
Change in other current liabilities	27	3
Change in provisions	72	1
Change in other non-current liabilities	(13)	(13)
Change in other non-current assets	(27)	1
Cash flow from operating activities	<u>221</u>	<u>234</u>

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

14. Reconciliation of movement in net debt

	H1 2025 m	H1 2024 m
	(Unaudited)	(Unaudited)
<i>Interest-bearing loans and borrowings (Note 10)</i>		
Balance at 1 January	1,249	1,125
Proceeds from issue of long-term financial debts	402	211
Proceeds from issue of short-term financial debts	182	253
Repayment of long-term financial debts	(214)	(148)
Repayment of short-term financial debts	(123)	(219)

Amortisation of upfront fees	2	2
Foreign exchange translation movements	6	(1)
Balance at 30 June	<u>1,504</u>	<u>1,223</u>
 <i>Lease liabilities</i>		
Balance at 1 January	57	66
Additions	2	4
Adjustments	(1)	(1)
Repayment of lease liabilities	(4)	(16)
Balance at 30 June	<u>54</u>	<u>53</u>
 Total Debt	<u>1,558</u>	<u>1,276</u>
Cash and cash equivalents	(236)	(236)
Net debt ¹	<u>1,322</u>	<u>1,040</u>

1. Net debt includes long and short-term financial debts and lease liabilities, net of cash and cash equivalents and restricted cash, (if any)

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

- Cash at bank and on hand and time deposits - due to the short-term maturities of these financial instruments and given that they generally have negligible credit risk, management considers the carrying amounts to be not significantly different from their fair values
- Long term receivables - 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 to not 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 to be not significantly different from their fair values
- Deferred consideration - carried at amortised cost, of which the fair value is estimated not to be significantly different from the respective carrying amount

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

15. Fair value of financial assets and liabilities continued

Loans with fixed rates mainly comprise:

- 500 million 3.25% five-year Eurobond with a carrying value of 500 million at 30 June 2025 and fair value of 499 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)
- A ten-year 150 million loan from the International Finance Corporation with an outstanding balance of 54 million at 30 June 2025 and a fair value of 51 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:

Fair value measurements	Level 1	Level 2	Level 3	Total
At 30 June 2025 (unaudited)				
Financial Assets				
Investments at FVTPL	25	-	-	25
Investments in listed shares at FVTOCI	1	-	-	1
Investments in unlisted shares at FVTOCI	-	-	42	42
Total financial assets	26	-	42	68
Financial Liabilities				
Contingent consideration liability (Note 11)	-	-	7	7
Total financial liabilities	-	-	7	7

Fair value measurements	Level 1	Level 2	Level 3	Total
At 31 December 2024 (audited)				

Financial Assets			
Investments at FVTPL	25	-	25
Money market deposit	2	-	2
Investments in listed shares at FVTOCI	1	-	1
Investments in unlisted shares at FVTOCI	-	-	50
Total financial assets	28	-	50
Financial Liabilities			
Contingent consideration liabilities (Notes 9 and 11)	-	-	153
Total financial liabilities	-	-	153

Investments 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.

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. The total portfolio as at 30 June 2025 includes two investments in listed companies with a readily determinable fair value that falls under level 1 valuation, their values are measured based on quoted prices in active markets. The other investments are unlisted shares without readily determinable fair values that fall under level 3 valuation. 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.

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Notes to the condensed consolidated interim financial statements continued

15. Fair value of financial assets and liabilities continued

The following table presents the changes in Level 3 items for H1 2025, and the year ended 31 December 2024:

	Financial asset	Financial liability
	m	m
Balance at 1 January 2024 (audited)	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	-
Balance at 31 December 2024 and 1 January 2025 (audited)	50	153
Settled	-	(45)
Remeasurement of contingent consideration recognised in finance income (Note 5)	-	(71)
Change in fair value of investments at FVTOCI	(10)	-
Additions of investments at FVTOCI	2	-
Transfer out of level 3	-	(30)
Balance at 30 June 2025 (unaudited)	42	7

During the period, a contingent consideration liability previously measured at fair value and classified within level 3 of the fair value hierarchy was transferred out of level 3 following the resolution of the underlying contingency. The obligation is now contractually payable and classified as deferred consideration, measured at amortised cost.

16. Related party balances and transactions

No significant transactions between the Group and its associates and other related parties were undertaken during the half-year. Any transactions between the Company and its subsidiaries have been eliminated on consolidation.

17. 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 55 million (31 December 2024: 49 million) arising in the normal course of business. No provision for these liabilities has been made in these financial statements.

A contingent liability existed at the balance sheet date for standby letters of credit totalling 14 million (31 December 2024: 14 million) for potential stamp duty obligations that may arise from the repayment of

loans by intercompany guarantors. It is not probable that the repayment will be made by the intercompany guarantors.

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

17. Contingent liabilities continued

Legal proceedings

The Group is 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 difficult to ascertain. It is the Group's policy to provide for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable.

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

- In Re Generic Pharmaceuticals Pricing Antitrust Litigation. Starting in 2016, more than 30 complaints have been filed against Group entities in the United States on behalf of putative classes of direct and indirect purchasers of generic drug products, as well as several individual direct action retailer and third party payor plaintiffs. These complaints allege that more than forty generic pharmaceutical defendants, including the Group entities, engaged in conspiracies to fix, increase, maintain and/or stabilise the prices and market shares of certain generic drug products during the periods of approximately 2010 to 2016. The plaintiffs seek unspecified treble monetary damages, which can be 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.)). At this point in the proceedings, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.
- Amarin Pharma Inc. v. Hikma Pharmaceuticals PLC. In November 2020, Amarin Pharmaceuticals filed a patent infringement lawsuit against certain Group entities in the United States District Court for the District of Delaware (No. 20-cv-1630) alleging that Hikma's sales, distribution and marketing of its generic icosapent ethyl product infringe three Amarin patents that describe certain methods of using icosapent ethyl. Amarin sought an injunction barring Hikma from selling its generic product as well as unspecified damages. Hikma's product is not approved for the alleged patented methods but rather is approved only for a different indication not covered by any valid patents. In January 2022 the district court dismissed the lawsuit, and Amarin appealed the court's ruling to the United States Court of Appeals for the Federal Circuit. On 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 is scheduled to begin on 8 September 2026. Meanwhile, Hikma has petitioned the United States Supreme Court to review the appeals court decision. At this point, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.

Hikma Pharmaceuticals PLC

Notes to the condensed consolidated interim financial statements continued

18. Subsequent events

On 3 July 2025, the Group entered into a 250 million six-year loan facility from the International Finance Corporation that matures on 3 July 2031. The proceeds were used for general corporate purposes.

On 4 July 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law, introducing changes to US tax legislation. As the legislation was enacted after the reporting period, its provisions are not reflected in the interim tax position. The Group is currently assessing the potential impact of these changes on future financial periods.

On 8 July 2025, the Group issued a new 500 million five-year Eurobond with a 5.125% coupon rate to refinance the previously issued 500 million five-year Eurobond, with a 3.25% coupon rate which matured on 9 July 2025.

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