

A photograph of a woman with long dark hair, wearing a green top, smiling and holding a baby. The baby is laughing with its mouth open. A doctor with glasses and a stethoscope is examining the baby's chest. The background is a bright, out-of-focus indoor setting.

Better health.  
Within reach.  
Every day.

Shaping a  
healthier world

# Better health. Within reach. Every day.

Hikma puts better health within reach, every day. By creating high-quality products and making them accessible to those who need them, we are helping to shape a healthier world that enriches all our communities.

## Shaping a healthier world...



by developing our pipeline in growing therapeutic areas

[Read more on page 10](#)



by focusing on quality manufacturing

[Read more on page 16](#)



by expanding our patient reach

[Read more on page 22](#)



by investing for the future

[Read more on page 34](#)



by leveraging our role as a leading healthcare provider in MENA

[Read more on page 38](#)

## Financial highlights

Revenue	Core <sup>1</sup> revenue	Operating profit
\$3,127m	\$3,156m	\$612m
+9% 2023: \$2,875m	+10% 2023: \$2,875m	+67% 2023: \$367m
Core operating profit	Profit to shareholders	Core profit to shareholders
\$719m	\$359m	\$495m
+2% 2023: \$707m	+89% 2023: \$190m	+1% 2023: \$492m
Basic earnings per share	Core basic earnings per share <sup>2</sup>	Dividend per share
162c	224c	80c
+88% 2023: 86c	0% 2023: 223c	+11% 2023: 72c

## Non-financial highlights

Value of our donated medicines	Reduction in Scope 1 and 2 GHG emissions since 2020 <sup>3</sup>
\$4.1m	15%
2023: \$4.9m	2023: 15%
Employee engagement score	Employee enablement score
73%	69%
2020: 73%	2020: 64%

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1. Core results are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 of the Group consolidated financial statements

2. Core basic earnings per share is reconciled to basic earnings per share in Note 14 of the Group consolidated financial statements

3. We have committed to reducing Scope 1 and Scope 2 greenhouse gas emissions (market-based) by 25% by 2030, using a 2020 baseline year. For reporting in this Annual Report, we have used data from January to September of 2024 and conducted an uplifting exercise to estimate quantities for October to December 2024. More information on this methodology can be found on our website

## Delivering strategic progress and strong financial results

- Driving top-line growth**  
double-digit Group core revenue growth
- Adding differentiation**  
to the portfolio through acquisition and partnerships
- Increasing scale**  
of our manufacturing through automation and increased capacity
- Investing for the future**  
4.5% of Group core revenue invested in R&D for continued growth
- Expanding our portfolio**  
132 products launched
- Positive outlook**  
as we build on strong momentum with a clear strategy for growth

# What we do

We bring patients across North America, MENA and Europe a broad range of generic, specialty and branded pharmaceutical products.

## Our markets

### North America

Our large manufacturing facilities in the United States (US) supply generic and specialty products to the US and Canadian markets across a broad range of therapeutic areas, including respiratory, oncology and pain management. We also have two R&D facilities to support sustainable growth.

**61.5%**

Group core revenue

**c.2,350**

Employees

### MENA

We sell branded generics and in-licensed patented products across the Middle East and North Africa (MENA). We have manufacturing facilities in six MENA countries, including US FDA-inspected plants in Jordan and Saudi Arabia, all supported by local R&D centres. Around 2,000 sales representatives and support staff market our brands to healthcare professionals across 17 markets.

**31.2%**

Group core revenue

**c.5,800**

Employees

### Europe and rest of the world

Our injectable manufacturing facilities in Portugal, Italy and Germany have a range of capabilities, including dedicated capacity for oncology and cephalosporins. These facilities supply injectable products to North America, MENA and a growing number of markets in Europe. We also have R&D centres in Portugal and Croatia.

**7.3%**

Group core revenue

**c.1,350**

Employees

## Global reach



**9,500**

Employees



**9**

R&D centres



**800+**

Products



**29**

Manufacturing plants



● Manufacturing plants ● R&D centres ● Corporate HQ

## A culture of progress and belonging

We are one Hikma, supporting each other, driving onwards, growing our business and pursuing our collective promise – to put better health within reach, every day. At the heart of this are our three values: innovative, caring and collaborative

### Our purpose

**Better health.  
Within reach.  
Every day.**

### Our values



Innovative



Caring



Collaborative

## Our business segments



### Injectables

We supply hospitals across our markets with generic and specialty injectable products, supported by our manufacturing facilities in the US, Europe and MENA.

[+ Read more on page 32](#)



### Branded

We supply branded generics and in-licensed patented products from our local manufacturing facilities to retail and hospital customers across the MENA region.

[+ Read more on page 36](#)



### Generics

We supply oral, respiratory and other generic and specialty products to the North American retail market, leveraging our state-of-the-art manufacturing facility in Columbus, Ohio.

[+ Read more on page 40](#)

## Segmental core revenue

### ● Injectables

**\$1,324m**

2023: \$1,203

### ● Branded

**\$769m**

2023: \$714m

### ● Generics

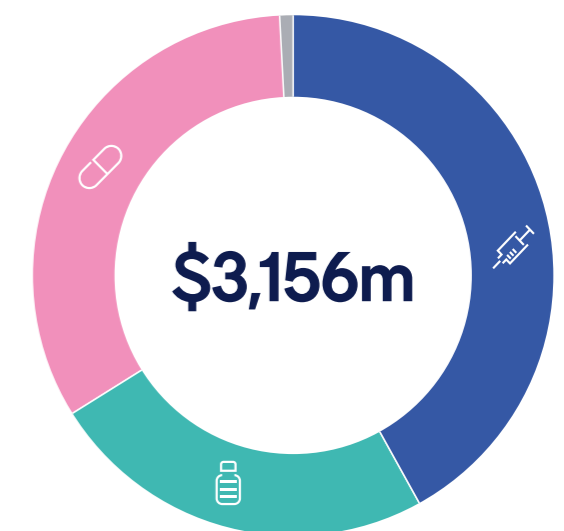
**\$1,037m**

2023: \$937m

### ● Other

**\$26m**

2023: \$21m



# Executive Chairman's statement

Everything we do is driven by the needs of our patients. I am grateful to all our people who have spent another year working hard to ensure we continue to put better health within reach, every day.

## Helping shape a healthier world

Hikma was founded, and continues to operate, as a purpose-driven organisation. We started out over 45 years ago bringing high-quality, essential medicines to markets in the Middle East and North Africa (MENA). We have evolved into a global healthcare company, playing a critical role serving patients across North America, Europe and MENA.

In 2024 we have continued to deliver on our mission to help shape a healthier world, and our leadership teams are advancing this agenda across our markets. We have been launching new products, signing partnerships, investing more into research and development, building new manufacturing plants, and deploying capital through acquisition to ensure we are well placed for continued growth.

## Serving our stakeholders

We have a wide range of stakeholders and you can read about how we engage and address their needs on page 24 of this Annual Report. Our shareholders are our owners, and we regularly engage with our investor base, take time to listen to them and ensure they understand both our financial performance and our strategic direction. Our CEO, Riad, will discuss strategy more in the following pages.

Our customers include hospitals, pharmacists, buying groups, and of course patients. Of critical importance to this group is quality and reliability of products, and this reflects our own priorities. Quality is integrated into all that we do – we are regularly inspected by the US FDA and other local authorities and we value the input we get through these interactions. You can read more about our quality focus on page 60 of this report.

Another stakeholder group critical to our success is our people. Our people are Hikma, and they bring us a huge amount of expertise as well as ideas on what more we can do to deliver our purpose. We are focused on how we can retain and recruit the best talent. When I visit our sites around the world, I always value the time I spend talking with people in our operational facilities and offices. We have an impressive team, and this gives me confidence that Hikma's future remains bright.

## Governance

In 2024, we continued to ensure that the whole Board is engaging closely with the business and contributing their expert and independent viewpoints to the running of Hikma. As well as our regular meetings in London, we took the opportunity to meet at our facility in Casablanca, Morocco. These off-site Board meetings are a fantastic opportunity for our Directors to see more of Hikma and meet with the people who are critical to our success. You can read more about the Board's activities and the Casablanca trip in the Corporate governance section on pages 103 of this report.

## Looking ahead

While I regularly reflect on how far Hikma has come, and the importance we place on providing access to healthcare in our markets, I am most excited about what more we can do. The leadership team are ambitious, with varied and complementary strengths, giving me great confidence in Hikma's ability to continue to grow for many years to come. With our pipeline, the investment into our manufacturing plants, our strong relationships with customers and suppliers, and our solid financial footing, we are perfectly placed to grow and support patients across our markets.

**Said Darwazah**  
Executive Chairman



**I have confidence in our strategy and the leadership team in place to deliver on it, and drive future growth."**



# CEO Statement

I am pleased with the excellent financial performance we have delivered during my first full year as CEO, ahead of initial expectations, and I am more confident than ever that we have the right strategy in place to deliver growth for many years to come.

Reflecting on my first full year as CEO of Hikma, I am proud of the significant strides forward we have made in 2024. This year has been marked by a robust financial performance, strategic deployment of capital, the strengthening of our leadership team, and a renewed focus on innovation and sustainability.

I have been working closely with both our Executive Committee and the Leadership Council, in executing our broader strategy. We are ensuring the Group is differentiated and positioned for sustained growth and innovation.

### Strong financial performance

I am delighted with the outcome of our hard work in 2024. Group core revenue grew 10% (reported growth of 9%), ahead of the expectations we set out last February, and upgraded in August.

In a year where we had a significant, one-off, profit headwind in our Generics business, I was also pleased with the slight growth in Group core operating profit, again ahead of our upgraded expectations.

### Injectables

We had another successful year in Injectables. We delivered an impressive top-line performance, with strong revenue growth in each of our three geographies and core operating profit growth for the division of 5%.

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

We continued to broaden and diversify our portfolio, with 89 new launches across the business. On top of this, we added products through the Xellia acquisition, which also enhanced our pipeline. With our new R&D centre in Zagreb complementing our existing footprint, we are well positioned to develop

more complex products over the medium term. We are also enhancing our differentiation through partnership, one example in 2024 being the launch of our first GLP-1 product in December, liraglutide.

Our MENA Injectables business remains a solid contributor to growth, with both biosimilars and our own portfolio of medicines contributing to the strong performance. In Europe, double-digit sales of our own medicines underpinned growth in our key markets. We also continue to pursue CMO opportunities where we see value for both us and our strategic partners.

### Branded

I am hugely proud of the progress our Branded business has made in recent years. In 2024, we grew core revenue 8% and core operating profit an impressive 11% with core operating margin expanding to 24.6%. This business has seen a step change in margin over the past two years, driven by product mix as we increasingly focus on higher value medicines. Our focus on therapeutic areas such as cardiovascular, diabetes, and oncology is allowing us not only to address critical healthcare challenges effectively, but also to provide a consistent and more profitable revenue stream.

The performance is strong across our markets and I am excited by the plans of our leadership teams on the ground to keep delivering growth. During the year we hosted both our Board and several of our investors during two visits to our site in Casablanca, Morocco. These showcased the strength of our facilities and the ambitions we have to become the leading healthcare company in MENA. Both groups came away more knowledgeable on our strengths in the region and excited for the future potential.

### Generics

Our Generics business is on a very firm footing. We generated over \$1 billion in revenue for the first time, with margins in line with our expectations. We are delivering growth in our more complex products, such as our generic Advair Diskus® dry powder inhaler, we increased our market share in sodium oxybate, and our leading nasal spray franchise performed well in 2024. Operating profit was lower than the exceptionally strong result we delivered in 2023 due to the expected increase in royalties payable on our authorised generic of sodium oxybate.

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

We are also working to maintain and enhance our manufacturing strength. Importantly, we are delivering our strategy to grow our CMO offering. We signed a new contract in 2024 which we expect to start contributing meaningfully in 2027. This will help support medium-term revenue growth and profitability for Generics.

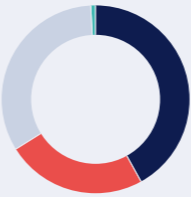
We have also focused on maximising the potential of our specialty products and post-year end, signed a partnership agreement with Emergent BioSolutions to market our Kloxxado® naloxone nasal spray.

### Our clearly defined strategy

I set out our refreshed strategy in this letter last year, and I am pleased with the progress we are making against our key priorities and how we are putting our plans into action.

Firstly, we are always striving for excellence, by enhancing and leveraging the foundation we have. This year, we have continued to evolve the technologies in our plants and our portfolio has grown, both organically and through acquisition. We now have over 800 products in our portfolio globally and our capacity to produce these products continues to expand.

### Core revenue – 2024



● Injectables	42%	(\$1,324m)
● Branded	24%	(\$769m)
● Generics	33%	(\$1,037m)
● Other	1%	(\$26m)
<b>Total</b>		<b>\$3,156m</b>

### Core operating profit – 2024<sup>1</sup>



● Injectables	56%
● Branded	23%
● Generics	21%

1. Core operating profit is \$719 million. Before unallocated corporate costs of \$99 million and operating loss from Other business of \$9 million, core operating profit contribution from business segments is \$827 million

Secondly, we diversify and differentiate. We had 132 launches across the business in 2024, and added to our R&D capabilities through the Xellia acquisition, which brings the new R&D centre in Zagreb with a track record of developing complex products. Across the Group, we are focused on pipeline execution. We have strengthened our teams in all three businesses and have been working on improving R&D efficiency. We have made great progress against this strategic pillar, ensuring we have a healthy pipeline for growth.

Thirdly, we invest in our people and operate sustainably. This year, I have travelled to many of our locations around the world, and spoken with hundreds of our people and I continue to be humbled by their commitment, diligence and experience. We have been working to enhance career development and progression and will launch a new grading structure in 2025 with clearer career levels and detail on the skills needed for advancement. You can read more about how we empower our people in our case study on page 26 of this report.

We also appointed a new VP, Sustainability in 2024, a senior position focused on advancing our sustainability strategy, and we have been spending time this year conducting a double materiality assessment, as we work to understand better our most material sustainability areas.

### Well placed for future growth

Hikma is a growth company – we are investing across our markets, building out our infrastructure, launching new products and deploying our healthy balance sheet on value-enhancing acquisitions.

I am excited for 2025 and beyond. With the incredible, diligent team we have in place, I am extremely confident in our ability to grow, and continue to help shape a healthier world.

⊕ Find out more about our Strategy on page 8

⊕ Find out more about our KPIs on page 18



We have exciting strategic momentum and are very well positioned for 2025 and beyond."



We aim to deliver consistent and profitable growth by building a leading generics and specialty pharmaceutical company, putting better health within reach, every day.

- Find out more about our KPIs on page 18
- Find out more about our risks on page 80
- Find out more about our strategic progress on page 31





# Shaping a healthier world...

...by developing our pipeline in growing therapeutic areas

**We aim to have a portfolio and pipeline that is tailored to the needs of our markets, with an increasing number of complex products with high barriers to entry.**

We are increasingly leveraging our active pharmaceutical ingredient (API) manufacturing facility in Jordan to introduce vertically integrated products for all our businesses, particularly for our MENA portfolio.

In MENA we are seeing the impact of a rapidly growing population, increasing prevalence of cancer and chronic diseases, and disparities in healthcare access. As a result, we have enhanced our focus on R&D and are investing in higher-value medicines, focusing on those used to treat chronic illnesses. We are introducing first-to-market and first-generic products and are investing in sales and marketing to support these efforts – 75% of our top 20 pipeline projects over the next five years are planned as first to market or first generic opportunities. We also work with global innovators to bring treatments and wider healthcare solutions, including Guardant Health for cancer diagnostics, Rakuten Medical for cancer treatments and Junshi Biosciences for an anti-PD-1 monoclonal antibody.

The portfolio and pipeline for our Injectables business addresses a wide range of therapeutic areas, and a large portion of our pipeline is focused on drug delivery methods or dosages that will improve processes in hospitals, such as products delivered in ready-to-use formats. This is further strengthened through the Xellia acquisition. Today, around 30% of our Injectables pipeline products are classified as differentiated or complex.

Our Generics pipeline is addressing the market need for more complex generic products. We are a leader in nasal sprays and have strong respiratory capabilities. We will leverage this expertise as we develop the next-generation generics in these and other areas. We continue to enhance our pipeline and building differentiation, including increasing the number of 505(b)(2) and other complex filings.

# Our business model

Our diversified business model allows us to respond to the many opportunities and threats we face, while delivering for our stakeholders.

Better health within reach every day

Our business segments

Injectables

Branded

Generics

Our resources

Financial

Investment in R&D, manufacturing facilities, partnerships and M&A collectively enable us to expand our product portfolio, technical capabilities and operations.

People

We have a highly skilled, diverse and effective workforce. Through continuous investment in the development of our people and by hiring new talent, we secure our future.

Values

Our culture of progress and belonging is backed by our values – innovative, collaborative and caring.

Relationships

Strong relationships with regulators, customers and health authorities across all our markets, and successful collaborations with industry partners, enable us to deliver on our purpose.

Capabilities

We have extensive commercial, R&D, manufacturing and distribution capabilities across our markets, focused on quality and efficiency.

What we do

Offer a broad product portfolio

We offer a broad and differentiated portfolio of more than 800 products. It includes high-quality generic and branded generic medicines, and a growing number of in-licensed, specialty and compounded products.

Develop and innovate

We are developing a more differentiated pipeline to meet the evolving needs of patients and healthcare professionals through investments in R&D, partnerships and strategic acquisitions.

Manufacture and maintain quality

Our extensive and high-quality manufacturing capabilities are at the heart of what we do. We have 29 plants across the Group that supply our global markets with a broad range of injectable, oral, respiratory and other generic and specialty products, including 13 US FDA-inspected plants and 12 EMA-inspected plants.

Market across geographies

We distribute our products through experienced sales and marketing teams. In the MENA region, around 2,000 representatives and support staff market our brands to doctors and pharmacists, while our sales teams in North America and Europe sell to wholesalers, pharmacy chains, governments and hospital purchasing organisations.

The value we create

Patient benefits

We provide patients across our markets with high-quality medicines.

800+ Products

Empowering our people

By focusing on the development of our people, we provide long and rewarding careers for our talented and diverse workforce.

73% Employee engagement score

69% Employee enablement score

Return on average invested capital

We have a strong track record of generating high returns on our investments.

16.9% Return on average invested capital in 2024

Sustainable business

We act responsibly, advancing health and wellbeing, empowering our people, protecting the environment and building trust through quality in everything we do.

15% Reduction in Scope 1 and 2 since base year 2020

Find out more about our KPIs on page 18

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Hikma Pharmaceuticals PLC | Annual Report 2024

Hikma Pharmaceuticals PLC | Annual Report 2024

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# Investment case

A strong business model with significant opportunities to further enhance our portfolio, drive growth and deliver value for shareholders.

A solid platform with a unique business model

Our presence and positioning



Leading market positions

- 7th largest in the US<sup>1</sup>
- 2nd largest in MENA<sup>2</sup>



Expanding manufacturing footprint

29 plants across our markets, with additional facilities being established



Global player with local expertise

Trust, quality and agility



We are a **trusted partner** known for our commitment to quality and reliability of supply



We work closely with governments and regulators to ensure highest quality **standards**



Agile supply chain, flexible manufacturing and **leading technical capabilities**

Increasingly diverse portfolio and pipeline

Broad portfolio and growing investment in R&D

- **A broad portfolio** that is tailored to local market needs
- **Targeting increase in R&D spend to 6–7% of Group revenue** to ensure the consistent development of new products
- **Growing presence in specialty, complex and higher-value products**, which offer less competition and higher margins
- **Strong momentum in new product launches** across our markets

132

launches in 2024

300+

products in our pipeline

Innovation through partnerships and acquisitions

- Enhancing our pipeline by adding innovative products through **value-creating partnerships**
- Adding to the strength of our base business through **strategic acquisitions**

1. IQVIA MAT November 2024, includes all generic injectable and generic non-injectable products, by sales

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

3. Core results are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 of the Group consolidated financial statements. Core results are a non-IFRS measure. See page 43 for a reconciliation to reported IFRS results

4. See reconciliation on page 43

A clear strategy for growth

Strategic execution driven by our three pillars



Enhance

operational efficiencies and embrace new technologies, maintaining our high quality levels

Leverage

our broad portfolio and strong commercial capabilities

Develop

a more differentiated pipeline

Expand

into adjacent businesses and geographies

Empower

our people and cultivate a unified culture

Act

responsibly across our local markets and communities

⊕ See page 8 for more information

Proven track record and strong financial position

Delivering growth and high returns

+7%

5-year revenue CAGR

+7%

5-year core EBIT CAGR

26.1%

Core EBITDA<sup>3</sup> margin

16.9%

Return on average invested capital<sup>4</sup>

Our balance sheet strength

- **Strong cash generation** with \$564 million operating cash flow in 2024
- **A strong balance sheet that provides financial flexibility to support future growth.** See page 35 for our most recent acquisition

1.4x

net debt/core EBITDA<sup>3</sup>



**Manufacturing strength is one of our greatest assets and a key differentiator for us. We have 29 plants and continuously invest in expanding and enhancing our capabilities, strengthening our position as a local supplier with global expertise.**

This manufacturing strength is complemented by Hikma's centralised engineering team and modular approach to new site construction, both of which play a pivotal role in maintaining operational excellence. The engineering team is responsible for streamlining processes, implementing innovative solutions, and ensuring that all manufacturing operations run smoothly and efficiently.

Their expertise and coordinated efforts enable Hikma to consistently meet market demands and regulatory requirements, reinforcing the Group's reputation for reliability and excellence in the pharmaceutical industry.

For example our new Injectables sites, which are near completion, in Algeria and Morocco are built to one modular design, based on our site in Portugal, with the projects overseen centrally.

**Shaping a  
healthier world...**  
...by focusing on quality manufacturing

# Our progress

We are delivering on our strategy and measuring our performance with key performance indicators (KPIs).

Strategic priority	Strive for excellence				Diversify and differentiate	People and sustainability	
KPI	<b>Core<sup>1</sup> revenue</b> (\$m)	<b>Core<sup>1</sup> operating profit</b> (\$m)	<b>Return on average invested capital<sup>2</sup></b> (%)		<b>New business</b> (%)	<b>Employee engagement</b> (%)	<b>Scope 1 and 2 (market-based) emissions reduction</b> (%)
	<div><div>\$3,156m</div><div><div><div>2,341</div><div>2,553</div><div>2,517</div><div>2,875</div><div>3,156</div></div><div>20202021202220232024</div></div></div>	<div><div>\$719m</div><div><div><div>566</div><div>632</div><div>596</div><div>707</div><div>719</div></div><div>20202021202220232024</div></div></div>	<div><div>16.9%</div><div><div><div>17.4</div><div>17.6</div><div>15.6</div><div>17.7</div><div>16.9</div></div><div>20202021202220232024</div></div></div>		<div><div>Percentage of revenue from new business over three year periods</div><div><div><div>Period</div><div>Target</div></div><div><div>1 January 2023 to 31 December 2025</div><div>16%</div></div><div><div>1 January 2024 to 31 December 2026</div><div>15%</div></div><div><div>1 January 2025 to 31 December 2027</div><div>16%</div></div></div></div>	<div><div>73%</div><div>(2020: 73%)</div><div><div>Employee enablement</div><div>(%)</div><div>69%</div><div>(2020: 64%)</div></div></div>	<div><div>15%</div><div>Reduction in Scope 1 and 2 since base year 2020</div><div><div><div><div></div><div>2020</div><div>2024<sup>4</sup></div></div><div><div>Total emissions (tCO<sub>2</sub>e)</div><div>144,899</div><div>123,307</div></div><div><div>% reduction from 2020</div><div>–</div><div>15%</div></div></div></div><div>We have committed to reducing Scope 1 and Scope 2 GHG emissions (market-based) by 25% by 2030, using a 2020 baseline year.</div></div>
Description	Total annual core revenue generated across all businesses	Core operating profit	Core operating profit after tax divided by average invested capital (calculated as the average of the opening and closing total equity plus net debt <sup>3</sup> )		Percentage of core revenue from new business measured over the period defined in the table above. New business includes products launched, new contracts and new geographies	Global employee engagement and enablement scores	Change in Scope 1 and 2 (market-based) greenhouse gas emissions using a 2020 baseline
Why is it a KPI?	This measures our ability to maximise value from our current product portfolio across our global markets and generate revenue from new launches	This measures our ability to grow revenue and maintain quality while delivering efficiencies and ensuring cost control	This measures our efficiency in allocating capital to businesses and projects		This will measure our ability to extract value from our global product pipeline and new business opportunities	Engagement measures people's pride in working for Hikma, their willingness to recommend Hikma as an employer and their desire to stay long term. Enablement measures whether people find their work fulfilling and rewarding and whether they feel supported to achieve their full potential	We strive to minimise our environmental impacts and are committed to making our operations more energy efficient
2024 performance	Group core revenue grew double-digit, reflecting strong growth across all three businesses, supported by contribution from the Xellia acquisition and recent launches	The increase was driven by strong performance in Injectables and Branded, which offset the expected reduction in Generics relating to higher royalties payable on our authorised generic of sodium oxybate	Continue to generate high levels of return		This metric is measured on a cumulative basis and we will start reporting on this in 2025. We made good progress against these targets in 2024 – launched 132 products, signed new contract manufacturing agreements and continued to make progress in new markets	We completed Hikma's 'People Voice Survey' in January 2024 and initiated an action plan in response to employees' feedback. Refer to 'empowering our people' case study on page 26 for more information on the steps taken	While the Group grows, supported by capacity expansion and higher levels of production, we are maintaining our emissions level through investments in efficiency and renewables
Link to remuneration	<div>R</div>	<div>R</div>			<div>R</div>		

1. Core results are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 in the Notes to the consolidated financial statements

2. 2020 to 2023 ROIC numbers have been restated to reflect new methodology of calculation. See reconciliation on page 43

3. Group net debt is calculated as Group total debt less Group total cash. Group total debt excludes co-development agreements and contingent liabilities

4. For reporting in this Annual Report, we have used data from January to September of 2024 and conducted an uplifting exercise to estimate quantities for October to December 2024. More information on this methodology can be found on our website

Our markets

The global pharmaceutical market is expected to reach \$2.3 trillion in 2028, growing at between 5% and 8% per annum.<sup>1</sup> Demographic trends and changing lifestyles are leading to evolving healthcare needs. This, coupled with macroeconomic dynamics, is driving increased demand for more affordable healthcare globally.



Key trends shaping the global pharmaceutical market:

- Scientific advances and improved access to healthcare are contributing to a rise in life expectancy. The world's population is expected to increase by 2 billion people by 2050<sup>2</sup>, with the number of people aged 60 or over expected to double to reach 2.1 billion<sup>3</sup>
- An ageing population and changing lifestyles are contributing to an increase in the prevalence of chronic illnesses, such as cardiovascular, cancer, respiratory and diabetes. The incidence of cancer is expected to increase rapidly, particularly in lower-income countries, with an estimated increase of over 12 million new cases annually through 2050<sup>4</sup>
- Rising healthcare costs are increasing demand for more affordable healthcare solutions
- Brand losses of exclusivity are expected to accelerate over the next five years for small molecules and biologics. This will create more opportunities for generics and biosimilars to enter the market than in the past five years, when patent expirations were at historic lows<sup>1</sup>

2 billion  
increase in world population by 2050<sup>2</sup>

2x  
people aged 60 or above expected to double by 2050<sup>3</sup>

1. IQVIA, Global Use of Medicines 2024, Outlook to 2028  
2. United Nations available at <https://bit.ly/42wOzqk>  
3. WHO available at <https://bit.ly/3EqjFpB>  
4. IQVIA, Global Oncology Trends 2024, Outlook to 2028  
5. AAM, AAM, The U.S. Generic & Biosimilar Medicines Savings Report, September 2024  
6. FDA generic drugs program activities report, YTD November 2024 monthly performance, includes approvals and tentative approvals, available at <https://bit.ly/4jY70dP> and <https://bit.ly/4hC8rx6>  
7. IQVIA MAT November 2024. Includes all generic injectables and generic non-injectable products  
8. Medicines for Europe available at <https://bit.ly/4gnyvKN>  
9. Medicines for Europe available at <https://bit.ly/40ORJEG>  
10. Fitch updated data October 2024 (Market size values were extracted from Fitch solutions)  
11. Available at <https://bit.ly/42txkq9>

The US generics market remains the largest in the world



The US pharmaceutical market is expected to grow between 2% to 5% annually over the next five years.<sup>1</sup> The US generics market is the largest in the world – around 90% of prescriptions filled are for generics and biosimilars, which account for only 13% of prescription drug spending.<sup>5</sup> Losses of exclusivity are expected to accelerate, paving the way for more generic and biosimilar entrants. More recently, the US market has seen significant growth in therapies based on glucagon-like peptides (ie GLP-1) primarily through wider usage for obesity.<sup>1</sup>

The US generics market remains competitive. There has been a higher number of competitors and an acceleration in the FDA's generic drug approval process over the last decade. In 2024, the FDA approved approximately 808 Abbreviated New Drug Applications (ANDAs), 68 (8%) of which were first-time generic approvals.<sup>6</sup>

61.5%  
North America share of Group core 2024 revenue

Strategic response

The US is our largest market, and we are well placed to capture growth opportunities. We are the seventh largest generic company by sales (injectable and non-injectable)<sup>7</sup> and have four US manufacturing plants supporting our broad portfolio of products. We also recently added significant scale to our US operations and enhanced our US injectable manufacturing capabilities and portfolio through the Xellia acquisition, which will add a new manufacturing facility once our upgrade project is complete.

To ensure continued growth, we consistently launch new products and are increasingly focusing our development activities on complex generic products that require advanced manufacturing technologies.

Demand for generics in European markets continues to grow steadily



The European pharmaceutical market continues to grow, driven by increased healthcare demand, an ageing population, and higher generic medicines uptake, particularly as governments look to maintain more sustainable healthcare budgets. 67% of dispensed medicines in Europe are for generics, which account for 29% of pharmaceutical spending.<sup>8</sup>

Market consolidation and pricing dynamics are creating shortages and increasing the risk of reduced access to important medicines in the region. According to Medicines for Europe, more than two-thirds of generic medicines on the market have only one or two suppliers.<sup>9</sup>

7.3%  
Europe share of Group 2024 core revenue

Strategic response

Our presence in the region is growing gradually. We have an agile supply chain and strong local footprint, with manufacturing facilities in Portugal, Italy and Germany supplying injectable products to our markets. In addition, we have a broad and growing portfolio of products and we have recently expanded our commercial reach by entering the UK and Spain in 2024, following our 2022 entry into France. We are well placed to supply hospitals and their patients with the medicines they need and thanks to the strength of our operations, we have been able to respond to market shortages.

In addition, we will leverage our new R&D centre in Zagreb, Croatia to develop new products for our European markets.

Attractive healthcare trends in MENA provide potential for growth



The MENA pharmaceutical market is expected to grow around 5% annually over the next four years.<sup>10</sup> This is underpinned by a fast growing and ageing population. This in turn is driving an increase in prevalence of chronic diseases across the region, particularly cardiovascular, diabetes, cancer, and respiratory diseases.<sup>11</sup>

At the same time, many countries are looking to strengthen and develop their local pharmaceutical markets by incentivising local production and applying import restrictions. Some governments are also shifting towards unifying procurement to reduce cost and improve patient access.

31.2%  
MENA share of Group 2024 core revenue

Strategic response

We have a unique business in the region, leveraging our global expertise to meet local market needs. We are the second largest pharmaceutical company in the region by sales<sup>12</sup> and have a deep understanding of the regional healthcare landscape, including the ability to navigate the complex regulatory environment, having operated there for more than 45 years. The market offers a lot of potential for growth, and we are well positioned to capture this.

We are investing in enhancing our pipeline and portfolio, focusing on launching more complex and first-to-market products that are tailored to local needs. We are also gaining market share in key therapeutic areas, including in diabetes and multiple sclerosis. In addition, we are investing in enhancing our manufacturing capacity and capabilities, strengthening our position as a local manufacturer and supplier of high-quality medicines with industry-leading global expertise.

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

+ Find out more about our approach to identify, analyse and evaluate strategic and emerging risks on page 80

## As we grow as a business, we are able to enhance the positive impact we have.

While the scope and reach of Hikma's operations have expanded, improving patients' access to health remains our central purpose nearly 50 years later. Today, we are a global company with a local presence across North America, MENA and Europe.

We continue to expand our reach and commercial presence, particularly for our Injectables business in Europe. We have an established presence in Portugal, Italy and Germany, with manufacturing plants in each of these markets. Over the last three years, we entered France, the UK and Spain.

We have an agile supply chain, a growing product portfolio and regional manufacturing capabilities, enabling us to provide patients with more direct and rapid access to important medicines. We are already seeing the benefit this is having on the patients we serve. For example, when we entered into the Spanish market earlier this year, we were able to immediately help hospitals with oncology products that were in shortage.

# Shaping a healthier world...

...by expanding our patient reach across our markets

# Stakeholder engagement

Our vision is of a healthier world that enriches all of our communities. For more than 45 years, we have been dedicated to transforming people’s lives by providing the medicine and support that they need every day.



Our purpose of putting better health within reach, every day, guides everything we do now and into the future. Our teams work diligently to stay connected to all of our stakeholders, considering their interests and communicating with them on a regular basis. This helps drive the long-term sustainable growth of our business. It also helps us better understand their needs and informs our day-to-day commercial and operational decisions, our long-term investments in our business and our people, as well as our sustainability framework.

## Stakeholders and the Board

The Directors consider their duties to stakeholders at each Board meeting, and in their capacity as members of the respective Board committees, and are particularly aware of their duty to promote the success of the Group for the benefit of all its stakeholders. Over the next few pages, we set out how we engage with our key stakeholders and build issues that are important to them into our decision making, in accordance with section 172 of the Companies Act 2006. Through case studies, we have outlined how groups of stakeholders were taken into consideration in Board decisions.

- Read more about how we are addressing the needs of our stakeholders by:
- Developing our pipeline in growing therapeutic areas

page 11
- Focusing on quality manufacturing

page 17
- Expanding our patient reach across our markets

page 23
- Investing for the future

page 35
- Leveraging our role as a leading healthcare provider in MENA

page 39
- Find out more about how the Board engages with stakeholders on

page 95

## Our stakeholders

Patients and healthcare professionals	
Employees	
<div><div></div><div>refer to Acting responsibly page 46</div></div>	
Customers	
Communities and environment	
<div><div></div><div>refer to Acting responsibly page 46</div></div>	
Government and regulators	
Suppliers	
Investors	
<div><div></div><div>refer to Investment case page 14</div></div>	

Healthcare professionals and patients

Our purpose is to put better health within reach, every day for healthcare professionals (HCPs) and their patients. We engage with doctors, clinicians and pharmacists to better understand their needs, helping them treat the patients they serve.

**Why is it important to engage with this group and what do they expect from us?**

HCPs and patients need us to:

- consistently provide a broad portfolio of products
- improve access to high-quality, affordable medicines

It is essential that we align our commercial activities, operations and R&D efforts to the changing needs of patients and HCPs.

**How we engage across the Group**

- Our commercial teams meet regularly with healthcare professionals to better understand their needs and keep them informed about our products
- In MENA, we run regular forums bringing together key opinion leaders, HCPs and global research institutes to share knowledge and raise awareness of healthcare trends and disease management
- We meet with patient advocacy groups for diseases such as multiple sclerosis, cardiovascular disease and diabetes, as well as drug overdose and addiction therapies

**How we engage at Board level**

- The Compliance, Responsibility and Ethics Committee is responsible for direct oversight of the Group’s approach to ethical issues associated with HCPs
- Our management teams present to the Board at least once per year, providing updates on how we are addressing the needs of patients and healthcare providers across our markets

**Outcomes and actions**

- Work with global innovators to bring treatments and wider healthcare solutions to MENA, including Guardant Health for cancer diagnostics, Rakuten Medical for cancer treatments and Junshi Biosciences for an anti-PD-1 monoclonal antibody
- Hosted a Train the Trainer programme in Dubai with over 60 Gastrointestinal (GI) doctors and 12 international GI trainers, with the aim of sharing expertise and updates on advanced procedures
- Through the consumer-focused platform, Hiyat Hilweh, we raise awareness for patients on conditions and diseases most prevalent in MENA, including hypertension and breast cancer
- Launched a generic GLP-1, liraglutide injection, in the US, helping improve patient access to this class of medicines
- Expanded patient reach in Europe through entry into UK and Spain
- Helped alleviate shortages of oncology products in Spain
- Acquired the rights from Takeda to 17 brands currently licensed to Hikma for MENA. Hikma will continue to commercialise all brands and will, over time, move the manufacture of these products in-house. This will help ensure the continuity of supply of these important medicines, which are widely used by patients across the region

Customers

Our customers are our business partners and we are committed to providing them with a consistent and reliable supply of high-quality medicines. We work closely with Group Purchasing Organisations (GPOs), hospitals, retailers, wholesalers and other customers to build strong relationships and enhance service levels.

**Why is it important to engage with this group and what do they expect from us?**

Customers need us to:

- offer a broad product portfolio
- have a consistent and reliable supply of medicines
- maintain service levels

Our commercial teams work closely with our different customers to understand their needs, reduce drug shortages and ensure we invest in the products, manufacturing capacity and capabilities needed to meet their requirements.

**How we engage across the Group**

- We have commercial, sales and marketing teams dedicated to our varied customer groups in North America, MENA, and Europe
- Our customer discussions inform our pipeline decisions, in an effort to bring them the products most in need

**How we engage at Board level**

- Commercial leads present to the Board at least once a year providing updates on our customer relationships and how we are meeting customer needs
- As part of its strategic review process, the Board reviews information on the generic pharmaceutical customer landscape
- The Board periodically receives industry updates from leading external professional groups

**Outcomes and actions**

- Continued to build our portfolio to address specific growing healthcare needs and therapeutic areas. In 2024 we had 132 new launches across our markets
- Continued to work closely with our customers to understand their needs and improve service levels. In addition, in line with our customer requirements and the Drug Supply Chain Security Act, our sites are well positioned to ship fully aggregated products
- In response to the need for more high-quality US manufacturing capacity, we signed a significant new long-term contract manufacturing agreement with a global pharmaceutical company, which will leverage our capabilities in our Columbus, Ohio facility. Subject to FDA approvals, expected to start contributing meaningfully in 2027

Stakeholder engagement continued

Employees



Our employees have always been at the heart of everything we do. As the driving force behind Hikma's growth and success, our people are our most valuable asset.

Why is it important to engage with this group and what do they expect from us?

Our employees need us to:

- support them and provide development and growth opportunities
- protect their health and safety
- foster a diverse and inclusive culture

The passion and commitment of our people to our values is key to delivering our purpose and supports our growth plans. One of our key strategic priorities is to build a culture that inspires and enables our people, one in which they are empowered to drive innovation and are committed to caring for customers, patients and communities around the world.

How we engage across the Group

- We are committed to empowering our people by offering ongoing training and diverse learning experiences that are accessible and engaging. Our goal is to support career growth and lifelong learning for all employees
- Our Group-wide principles for ensuring employee health and safety are outlined in our Group Environmental, Health and Safety Policy Statement, which is available on our website [www.hikma.com](http://www.hikma.com). We also have local policies and procedures in place
- We conduct employee surveys and use this feedback to improve our performance and culture
- We have an active internal communications programme to keep employees engaged and informed on Group strategy, progress, culture, values and sustainability

How we engage at Board level

- Nina Henderson has Board-level responsibility for employee engagement. She undertakes an active programme of engagement each year and reports formally to the Board on her findings
- The Board receives regular reports on communications activities with employees, including employee surveys and events or feedback that are reported by the Chief Executive Officer

Outcomes and actions

- Developed an action plan that addresses employees' concerns and needs following feedback from our 'People Voice Survey'. Refer to 'empowering our people' case study for details
- Ensured a smooth onboarding of our new employees as part of the Xellia acquisition integration. Key members of senior management, Injectables, R&D, investor relations and communications visited the newly acquired Zagreb site and held townhalls to answer any questions
- We introduced a new Group policy that promotes diversity, reflecting our commitment to provide an environment that supports growth, eliminates barriers, and allows all our employees to thrive

Empowering our people

Employee engagement

Having a strong culture that empowers our people is a key pillar in our strategy and essential to achieving long-term success. In January 2024, we completed the 'People Voice Survey', which provided our employees with the platform to anonymously submit their feedback on various topics, including engagement, enablement, employee development and wellbeing. This helps us to understand what we are doing well and where we can improve.

Outcomes and long-term implications

The survey provided great insight. We initiated a Group action plan in response to employees' feedback, which focused on:

- **enhancing career development and progression:** we are introducing a new grading structure, which offers clearer career levels and details on the skills needed for advancement within or across functions. This will be launched in 2025
- **recognising employees and enhancing motivation:** we launched our Employee Recognition Programme, Hikma Honours, which allows our people to recognise each other across locations and departments, in line with our values. It is a non-monetary programme that complements our local reward programmes and helps connect our people across our global footprint, while supporting a positive and inclusive work environment
- **improving wellbeing:** we implemented several local and group initiatives to enhance mental, social, physical, and financial wellbeing. These initiatives include wellness days and wellbeing benefits such as supporting employees who have children with disabilities and improved access to gym facilities

In addition to the Group-wide action plan, each site developed its own plan to address local needs, and managers also developed a plan specific to their team.

The Board received the initial results of the survey in February 2024, and key areas for focus were identified for action. Updates to the Board were scheduled throughout the year to monitor progress and ensure implementation. Employees also received an update during the year on the key actions agreed and what had been implemented as a result.

Communities and environment



Our vision is to create a healthier world that enriches all our communities by developing high-quality medicines and making them accessible to those who need them. We are a responsible and sustainable company and have a duty of care towards our communities and the environment.

Why is it important to engage with this group and what do they expect from us?

Our communities value our efforts to:

- improve healthcare quality and access to medicines
- strengthen educational infrastructures
- support local communities and people in need
- minimise our impact on the environment

Since its inception, Hikma has been dedicated to transforming people's lives by providing the medicines they need and supporting the communities where we live and work. Making positive contributions to the communities where we operate, and providing assistance to those in need, supports long-term, sustainable growth, while positively impacting society.

We also strive to minimise our environmental impacts and are committed to making our operations more energy efficient.

How we engage across the Group

- We have developed collaborative partnerships and programmes to promote positive change and address the needs of our communities. These initiatives include increasing access to medicine, supporting education and assisting refugees and low-income groups
- We work internally to progress our understanding of climate-related risks and opportunities and are working to achieve our greenhouse gas emissions reduction target

How we engage at Board level

- The Board, through the CREC, oversees our sustainability strategy and monitors our progress against our ESG-related targets
- Our Executive Vice Chairman sits on our Access to Medicine Committee, which is co-chaired by our Executive Vice President of Corporate Development and M&A
- Our Executive Vice President of Strategic Planning and Global Affairs, who reports directly into our CEO, oversees our sustainability team, with our newly appointed VP of Sustainability responsible for implementation of the Group sustainability strategy. More information on our sustainability efforts can be found on pages 46 to 77 and on our governance and management of ESG issues on page 48

Outcomes and actions

- Delivered \$4.1 million in medicine donations in 2024 (value based on cost of goods)
- Achieved a 15% reduction in Scope 1 and 2 GHG emissions since 2020
- Expanded our tertiary education scholarship programme, in partnership with UNHCR, bringing the total to 80 students across Jordan, Algeria, and Egypt
- Conducted a comprehensive double materiality assessment. Refer to case study on page 27 for more details
- Prioritised water management in water-stressed locations. Refer to page 59 for more information

Double materiality assessment

Objectives

In 2024, we conducted a comprehensive double materiality assessment (DMA). This initiative was aligned with the European Sustainability Reporting Standards (ESRS) requirements, which are part of our Corporate Sustainability Reporting Directive (CSRD) obligations.

Process and stakeholders engaged

To identify the ESG issues most material for Hikma, we engaged a diverse group of internal and external stakeholders. This engagement was conducted through a series of workshops and interviews, either directly or indirectly via proxy.

We directly engaged with key internal stakeholders, including members of the Board and the Executive Committee, and subject matter experts for health and safety, water management, human rights, anti-bribery and corruption, and communications. Additionally, we engaged with external stakeholders such as Civica Rx and the Access to Medicine Foundation. For other critical stakeholders, including our customers, patients, healthcare professionals (HCPs), communities, government and regulatory bodies, suppliers, and investors, their perspectives were gathered through proxy groups. These proxy groups refer to internal teams that work closely with and regularly engage these stakeholders, ensuring their insights and feedback were accurately represented and integrated into our decision-making processes.

After the interviews were finalised, key findings were analysed, and a prioritised list of material topics was established that will be used to update our sustainability framework in 2025.

# Stakeholder engagement continued

## Government and regulators



Our industry is highly regulated and we must operate in accordance with a wide range of industry and government policies and regulations, including those of the US Food and Drug Administration (FDA), the European Medicines Agency (EMA), MENA health authorities and other regulatory agencies across our markets.

### Why is it important to engage with this group and what do they expect from us?

Our regulators expect us to:

- adhere to regulatory requirements
- maintain high-quality manufacturing facilities
- provide safe and effective medicines

Quality is in everything we do and has been since our inception. We need to ensure that our quality systems operate in full compliance with the requirements of international agencies as well as domestic regulatory bodies.

### How we engage across the Group

- We have strong internal pharmacovigilance, regulatory and quality teams who ensure our quality systems operate in full compliance with the regulatory requirements of the FDA, the EMA, MENA health authorities and other regulatory agencies across our markets
- We work closely with local governments and regulatory bodies to ensure current and proposed regulations and policies support patients' needs and our operations

### How we engage at Board level

- The Board receives regular reports on relations with regulators, particularly from a manufacturing quality and product approval perspective, and receives an update on legal matters at each meeting
- The Board oversees the Group's risk programme and receives reports on relevant issues, which include specific principal risks covering product quality and safety and legal, regulatory and intellectual property

### Outcomes and actions

- Engaged in shaping US generic pharmaceutical policies and legislation as a member of the Association of Accessible Medicines (AAM) trade association
- Regularly engage with US elected officials and policymakers to help educate key members of Congress and their staff about Hikma's position as one of the largest US generic medicine providers, our strong and growing US manufacturing capabilities, our broad portfolio of essential medicines and our ability to help solve domestic drug shortages. Our goal is to develop and maintain supportive relationships with those who are developing and enacting legislation that strengthens the US supply of high-quality generic medicines, including those we produce
- Regularly meet with governing bodies and industry regulators in MENA to understand the unmet healthcare needs in key markets and ensure our product portfolio addresses them
- In 2024 we served as a silver sponsor at the ninth GCC Regulatory Affairs Pharma Summit, held in Dubai. The event gathered key stakeholders from health authorities across the GCC and MENA regions, alongside representatives from both regional and international pharmaceutical sectors, fostering insightful discussions on the evolving regulatory landscape

## Suppliers



We have an extensive global network of suppliers who provide us with the goods and services needed for us to deliver our medicines. We actively engage with our suppliers to ensure the social, ethical and environmental standards we require are upheld.

### Why is it important to engage with this group and what do we expect from them?

We want our suppliers to:

- uphold high ethical standards
- operate in a responsible and sustainable manner
- work collaboratively to build strong relationships

Our suppliers are critical to our business, and their products and expertise support us in the delivery of high-quality medicines to patients around the world. Working together and building strong relationships not only enables us to deliver on our purpose but it also ensures we have a sustainable and resilient supply chain.

Operating responsibly and ethically is vital to our long-term success, and we work with our suppliers to ensure the social and ethical standards we require are upheld.

### How we engage across the Group

- We conduct quality audits, in line with our Group audit policy and regulatory requirements, prior to on-boarding new API suppliers and on a regular basis for our current supplier base
- We reinforce our local sourcing and procurement presence in our key supplier markets to secure preferred access to capacity, innovation and pricing
- We share our Supplier Code of Conduct through our supplier onboarding process, which sets out the standards we expect from all our suppliers, including fundamental principles on human rights, modern slavery and our sustainability expectations
- We conduct initial and ongoing due diligence to assess third-party risks and run sustainability assessments through EcoVadis and our Hikma sustainability questionnaire, and regularly work with our suppliers to improve their sustainability maturity levels
- We engage with our suppliers to understand their commitments and efforts to reduce greenhouse gas (GHG) emissions as well as the future impact on our emissions

### How we engage at Board level

- The Board receives updates on supplier issues as part of its review of operational matters
- The Board oversees the Group's risk programme and receives reports on relevant issues, which include specific principal risks covering API and third-party risk management, and ethics and compliance
- The Compliance, Responsibility and Ethics Committee is responsible for direct oversight of the Group's approach to ethical issues associated with suppliers

### Outcomes and actions

- Through our partnership with EcoVadis and our sustainability questionnaire, we have assessed suppliers who cover over 60% of our annual procurement spend
- Actively engaged with key suppliers who generate (from the purchased goods and services) just over 55% of our Scope 3 footprint
- Established a dedicated process to identify suppliers at risk of modern slavery, following the creation of a specialised task force
- Enhanced the use of automation in the Supplier Code of Conduct acknowledgment process, ensuring that our expectations are clearly communicated and understood before commencing collaboration

## Investors



We maintain regular contact with investors to ensure they have a thorough understanding of our business. Our investors are largely global institutions and include both equity and debt holders.

### Why is it important to engage with this group and what do they expect from us?

Our investors want us to:

- deliver sustainable long-term value
- effectively communicate our long-term strategy, financial and operational performance and growth drivers
- meet industry and global standards for good Environmental, Social and Governance (ESG) practices

We ensure our investors have an in-depth understanding of our operations, financial performance, growth drivers and ESG efforts. The Board receives regular updates and feedback on these activities. This helps ensure that the views of our investors are considered in the Board's decision-making.

### How we engage across the Group

- We maintain regular contact with our shareholders through a comprehensive investor relations (IR) programme of conferences, roadshows, meetings and site visits
- We maintain regular dialogue with our debt holders and rating agencies
- We communicate our strategy and financial performance through regular financial reporting and investor events, such as the Annual General Meeting (AGM)
- A targeted external communications programme ensures we are informing key audiences on our strategic progress and impact on our communities

### How we engage at Board level

- The Board receives regular updates on the IR programme, including investor feedback from the AGM, IR meetings and investor perception studies
- The Executive Directors are informed of investor engagement activities on a regular basis
- The Non-Executive Directors make themselves available to meet with investors as required in the conduct of their responsibilities (eg as Chair of a committee) and are available to shareholders at the AGM to answer related questions

### Outcomes and actions

- Maintained regular contact with our analysts and investors to give business updates. We met with 167 investors in 2024
- Hosted a site visit for sell-side analysts and investors at our manufacturing facility in Casablanca, Morocco, which provided a deep dive into our MENA business and the opportunity to meet with the MENA leadership team
- Provided EC and Board members with third-party perception studies to gauge investor sentiment
- Engaged in a constructive dialogue with shareholders and proxy advisers prior and following the AGM to explain the rationale behind the Rule 9 Waiver (Buyback Waiver) and address any concerns they may have



At Hikma, we are committed to acting in the best interest of all our stakeholders."

# Business and financial review

A strong 2024 performance, with growth in all three businesses, and a positive 2025 outlook.



Khalid Nabili  
Chief Financial Officer

“Thanks to our dedicated teams, we were able to deliver another year of growth. We continue to make excellent strategic progress and are in a good position for the future.”

## Reported results (statutory)

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

## Core results<sup>2</sup> (underlying)

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

## Strong financial performance

### Double-digit Group core revenue growth, ahead of expectations

- Group core revenue up 10%, including contribution from Xellia acquisition (9% organic). Reported Group revenue up 9%
- Core revenue up in all three business segments – Injectables up 10%, Branded up 8% and Generics up 11%, supported by breadth of portfolio and recent launches
- Growth in all regions, led by North America

### Core Group operating profit up 2% to \$719 million at a margin of 22.8% (2023: 24.6%)

- Injectables core operating profit up 5% with margin of 35.3% (2023: 36.9%). Excluding Xellia, Injectables core operating margin was 35.7%. Branded core operating profit up 11% with margin of 24.6% (2023: 23.8%)
- Generics core operating profit down 11% with margin of 16.4% (2023: 20.5%), reflecting the expected higher royalties for our authorised generic of sodium oxybate
- Group reported operating profit up 67%, reflecting an impairment reversal in our Generics business and lower operating profit in the previous year resulting from the impairment of our Sudan business and a legal settlement provision

### Strong cashflow from operating activities of \$564 million (2023: \$608 million)

- Good operating performance slightly offset by increased trade receivables reflecting strong sales towards the end of the year

### Robust balance sheet and high returns

- Leverage at 1.4x net debt<sup>3</sup> to core EBITDA (31 December 2023: 1.2x)
- Return on average invested capital of 16.9%<sup>4</sup>
- Full-year dividend of 80 cents per share, up 11%, reflecting confidence in our future prospects

## Continued strategic progress to drive future growth

### Invested to further expand and diversify portfolio

- Acquired Xellia Pharmaceuticals’ US finished dosage form business, further strengthening the Injectables business
- Agreed to acquire 17 Takeda brands licensed to Hikma, enhancing future Branded profitability
- Strengthened R&D, manufacturing and commercial capabilities

### Signed new agreements and partnerships

- Expanded our Generics contract manufacturing (CMO) business with a significant agreement with a global pharmaceutical company. Expected to start contributing meaningfully in 2027
- Entered into exclusive commercial partnership with Emergent BioSolutions in January 2025 for Kloxxado® (naloxone HCl 8mg) in the US to increase patient access to this lifesaving medicine

## Strong pipeline supporting consistency of new launches

- 132 new product launches across the business
- Launched liraglutide injection in the US, the first approved ANDA for a generic GLP-1 referencing Victoza®, helping improve patient access to this class of medications

## Strong 2025 Group outlook

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

## Group

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

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

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

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

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

Reported other net operating income was \$11 million (2023: \$75 million expense). This change primarily reflects the impairment reversal related to our complex respiratory portfolio in 2024, as well as the impact in 2023 relating to the impairment charge taken on our Sudanese business. Core other net operating expenses were \$18 million (2023: \$4 million), primarily comprising foreign exchange-related costs in Egypt.

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

1. Constant currency numbers in 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies
2. Core results throughout the document are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 6 of this report. Core results are a non-IFRS measure. see page 43 for a reconciliation to reported IFRS results
3. Group net debt is calculated as Group total debt less Group total cash. Group net debt is a non-IFRS measure that includes short and long-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19), if any. See page 43 for a reconciliation of Group net debt
4. Refer to page 43 for reconciliation

We supply hospitals across our markets with generic and specialty injectable products, supported by our manufacturing facilities in the US, Europe and MENA.



# Injectables



**Double-digit core revenue  
growth supported by a  
global growing portfolio."**

## Injectables

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

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

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

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

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

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

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

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

### Outlook for 2025

In 2025, we expect Injectables revenue to grow in the range of 7% to 9%. We expect core operating margin to be in the mid-30s.

## Core revenue

2024	\$1,324m
2023	\$1,203m

## Core operating margin

2024	35.3%
2023	36.9%

**We have been steadily growing our global Injectables business through a combination of strategic acquisitions, expansion of manufacturing capabilities and investment in R&D.**

Hikma has grown to become a top three US supplier of generic injectable medicines.<sup>1</sup>

In June 2024, following discussions with management, the Board approved the acquisition of Xellia Pharmaceuticals' US finished dosage form business. This included a commercial portfolio and pipeline of differentiated products, a manufacturing facility in Bedford, Ohio, sales and marketing capabilities, and an R&D centre in Zagreb, Croatia.

Once the Bedford facility is fully operational after refurbishment, this acquisition will significantly expand our US Injectables manufacturing capacity and will add complex manufacturing technologies. In addition, it helps enrich our portfolio and pipeline as well as improves our ability to serve the growing needs of hospitals, healthcare professionals, and patients.

# Shaping a healthier world...

...by investing for the future

<sup>1</sup> IQVIA MAT November 2024, generic injectables volume by eachees, excluding branded generics and Becton Dickinson

We supply branded generics and in-licensed patented products from our local manufacturing facilities to retail and hospital customers across the MENA region.



Branded

Strengthened product mix  
is driving increasingly  
profitable growth."

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

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

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

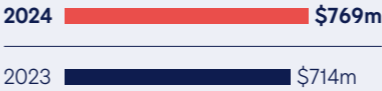
Branded reported operating profit increased significantly, reflecting the impact of the \$69 million impairment charge and cost in relation to halting our operations in Sudan in 2023. Core operating profit grew 11% and core operating margin expanded to 24.6%. This reflects the improvement in core gross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

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

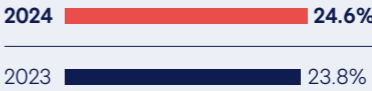
**Outlook for 2025**

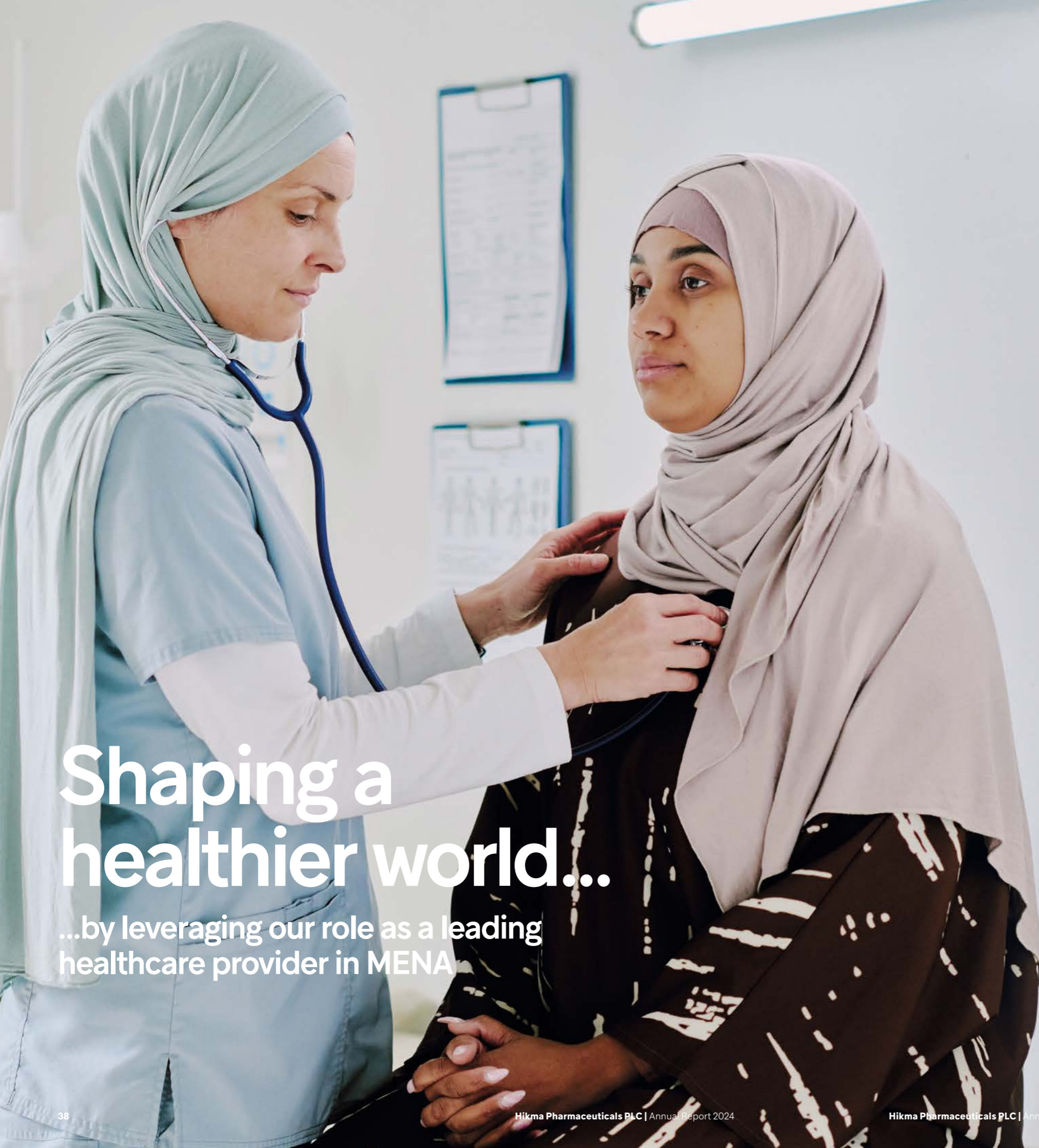
In 2025, we expect Branded revenue to grow in the range of 6% to 7% in constant currency. We expect core operating margin to be close to 25%.

Core revenue



Core operating margin





# Shaping a healthier world...

...by leveraging our role as a leading healthcare provider in MENA

**When Hikma was founded in 1978, its central purpose was to fill a profound gap in access to high-quality affordable medicines across the Middle East and North Africa region. Over the years, our journey has evolved into a story of expansive growth, all aimed at improving patient access.**

Today, Hikma is the second-largest pharmaceutical company in MENA by sales.<sup>1</sup> Our unique position in the region stems from our deep understanding of local healthcare landscapes, including the complex regulatory environment, combined with our global expertise. We have a commercial presence across 17 markets and 20 manufacturing plants, enabling us to meet the region's healthcare needs.

We have a long-term view to operating across our markets in MENA. This year, we celebrated our 30th anniversary of operating in the Algerian market.

We entered in 1994 and have since built strong relations with the local healthcare community and have significant investments in building new manufacturing capabilities. In 2006, we opened our first manufacturing plant in the market, followed by three others, including the first local oral oncology manufacturing plant.

As we continue to enhance our leading position in MENA, we remain focused on our duty and responsibility to bring new treatments, access, and innovative solutions into the region.

<sup>1</sup> Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved

We supply oral, respiratory and other generic and specialty products to the North American retail market, leveraging our state-of-the-art manufacturing facility in Columbus, Ohio.



# Generics



**Differentiated portfolio  
and strong operations are  
driving double-digit core  
revenue growth."**

## Generics

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

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

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

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

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

## Outlook for 2025

In 2025, we expect Generics revenue to be broadly flat. We expect core operating margin to be around 16%.

## Core revenue

2024	\$1,037m
2023	\$937m

## Core operating margin




2024	16.4%
2023	20.5%

Other businesses

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

Research and development

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

	2024 submissions¹	2024 approvals¹	2024 launches¹
 Injectables	137	86	89
North America	18	18	20
MENA	25	16	16
Europe & ROW	94	52	53
 Branded	59	43	36
 Generics	10	7	7
Total	206	136	132

Net finance expense

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

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

We expect core net finance expense to be between \$90 million to \$95 million in 2025.<sup>2</sup>

Tax

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

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

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

Profit attributable to shareholders and earnings per share

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

Dividend

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

Net cash flow, working capital and net debt

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

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

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

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

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

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

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

Net assets

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

Definitions

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

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

Core results

Reported results represent the Group's overall performance. However, these results can include one-off or non-cash items which are excluded when assessing the underlying performance of the Group. To provide a more complete picture of the Group's performance to external audiences, we provide, alongside our reported results, core results, which are a non-IFRS measure. Our core results exclude the exceptional items and other adjustments set out in Note 6.

Constant currency

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

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

Core EBITDA

Core EBITDA is earnings before interest, tax, depreciation, amortisation, adjusted for exceptional items and other adjustments (Note 6).

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

Working capital days

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

Group net debt

We believe Group net debt is a useful measure of the strength of the Group financial position. Group net debt includes short and long-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19), if any.

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

ROIC

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

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

# Sustainability

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- 56 Protecting the environment
- 60 Building trust through quality in everything we do
- 62 Aligning with the Task Force for Climate-related Financial Disclosures (TCFD)

# Acting responsibly at Hikma

Being a responsible organisation and advancing our sustainability agenda is integral to how we do business.

Pursuing a strong sustainability strategy helps to create long-term value for both Hikma and our stakeholders and supports our purpose of putting better health within reach, every day

We remain focused on the sustainability topics that are most material to our business success, as well as those that are most relevant to our key stakeholders. These material issues form the basis of our sustainability framework and strategy, and we align our business with these priorities. In 2024, we conducted a double materiality assessment (DMA) and will update our framework and strategy according to the DMA findings in 2025. More information on the DMA is available on page 48.

Our Acting Responsibly framework consists of four pillars:

- Advancing health and wellbeing
- Empowering our people
- Protecting the environment
- Building trust through quality in everything we do

This section outlines how we address our most material sustainability issues and highlights some of the major activities, milestones, and achievements we have made throughout the year. More information on sustainability will be provided in our upcoming Sustainability Report 2024.



## Advancing health and wellbeing

Providing better healthcare and supporting our communities

- Access to medicines
- Corporate social responsibility
- Providing better health
- Supporting education
- Helping people in need

**\$4.1m**

cost of our donated medicines

⊕ Read more on page 50



## Empowering our people

Shaping an inclusive culture where everyone can thrive

- Recruitment, retention and promotion
- Progress and belonging
- Ensuring health and safety

**245+**

Employees trained through Multipliers and Blanchard leadership programmes

⊕ Read more on page 54



## Protecting the environment

Minimising our impact on the planet

- Reduction of greenhouse gas emissions (GHG)
- Sustainable supply chain
- Water management
- Waste management

**15%**

Reduction achieved in our Scope 1 and 2 emissions since the 2020 base year

⊕ Read more on page 56



## Building trust through quality in everything we do

Upholding ethical standards and acting with integrity

- Ethics and compliance
- Product quality and safety
- Corporate governance

**10**

Maintaining membership in the FTSE4Good for ten consecutive years

⊕ Read more on page 60



## Adapting to evolving patient needs

As a manufacturer of generic medicines, we recognise our role in responding to evolving patient needs that are driven by factors such as climate change, changing demographics and socio-economic development.

Climate change is among the most significant health threats globally. It is expected to create both direct health impacts through heat waves, droughts, and other extreme weather events, as well as indirect health impacts such as increased prevalence of vector-borne and respiratory diseases, food and water insecurity, undernutrition, and forced displacements.

Additionally, population demographics are influencing disease prevalence, with ageing populations and urbanisation contributing to shifts in health needs and challenges. In addition, economic and inflationary challenges are making healthcare less accessible to patients.

We recognise our role in mitigating the health-related impacts of these challenges. We do so by prioritising the availability and access of medicines, addressing and anticipating national health priorities and evolving patient needs, and working within our markets to launch more products and strengthen the resilience of healthcare systems.

Acting responsibly at Hikma

continued

Prioritising the right issues

We prioritise sustainability issues that are most impactful, create shared value for our business and stakeholders, mitigate business risks, and ensure we continue to operate responsibly and ethically. Our sustainability framework was developed through an internal materiality assessment that integrated both current and anticipated legislative requirements and best practices. Global sustainability standards such as GRI, sector-specific standards as outlined by SASB, and ratings frameworks including MSCI, Sustainalytics, and FTSE4Good are all considered to help us fully understand material issues from an external perspective.

We take into account the perspectives of all our key stakeholders on ESG matters, including investors, patients and healthcare professionals, employees, customers, communities, governments, regulators, and suppliers.

In 2024, we conducted a double materiality assessment (DMA) as part of our broader sustainability strategy and with the purpose of refreshing our material ESG issues, updating our sustainability framework, and preparing for compliance with European Sustainability Reporting Standards (ESRS) materiality requirements that are part of our Corporate Sustainability Reporting Directive (CSRD) obligations. The DMA results emphasised our material ESG issues, the most significant of which are Product Quality and Patient Safety and Access to Medicines. As part of our continued focus on sustainability, we will integrate the DMA results into our sustainability framework.

We also put new targets in place to drive emissions reduction and water-use efficiency which are tied to Executive Remuneration. See page 56 for more details.



Our sustainability performance and commitments

MSCI

ESG RATINGS

BBB

CCC B BB BBB A AA AAA

Achieved an ESG rating score of BBB

SUSTAINALYTICS

a Morningstar company

Ranked in the 11th percentile of the Pharmaceuticals sub-industry (where first is lowest risk)

FTSE4Good

Constituents since 2014

CDP

Achieved a score of B for CDP Water 2024

UN GLOBAL COMPACT

Signatory to the United Nations Global Compact

SUSTAINABLE DEVELOPMENT GOALS

Supporters of the UN Sustainable Development Goals

WOMEN'S EMPOWERMENT PRINCIPLES

Signatory to the United Nations Women's Empowerment Principles

Modern Slavery Act 2015

Signatory to the Modern Slavery Act

Sustainability reporting readiness

We are proactive in assessing and ensuring our preparedness with evolving regulations, obligations and best practices around the management and reporting of ESG issues. There are several regulatory developments that we have identified that will impact our reporting in future years.

**Corporate Sustainability Reporting Directive (CSRD)**  
In 2023, the CSRD entered into force and established a harmonised sustainability reporting regime for companies operating in the European Union. Companies that are within the scope of CSRD have to report on relevant disclosure requirements from the 12 European Sustainability Reporting Standards (ESRS) for material sustainability matters and comply with the EU Taxonomy Directive.

We are preparing to report in alignment with CSRD at the Group level. To align with CSRD requirements, in 2024 we have focused on conducting a double materiality assessment and increasing our overall preparedness. We will continue preparing for compliance with CSRD reporting timelines, with the first financial year requiring reporting (for certain Hikma EU entities) being 2025. We are monitoring the EU Omnibus Initiative and the potential impacts it will have on CSRD reporting requirements and timelines and will amend our approach accordingly.

**UK Sustainability Reporting Standards (SRS) and IFRS Sustainability Disclosure Standards**  
The UK SRS will set out corporate disclosures for UK-based companies and is expected to be published in 2025, subject to the outcome of a public consultation. SRS disclosures will form the basis for UK companies to report on sustainability-related risks and opportunities. SRS is using the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards as a baseline to develop their reporting framework, which our teams consider when developing our ESG reporting. The IFRS includes both the International Sustainability Standards Board (ISSB) and Task Force on Climate-Related Financial Disclosures (TCFD) reporting standards.

**CDP Climate Change and Water**  
We have been reporting in alignment with CDP Climate Change since 2010 and introduced CDP Water Security reporting in 2024. We will disclose more details about our CDP scores in our 2024 Sustainability Report (published in Q2 2025) and will continue to enhance our reporting and governance of climate change and water security issues.

**Our alignment with evolving stakeholder expectations**  
Expectations around sustainability reporting among stakeholders such as regulators, investors, customers and others continue to evolve. We align our reporting and disclosures with these frameworks where the information is most relevant for our internal and external stakeholders.

We also use standards such as GRI and SASB to facilitate the comparability of our ESG performance with those of our industry peers. Our climate-related disclosures are disclosed in alignment with the Greenhouse Gas (GHG) Protocol and will ensure that our GHG accounting maintains alignment following its expected 2025 Corporate Standard update.

We have prioritised a set of metrics to monitor internally including those related to employee health and safety (such as Lost time incidents and Lost time incident rate), emissions, water and waste management. We are refining data integrity and quality to ensure key metrics are measured and disclosed with a robust level of assurance.

We have completed our DMA and will be using the results to update our 'Acting Responsibly' framework in 2025.

Acting responsibly at Hikma  
continued



Advancing health  
and wellbeing

Providing better healthcare and  
supporting our communities

Access to medicines

At Hikma, we work to enhance lives by ensuring access to affordable, high-quality medicines. This is at the heart of our corporate purpose: putting better health within reach, every day.

We fulfil our purpose by developing and launching high-quality products at competitive prices across our markets, by expanding production capacity, and by entering new markets. We also work with patients, healthcare providers and other stakeholders to assist patients and enable a more robust healthcare ecosystem. More information summarising our approach to access to medicine can be found in the sustainability section of our website.

Governance

We have in place an Access to Medicine Committee chaired by two members of the Executive Committee, the Executive Vice Chairman and President of MENA, who also sits on the Board of Directors, and the EVP, Corporate Development and M&A. The aim of the Committee is to strengthen collaboration across our business in promoting equitable access and improving the patient journey.

During the year, we explored across our business the ways in which we can bring equitable access to medicines for patients.

In 2025, we will work to improve reporting and communication around access and patient impacts by measuring and disclosing metrics related to the issue.

MENA

We operate 20 manufacturing plants in MENA and are completing new injectable plants in Algeria and Morocco. We are now the second largest pharmaceutical company by sales<sup>1</sup> and we continue to expand our local manufacturing capacity to ensure patients have access to critical medicines throughout the region.

Across the region, our areas of focus align closely with national healthcare priorities and disease burdens, and we work with relevant stakeholders to strengthen national healthcare systems. Our commercial teams regularly collaborate with doctors, clinicians, and pharmacists to improve disease awareness, healthcare standards, and access to quality medical care in the region.

North America

In the US, we are the seventh largest generic medicines manufacturer.<sup>2</sup> We supply a broad range of injectable and non-injectable products to patients in the US and, more recently, in Canada. We operate manufacturing, R&D, and distribution facilities across New Jersey and Ohio and are a leading provider of oral solid, liquid, and nasal generic medicines distributed to patients through pharmacies, hospitals, health benefits programmes, and other customers.

We are also a top three manufacturer of injectable medicines by volume<sup>3</sup> and operate a sterile compounding business focused on providing high-quality, ready-to-administer injectable medications that are customised to the specific needs of hospital patients in the US.

Our work also involves coordination with policymakers to better address persistent drug shortages and to align our domestic production with the needs of patients and medicine availability. Working with partners such as the Remedy Alliance is ensuring the alleviation of common barriers such as supply and price for patients.

Europe

We manufacture sterile injectable products in Portugal, Italy and Germany which supply our global markets. We continue to grow, acquiring a new R&D centre in Croatia and expanding our capacity in Portugal. We also sell injectable medicines across Europe, with a commercial presence in Germany, Italy, France, Spain, the UK and Portugal.

Medicine donation programme

We partner with local and international NGOs such as Direct Relief and Jordan Hashemite Charity Organization (JHCO), donating medicine to patients in need and providing aid and relief to those impacted by natural disasters and conflicts. Through our programmes, we are able to ensure urgent care reaches underserved population segments, such as low-income groups, displaced persons and those lacking sufficient medical coverage.

Medicine donations  
(COGS) \$m

2024		\$4.1m
2023		\$4.9m
2022		\$4.3m

Hikma community health initiative

Through our Hikma Community Health initiative, we partner with those on the frontlines of the overdose public health emergency across the US

During 2024 we continued our long-standing commitment to working with government officials, health care providers, non-profit organisations and the public health community to increase the accessibility of the overdose reversal medicine naloxone.

The US Centers for Disease Control and Prevention (CDC) estimates that more than 107,000 Americans died from drug overdoses in 2023, with many deaths attributed to illicit fentanyl. As a US-based manufacturer of multiple forms of overdose reversal medicines and treatments for opioid use disorder, Hikma is proud to have donated more than 600,000 doses of naloxone over the last three years.

In 2024, we partnered with US state government bodies and community organisations to expand access to our naloxone portfolio and provided a Co-Pay Assistance Programme for eligible individuals, further increasing access and decreasing out-of-pocket costs for this life-saving medication.

We also supported multiple overdose awareness days and naloxone training events with community partners and government leaders.



Naloxone training events help build understanding of this vital tool that individuals, families, first responders and communities can quickly use to reverse overdoses and save lives."



We work to enhance lives by ensuring access to affordable, high-quality medicines."

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

## Acting responsibly at Hikma continued

### Community outreach

Community engagement is central to our sustainability agenda. We organise activities across our global footprint to address social and economic challenges facing our communities, and empower our employees with opportunities to make positive and meaningful change.

#### Where we focus



##### Providing better health

We work to address unmet healthcare needs by conducting community outreach and providing in-kind medicine donations to patients in need



##### Supporting education

We are committed to providing our people and communities with opportunities to realise their full potential through continuous learning and development



##### Helping people in need

We believe in supporting the communities in which we live and work through local non-profit sponsorships and empowering our employees to support our neighbours in need

#### Community outreach highlights

**4,700+**  
volunteers

**10,600+**  
volunteering hours

**98**  
partners globally

**\$3.9m**  
charitable donations



#### Providing better health



### Providing access to clean water for families in Egypt

In 2024, we expanded our effort to provide access to clean water for people in Egypt

The project, completed in partnership with Al-Orman Association and focusing on the Fayoum Governorate, will directly benefit more than 1,400 people by providing them with sustainable access to clean water. This project builds on the success of our 2022 water access project through which we funded the construction of water wells and enabled five families to receive access to clean water.

### Supporting education for displaced persons

Since 2021, Hikma Pharmaceuticals has been supporting UNHCR, the UN Refugee Agency through their Albert Einstein German Academic Refugee Initiative (DAFI). The DAFI programme offers scholarships to refugees, providing an opportunity to attain higher education

In 2024, we expanded our tertiary education scholarship programme to include 40 more students, bringing the total to 80 in Jordan, Algeria, and Egypt. This support enables talented refugees to access higher education, transforming lives and benefiting families and communities. Hikma's support has improved the long-term stability of refugee-hosting communities and contributed to development in host and origin countries. Additionally, in 2024, Hikma funded two DAFI scholars joining an Innovation Camp to learn about social entrepreneurship and develop impactful initiatives.

© UNHCR/Claire Thomas



#### Supporting education



#### Helping people in need

**160,000**  
meals contributed by Hikma to food banks across the US



### Supporting food banks for those in need

Providing healthy meals for people in our communities

Since 2020, our US locations have collaborated with local food banks and pantries to assist community members in need. Given the various financial challenges faced by communities, more and more people are finding access to free meals essential as they try to make ends meet. We continue to support our partners financially and adapt our programmes to their needs, including organising volunteer activities, fundraisers, and donations.

In 2024, Hikma reinforced its dedication by becoming the Fresh Food Sponsor for The Emergency Assistance Center (TEAC), aiding those facing food insecurity. We supplied a variety of fresh produce and other essential food items. Overall, Hikma contributed over 160,000 meals to food banks across the United States.

## Acting responsibly at Hikma continued



### Empowering our people

Shaping an inclusive culture  
where everyone can thrive

#### Employee wellbeing and health and safety

We are committed to our people and to ensuring that the employee experience improves over time. The feedback of our people is consistently taken into consideration, including through the People Voice Survey. The survey findings guide our approach to employee engagement and wellbeing. Our ambition is to foster an inclusive environment where every employee feels like they truly belong.

We continue to prioritise the health and safety of our people. Our Group Environmental Health and Safety policy statement, updated in 2024, strengthened and standardised our approach to ensuring the wellbeing of our employees and other workers at our locations globally.

In 2024, we rolled out global initiatives focused on the physical, mental and emotional health of our people. These include mental health and mindfulness webinars for employees, enhanced workspaces for pregnant employees and wellness days focused on nutritional and physical awareness.



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**In 2024, we rolled  
out global initiatives  
focused on the  
physical and mental  
health of our people."**



#### Extending support to employees with children facing disability

During the year, we established a support system for employees with children facing disability

At Hikma, part of how we embody our value of caring is by extending support to our employees and their families when they are in need.

Recognising the challenges faced by employees with children who have disabilities, Hikma introduced a targeted financial support initiative in 2024. This program has already benefited over 25 employees, particularly in regions where government assistance is limited. By providing financial aid for therapy, specialised education, and essential equipment, this initiative eases the emotional and economic burdens on our employees. It reflects our commitment to holistic wellbeing, ensuring our people feel supported both at work and in their personal lives, fostering a culture of belonging.

#### Investing in our people

At Hikma, we focus on learning and development to improve the capabilities of our employees and enhance their career potential.

In 2024, we continued to roll out our Leadership Development Programme, which is designed to help improve and build employees' managerial skills. It includes a 360-degree feedback assessment and a comprehensive 12-month development plan. This year, 246 employees across our markets took part in this programme.

#### Strengthening our culture of progress and belonging

We believe that a diversity of views, experiences, and backgrounds strengthens the effectiveness of our workforce and supports our ability to successfully deliver our purpose and strategy. We remain committed to promoting our culture of progress and belonging, which provides all employees with opportunities for personal and professional growth. We believe in fostering an inclusive workplace where all employees feel they belong, and as they grow and develop, so does Hikma.

In 2024, we introduced a new policy that reflects our commitment to maintaining a workplace where everyone can be themselves and achieve their potential, and ensures our company represents the communities that we serve. We also introduced a comprehensive training programme for managers and employees through which our people can further their understanding of the benefits of our inclusive culture and our commitment to these values.



Protecting the environment

Minimising our impact on the planet

Target	2024 Progress	Status	Our aim for 2025
By 2030, reduce our scope 1 and scope 2 emissions by 25% (baseline: 2020) L	We invest in energy efficiency and renewable energy generation, which enables us to minimise our emissions while continuing to grow as an organisation	...	Continue to pursue renewable energy and energy efficiency solutions and explore long-term green energy procurement opportunities where we operate
By 2026, revise long-term carbon reduction targets and implement key renewable energy projects S	Identified and implemented opportunities to improve energy efficiency and reduce carbon emissions and identified key renewable energy projects	➤	Continue efforts to drive efficiency and emissions reductions and to begin implementation of key renewable energy projects
By 2028, deliver key aspects of the ISO 46001 water efficiency management system in the MENA region L	Conducted site-level assessments to identify opportunities to improve water management	➤	Begin implementation of water stewardship standards at relevant sites
<b>Timeframe:</b> L Long-term S Short-term			
<b>Status:</b> ✓ Achieved ➤ On track ... Partially achieved			

We are committed to making our operations greener and to improving our environmental performance

In 2024, our Scope 1 and 2 emissions (market-based) measured 123,307 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), maintaining a 15% emissions decrease from our 2020 base year.<sup>1</sup>

During the year, we developed solar energy generation capacity in Jordan, Morocco and Saudi Arabia, and pursued energy efficiency measures globally.

Continuous investments in energy efficiency, cleaner technologies and renewable energy generation has helped us maintain a stable emissions footprint even as we pursue significant site expansions and production increases. Nonetheless, we remain committed to our goal of reducing emissions by 25% by 2030.

Our Scope 1 and 2 emissions reduction target

In 2021, we put in place a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline and market-based calculations. The target was developed using the absolute contraction approach and is in line with the Paris Climate Agreement’s well-below 2°C scenario.

We are making good progress towards achieving our target. Compared to our base

year (2020), our 2024 Scope 1 and 2 emissions have decreased by 15%.

We have achieved emissions reductions largely through the expansion of green electricity procurement in all of our European facilities and through investments in renewable energy infrastructure and other initiatives to improve energy efficiency across our sites.

Methodology and assurance

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute’s Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and in alignment with the Scope 2 guidance.

We consolidate our organisational boundary according to the operational control approach, as described in the GHG Protocol Reporting Standard. This includes all our facilities and locations where we have operational control.

For reporting in this Annual Report, we have used data from January to September of 2024 and estimated quantities for October to December 2024.

Our Sustainability Report, published later in 2025, will contain updated emissions and environmental data for full-year 2024. More information on our data management methodology can be found here [www.hikma.com/responsibility](http://www.hikma.com/responsibility).

1. Our 2024 reported figures for energy and emissions are based on actual consumption for Q1-Q3 and a Q4 estimation as explained in the Methodology and assurance section. Locations relevant to the Xellia acquisition have been included in our GHG and energy footprint from the formal date of acquisition, as we do not currently consider the acquisition to be a significant structural change, based on the principles of the GHG Protocol Corporate Standard

We have internal sustainability reporting criteria for key metrics that guide our sustainability reporting. The criteria define our reporting boundary and conditions for restatements, and establish a unified hierarchy for estimating consumption where actual data are not available.

Our emissions calculation does not contain any material omissions, as determined by the reasonable level of assurance received on this data. In some cases, where any month’s data is missing, it has been estimated using the following methodology: using data from one year prior to the month to be estimated or previous year as proxy, calculate an average daily consumption over that period and apply that to the number of days within the month to be estimated.

EcoAct was engaged by Hikma to provide independent third-party reasonable verification of its direct (Scope 1) and indirect (Scope 2 and selected Scope 3) GHG emissions, as detailed in this report. Based on the data and information provided by Hikma and the processes and procedures followed,

it is EcoAct’s verification opinion that the following GHG emissions totals are fairly stated and free from material error for 2024.

Verified emissions by EcoAct include:

- Scope 1 emissions – Combustion of gaseous fuels (natural gas, diesel, petrol and LPG) Fugitive refrigerant gases
- Scope 2 emissions – Purchased electricity consumption (location and market-based)
- Scope 3 emissions – Emissions including Category 3: fuel and energy related activities not included in Scope 1 or Scope 2 (FERA), Category 5: Waste generated in operations (including water), and Category 7: Employee commuting

UK emissions

The Group operates one location within the United Kingdom, where we are listed, which is an office building that is managed by a third party. During the year, the UK site consumed 891 MWh of energy, which is equivalent to 194 tCO<sub>2</sub>e.

The energy consumption is measured by meter readings provided by the managing

agent and relates to electricity and gas used for heating, cooling and general office power.

Reported fuel use between 2020 and 2024 for the UK was an estimate that was developed based on employee headcount.

The Group does not provide transport within the UK other than via private hire vehicles for which consumption data is not available.

GHG emissions: Scope 3

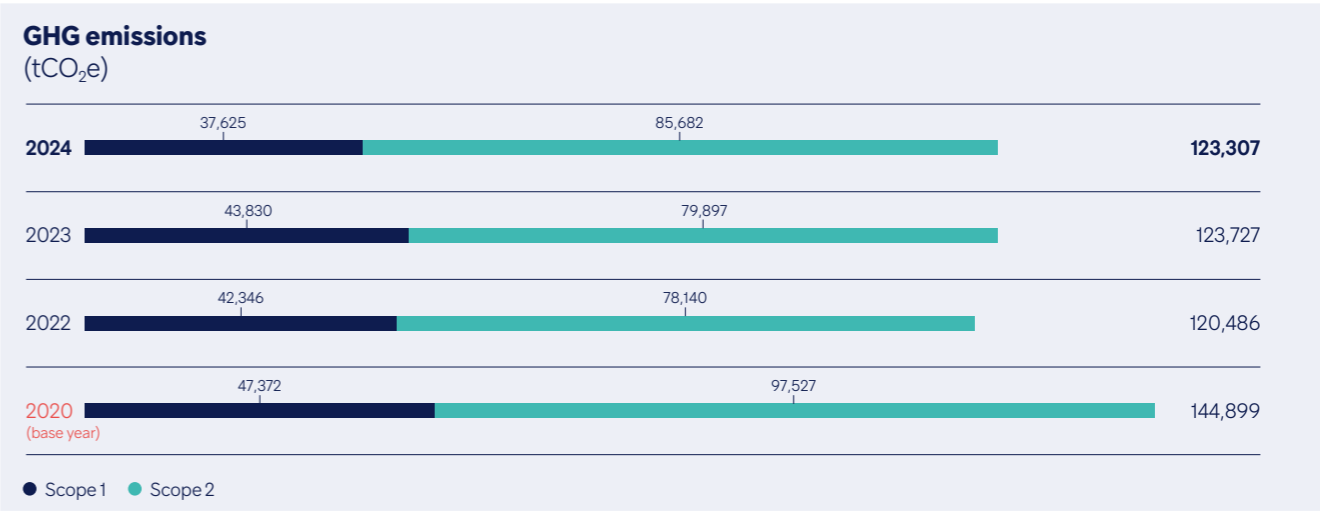
We began measuring our indirect, Scope 3 emissions in 2021, prioritising the oversight of emissions most relevant to our business. We continue to refine the quality of our emissions measurements and engage with our suppliers to better understand their commitments to emission reductions.

In 2024, the change in emissions from the Purchased Goods & Services category was primarily driven by our team’s continuous efforts to enhance the accuracy and reliability of our Scope 3 reporting. A key milestone was the adoption of supplier-specific emission factors, enabling us to capture real emissions data rather than

UK emissions (as a percentage of Group Scope 1 and 2 emissions)	0.16%
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GHG emissions (tCO<sub>2</sub>e)

	2020 (base year)	2022	2023 <sup>1</sup>	2024 <sup>2</sup>
Scope 1 – Combustion of fuel and operation of facilities	47,372	42,346	43,830	37,625
Scope 2 (market-based) – Electricity	97,527	78,140	79,897	85,682
<b>Total Scope 1 and 2 emissions (market-based)</b>	<b>144,899</b>	<b>120,486</b>	<b>123,727</b>	<b>123,307</b>
<b>Year-on-year change in Scope 1 and 2 emissions (market-based)</b>	<b>N/A</b>	<b>(10%)</b>	<b>3%</b>	<b>0%</b>
<b>Change in Scope 1 and 2 emissions (market-based) since base year 2020</b>	<b>N/A</b>	<b>(17%)</b>	<b>(15%)</b>	<b>(15%)</b>
Scope 2 (location-based) – Electricity	94,949	79,601	83,536	89,247



1. Our 2023 reported figures for emissions reflect full year actual values as reported in our Sustainability Report 2023

2. Our 2024 reported figures for energy and emissions are based on actual consumption for Q1-Q3 and a Q4 estimation as explained in the Methodology and assurance section. Locations relevant to the Xellia acquisition have been included in our GHG and energy footprint from the formal date of acquisition, as we do not currently consider the acquisition to be a significant structural change, based on the principles of the GHG Protocol Corporate Standard

Energy consumption (MWh)

	2020 (base year)			2022			2023			2024 <sup>1</sup>		
	UK	Rest of the world	Total	UK	Rest of the world	Total	UK	Rest of the world	Total	UK	Rest of the world	Total
Electricity	129	223,634	223,763	116	247,011	247,127	167	217,653	217,820	168	236,151	236,319
Fuels	871	217,644	210,528	882	178,326	210,528	882	212,731	213,613	723	183,758	184,481

Emissions intensity by revenue<sup>2</sup> (tCO<sub>2</sub>e / \$m revenue)

	2022	2023	2024
Scope 1 and 2 emissions (market-based) / revenue	47.9	43.0	39.1
Scope 1 and 2 emissions (location-based) / revenue	48.4	44.3	40.2

relying on database averages. This shift not only improved precision but also reflected the impact of suppliers' own decarbonisation initiatives.

In 2024, we refined our methodology by correctly categorising employees using private cars versus those utilising company-provided transportation (reported under Scope 2). This adjustment ensures more precise calculations and is reflected in the reduction in Employee Commuting.

We also intensified our focus on refining data quality by transitioning more categories—most notably packaging materials for devices—from a monetary-based to a quantity-based calculation approach. As a result of internal analyses conducted during the year, we revised our upstream and downstream reporting methodology and will introduce Category 9: Downstream transportation and distribution in future reports.

Furthermore, the overall reduction in emissions was also influenced by a decrease in direct spend and a shift towards markets with lower emission coefficients, primarily due to reduced sourcing from China.

Assurance of Scope 3 emissions data

For calculation of the remaining Scope 3 categories (Category 1: Purchase of goods and services, Category 2: Capital goods, Category 4: Upstream transportation and distribution, and Category 6: Business Travel), we worked with an external third party, Sievo Oy, to assess our carbon footprint for these categories. Sievo has contracted Ernst & Young (EY) under a 'limited assurance engagement', as defined by International Standards on Assurance Engagements 3000 (ISAE 3000) to report on the methodology

and the emission factors used behind the 'CO<sub>2</sub> Analytics' tool (the Tool) as of 2023.

The full verification statements can be found here: [www.hikma.com/sustainability](https://www.hikma.com/sustainability).

Sustainable supply chain

Through our partnership with EcoVadis and the use of our internally developed sustainability questionnaire, we are further enhancing our understanding of the sustainability maturity of our suppliers, currently covering over 60% of our annual spend. We actively engage with suppliers identified as having flagged risks, requesting and supporting the implementation of recommended corrective action plans. Notably, we have already observed improvements among suppliers who have been reassessed after taking corrective actions.

Our goal is to continue to leverage both EcoVadis and our sustainability questionnaire to increase the proportion of major spend suppliers that are screened for sustainability criteria and continue to monitor and improve the mapping of Scope 3 emissions.

We continued our efforts to proactively engage with our procurement community and key suppliers to raise awareness about the sustainability maturity levels of our supply base. Our efforts included targeted outreach to mostly primary materials suppliers, encompassing those who represent just over 55% of Hikma's Scope 3 emissions footprint.

These direct engagements provide insights into their carbon reduction and energy efficiency goals. They also highlight opportunities for collaboration projects aimed at reducing our own carbon footprint.

Looking ahead, we aim to expand the application of sustainability criteria to a larger proportion of our key suppliers. This will be achieved through collaboration with EcoVadis and, if needed, by leveraging Hikma's own sustainability questionnaire for selected suppliers. This approach reflects our ongoing commitment to fostering sustainable practices and promoting responsible business operations across our supply chain.

All our suppliers, both new and existing, undergo thorough assessment through our third-party Moody's platform to ensure compliance with comprehensive due diligence protocols.

As part of this process, we evaluate all suppliers for any potential risks, including but not limited to financial stability, modern slavery, and ethical practices. Our due diligence monitoring is ongoing, ensuring that all vendors—whether newly onboarded or long-standing partners—are consistently subject to our third-party risk management process.

Our cross-functional Modern Slavery Task Force, comprising members from procurement, legal, and compliance, continue to implement our thorough risk-based approach in assessing risk for all forms of modern slavery.

Through this approach, we identified certain suppliers with potential risks and issued additional modern slavery questionnaires for further assessment, while also leveraging EcoVadis. We actively engaged with these suppliers, working closely to ensure their responses were comprehensive and addressing any concerns to confirm that no viable risks remain.

Looking ahead, our approach will continue to be implemented, ensuring it remains aligned with evolving best practices and legal standards.

1. Our 2024 reported figures for energy and emissions are based on actual consumption for Q1-Q3 and a Q4 estimation as explained in the Methodology and assurance section. Locations relevant to the Xellia acquisition have been included in our GHG and energy footprint from the formal date of acquisition, as we do not currently consider the acquisition to be a significant structural change, based on the principles of the GHG Protocol Corporate Standard

2. Emissions intensity is calculated using Group-wide revenue (\$m)

- Revenue 2022: 2,517
- Revenue 2023: 2,875
- Revenue 2024 (core): 3,156

Water and waste management

The use of water and the management of waste are critical for the pharmaceutical manufacturing process and we have policies and practices in place to ensure we manage water both effectively and in compliance with laws and regulations.

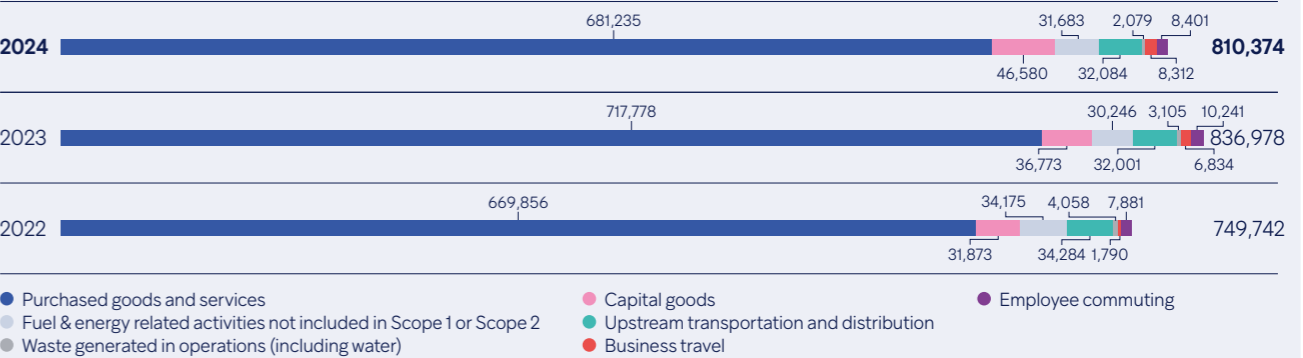
Following assessments of water-related risks across our locations, we conducted deep dive analyses of our facilities located in water-scarce areas. In order to address water scarcity in our locations of operation, we are improving water management systems and identified opportunities and gaps to conserve and use water more efficiently.

**We conducted a deep-dive analysis of water consumption for sites located in water-stressed areas."**

GHG emissions, Scope 3 (tCO<sub>2</sub>e)

Scope 3 category	Category description	Notes	2022	2023	2024
1	Purchased goods and services		669,856	717,778	681,235
2	Capital goods		31,873	36,773	46,580
3	Fuel & energy related activities not included in Scope 1 or Scope 2		34,175	30,246	31,683
4	Upstream transportation and distribution		34,284	32,001	32,084
5	Waste generated in operations (including water)		4,058	3,105	2,079
6	Business travel		1,790	6,834	8,312
7	Employee commuting		7,881	10,241	8,401
8	Upstream leased assets	• not relevant	–	–	–
9	Downstream transportation and distribution	• relevant, not yet calculated	–	–	–
10	Processing of sold products	• not relevant	–	–	–
11	Use of sold products	• relevant, not yet calculated	–	–	–
12	End of life treatment of sold products	• relevant, not yet calculated	–	–	–
13	Downstream leased assets	• not relevant	–	–	–
14	Franchises	• not relevant	–	–	–
15	Investments	• relevant, not yet calculated	–	–	–
Total <sup>1</sup>			783,917	836,978	810,374

GHG emissions, Scope 3 (tCO<sub>2</sub>e)



1. Changes in Scope 3 emissions totals between years is partially due to continuous refinement of calculation methodology and the introduction of new emissions categories to our reporting boundary



## Task Force on Climate-related Financial Disclosures (TCFD)

This section includes disclosures that are consistent with the requirements outlined within the TCFD as well as the mandatory reporting requirements set out in the Companies Act relating to Climate-related Financial Disclosures (CFD).

As a UK-listed company, and in accordance with UK Listing Rule (UKLR) 6.6.6(8), this section summarises our progress as of 31 December 2024 against the four TCFD pillars and 11 TCFD recommendations. Our approach follows the TCFD's All Sector Guidance. Data and records that support these disclosures are retained in accordance with the UK Financial Conduct Authority requirements for listed entities. Our disclosures are fully consistent with nine of the TCFD recommendations and partially consistent with two recommendations, as set out on pages 62 and 63, recognising that we will continue to improve and refine our implementation of the recommendations. Our TCFD and CFD disclosures have supported the awareness and integration of climate-related issues into our broader business strategy.

## Compliance statement and index table

**Consistency:** ● Consistent ● Work in progress

Disclosure	Consistency	Status	Reference
<b>Governance</b>			
a) Describe the board's oversight of climate-related risks and opportunities	●	<ul style="list-style-type: none"> <li>– The Board has ultimate responsibility for Hikma's Sustainability strategy and monitors the impact of climate change on the Group and the Group's impact on the environment. Climate-related risks are considered by the Board and are included in the Enterprise Risk Management programme. The Board also reviews progress in relation to the metrics and targets defined for climate-related risks and opportunities</li> <li>– The VP of Sustainability oversees the implementation of the Group sustainability strategy and the identification of climate-related risks and opportunities</li> </ul>	Page 66
b) Describe management's role in assessing and managing climate-related risks and opportunities	●	<ul style="list-style-type: none"> <li>– Hikma's VP Sustainability, who reports into the EVP Strategic Planning and Global Affairs – a member of the Executive Committee (EC), leads the Group's assessment of climate-related risks and opportunities and manages these through the cross-functional TCFD Working Group, which includes relevant internal stakeholders</li> <li>– The Environmental Sustainability Committee, chaired by two Executive Committee members including our Chief Executive Officer, oversees our climate-related action plans</li> </ul>	Page 66

Disclosure	Consistency	Status	Reference
<b>Strategy</b>			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	●	<ul style="list-style-type: none"> <li>Through climate scenario analyses (CSA), Hikma has identified and assessed climate-related risks associated with carbon pricing, energy pricing and water stress, and physical impacts on our facilities, such as floods and storms. Hikma has also evaluated climate-related opportunities, including conducting a CSA that assessed the financial opportunity of increasing onsite renewable energy (RE) capacity within our facilities</li> <li>In 2024, Hikma expanded the scope of its CSA to assess water stress risk to include Columbus (OH, USA), Morocco, Portugal, and Tunisia</li> </ul>	Page 69
b) Describe the impact of climate-related risks and opportunities on the business, strategy, and financial planning	●	<ul style="list-style-type: none"> <li>The financial impact of climate-related risks has been considered over three time horizons to 2050</li> <li>Until 2030, which we consider to be short-term for the purpose of climate-related risk analyses, the financial impact is not material as per materiality definition on page 69</li> <li>We incorporate climate-related risks and opportunities into our business strategy and financial planning by budgeting for energy and water-use efficiency, increasing renewable energy capacity, and working with third-party advisors and consultants</li> </ul>	Page 70, 71
c) Describe the resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario	●	The results of our CSA show that climate change is not expected to have a material impact on the Group's financial viability for the short-term time horizon to 2030. Our CSA, longer-term viability statement and impairment tests are aligned through common scenario inputs. Given the limited expectations for climate-related financial impacts, the Group believes that its strategy is robust and will be resilient to climate change in the time horizon to 2030	Page 75
<b>Risk management</b>			
a) Describe processes for identifying and assessing climate-related risks	●	<ul style="list-style-type: none"> <li>In 2024 we reviewed and updated our climate-related risk and opportunities register including input from business stakeholder workshops, peer review benchmarking, our risk management programme, and other sources</li> <li>The TCFD Working Group assessed risks and opportunities from the updated risks register in terms of likelihood, velocity, and impact at Group level</li> <li>In 2024, we also conducted a renewable energy (RE) opportunity CSA through which we assessed the financial opportunity of increasing RE capacity within our facilities</li> <li>Expansion of water stress CSA in 2024 (see Strategy point above)</li> </ul>	Page 66, 67
b) Describe processes for managing climate-related risks	●	Climate-related risks are identified, assessed, and managed by teams across the organisation, steered by our Sustainability function. The risk score and our risk appetite determine the level of escalation and monitoring within Hikma's risk management framework	Page 66, 67
c) Describe how processes for identifying, assessing and managing climate-related risk are integrated into overall risk management	●	We regularly assess climate-related risks and review TCFD alignment as part of our enterprise risk management process, where climate change is characterised as an Emerging Risk	Page 68

Disclosure	Consistency	Status	Reference
Metrics and targets			
a) Disclose metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	●	Metrics used to assess our climate-related risks and opportunities include Scope 1, 2 and 3 emissions, electricity consumption, emissions intensity, water consumption and waste generation among others	Page 77
b) Disclose Scope 1, Scope 2 and Scope 3 GHG emissions and related risk	●	We disclose details of our Scope 1, Scope 2 and seven relevant categories in Scope 3 GHG emissions  Four Scope 3 categories have been determined to be not relevant. Four categories are determined to be relevant but not yet calculated and we are working to introduce disclosures for these categories in the near term. We will introduce Scope 3 categories 11 and 12 in 2025 and anticipate reporting against categories 9 and 15 in 2026  Increasing energy costs and carbon pricing present potential risks to our business	Pages 56- 59
c) Describe targets used to manage climate-related risks and opportunities and performance against targets	●	We manage our climate-related risks and opportunities and performance against the following Scope 1 and 2 and water-related targets: <ul style="list-style-type: none"><li>– Reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline</li><li>– By 2026, revise long-term carbon reduction targets and implement key renewable energy projects</li><li>– By 2028, deliver key aspects of the ISO 46001 Water Efficiency Management System in the MENA region</li></ul> We currently do not have Scope 3 targets in place but proactively engage with our key suppliers to raise awareness about sustainability. We are working to improve our understanding of emissions in our value chain and have an ambition to introduce Scope 3 targets in the medium term. We will consider this disclosure as consistent once a Scope 3 target has been set and established <ul style="list-style-type: none"><li>– In addition, we are actively engaging with our value chain partners to partially mitigate the impact of carbon cost pass-through in the future</li></ul>	Page 56

Key improvements in 2024

- Refined our climate scenario narratives, providing deeper insights into potential climate-related risks and opportunities, including the significance of their financial impacts
- Strengthened our water stress CSA by expanding research scope to include Columbus (OH, USA), Morocco, Portugal, and Tunisia
- Developed renewable energy opportunity CSA to assess the financial opportunity of pursuing renewable energy solutions globally at our facilities
- Conducted a double materiality assessment (DMA) to refresh our materiality index in line with CSRD requirements. The DMA includes analysis of potential environmental risks, opportunities and impacts (IROs) over short-, medium- and long-term time

horizons (less than one year, between 1-5 years and longer than five years respectively)

- As part of the DMA process, we engaged critical business stakeholders to identify potential climate-related risks and opportunities that could influence their business areas and conducted an employee survey to prioritise sustainability topics including climate change
- Developed a methodology for introducing most of our relevant Scope 3 categories that are not yet calculated (Category 9, 11 and 12)

Key improvements planned for 2025

- We will continue to assess Scope 3 categories that are considered to be relevant, but not yet calculated and where possible include them in our reporting scope
- We will align the findings of the DMA with potential future CSAs that improve our understanding of potential climate-related risks and opportunities

Trigger points

In line with good risk management practice, the TCFD Technical Guidance recommends that a CSA programme should be re-assessed when the context of the organisation changes.

The following “Trigger points” have been adapted from TCFD Technical Guidance and have been assessed by Hikma as part of the CSA Programme in 2024.

Trigger point	Assessment
1. Key location changes in a company's portfolio. If companies expand into new regions, they are likely to encounter novel physical and transition risks	In April 2023, Hikma halted operations in Sudan due to ongoing conflict. This reduced Hikma's exposure to the climate-related risk of flooding as Sudan was determined through CSA to be a location at high risk of extreme weather events, particularly flooding.  In September 2024, Hikma acquired Xellia's US-based finished dosage form business and related assets, including a manufacturing site in Bedford (OH), an R&D centre in Zagreb (Croatia) and a commercial office in Chicago (IL). These facilities will be included in future CSA assessments.
2. Release of updated climate scenarios and models which may impact the projections of risks and opportunities	NA
3. Developments in climate-related policies previously unforeseen during the original climate scenario analysis process	NA
4. Changes to company's strategies or operations leading to changes in the materiality of climate risks and opportunities to the business	There have not been any significant changes to the Group's strategy or operations that change the exposure to climate-related risks in 2024, other than the change in operational footprint noted in Trigger Point 1 above.

# TCFD Disclosure continued

## Governance

### Board level oversight

Our Board of Directors, led by the Chairman of the Board, oversees our environmental sustainability strategy and considers climate-related matters throughout the year. Our EVP Strategic Planning and Global Affairs and VP of Sustainability provide ESG-related updates to the Board, including climate-related risks and opportunities, progress against environment-related targets and any changes in risk status, in scheduled bi-annual presentations and in more regular updates to the Board's Compliance, Ethics and Responsibility Committee (CREC). ESG-related initiatives have been included in our five-year capital expenditure business plan, overseen by the Board. The Board has ultimate responsibility for the Group's approach to risk management and internal control and climate related risks are included in our Enterprise Risk Management process. The Audit Committee oversees risk management and internal control activities with delegated authority from the Board (see Risk Management section, page 80).

The TCFD Working Group presented the findings from the TCFD work this year to the Audit Committee. A general progress report is sent to the Chairman of the Board three times a year. The report includes a section

on TCFD-related projects progress and environmental impact reporting.

The Remuneration Committee linked environment-related targets to the 3-year Long Term Incentive Plan (LTIP) for the Executive Chairman, the Executive Vice Chairman of the Board and the CEO. The targets were related to emissions reduction and approach to water stewardship. More information on metrics linked to Executive Remuneration can be found at 116.

### Management level leadership

Our EVP Strategic Planning and Global Affairs, who reports directly into our CEO, heads up the TCFD Working Group that started in 2021 and consists of senior representatives from Group Risk Management, Procurement, Finance, Sustainability and Investor Relations. This group leads our internal cross-functional efforts to integrate the TCFD recommendations into our business and meets on a regular basis. Our VP of Sustainability, who reports to our EVP of Strategic Planning and Corporate Affairs, sets the sustainability strategy and the alignment of TCFD findings and recommendations with the broader corporate strategy.

Our crisis and continuity teams work closely with members of the TCFD Working Group and provide insight into the potential impact of climate-related risks on our operations.

In addition, external consultants help progress our understanding of Hikma's climate-related risks and opportunities. The Environmental Sustainability Committee reviews metrics, progress against TCFD recommendations and our targets and oversees the development of action plans. We continue to focus on strengthening our ESG governance, including climate change, at all levels of the organisation.

## Risk management

### Process for identifying and assessing climate-related risks

We identify and assess climate-related risks using a range of approaches. We conduct risk identification and assessment exercises as part of the enterprise risk management process with all risk owners across the business (see page 80 for details on our risk processes). The outcomes of these reviews feed into the TCFD working group's assessment of the most relevant climate-related risks for Hikma. The TCFD working group monitors relevant current and emerging regulation, market risks, reputational risks, technology risks and acute and chronic physical risks.

The Board has overall responsibility for climate-related risks and opportunities (CRROs), while the Executive Committee provides leadership in managing them.

The VP of Sustainability oversees the identification, assessment and management of CRROs, and works with other functions including the Risk Management team to integrate them into the Group's overall risk management process. Updates to CRROs are considered on an annual basis.

### CSA methodology

To assess Hikma's climate-related risks and opportunities over the short, medium and long-term, we have undertaken, with third party support, a CSA and financial impact assessment. The CSA assessed a range of potential climate-related risks and opportunities across different climate scenarios and time horizons incorporating

public reference projections for changes to the climate system, socio-economic pathways, energy market dynamics, technological progress and financial risks.

To support the narrative and understanding of climate-related risks and opportunities, we refined our climate scenario narratives in 2023. These narratives were informed by climate projections, per the table below. We have been performing CSA since 2021 and are continuously improving our insights. The table shows the details of the climate scenarios that we used over the years.

### 2024 CSA review

In 2024, we went through an independent review of our CSA work and our efforts to align with the TCFD recommendations, concluding that we have a well-developed TCFD response, year-on-year improvement and clear management processes to assess climate-related risk. We conduct annual reviews of our CSA methodology and in 2024 we incorporated a broader geographic boundary to assess water stress and conducted an assessment on pursuing onsite renewable energy opportunities. Our CSA exercises are robust, using publicly available data and projections.

## Climate scenario narratives

### Low Carbon world (~1.5°C) Orderly

This is a 'Net Zero by 2050' aligned scenario where global temperature rise is **limited to 1.5°C warming. The transition is smooth and immediate.**

Transition risks are likely to be experienced associated with the transition to a green economy however, physical risks will be reduced.

### Low Carbon world (~1.5–2°C) Disorderly

This is a 'Net Zero by 2050' aligned scenario where global temperature rise is **limited to 1.5°C but the transition is divergent and/or delayed.**

**Significant transition risks** are likely to be experienced associated with the transition; however, physical risks will be reduced.

### High Carbon world (~3–4°C)

This is a 'business-as-usual' scenario where global **temperatures rise to 3–4°C** above pre-industrial levels.

Climate policies are not sufficient to achieve official commitments and **physical risks considerably increase** resulting in catastrophic impacts.

The Low Carbon world-Disorderly transition is considered the most relevant scenario to Hikma and those scenario assumptions have been used in financial statement preparations for alignment.

## Time horizons used for CSA

Term	Years	Financial alignment
Short term	Up to 2030 <sup>1</sup>	Include 5-year Business Plan and 3-year LTVS
Medium term	2031–2040	Next 8–16 years, asset life of equipment
Long term	2041–2050	Next 17–26 years, asset lifetime of properties and facilities

1. The start date of the CSA range from 2021 to 2024, depending on the specific theme



Our governance structure ensures we are effectively managing our TCFD-related activities in the Board and across the organisation."

## Sustainability, risks and opportunities, and TCFD governance

### Board

Oversight of Group sustainability strategy, risk and opportunity management, and TCFD consistency

### Executive Committee

Leadership in implementing sustainability strategy, risk and opportunity management, and TCFD consistency

### Sustainability management team

Led by the VP of Sustainability, oversees sustainability matters and the identification of climate related risks and opportunities

### TCFD Working Group

Cross functional working group that includes senior leaders in Finance, Risk, Sustainability, Procurement, Legal and Investor Relations teams

### Finance team

### Risk management team

### Investor relations team

### Procurement team

### Site management and operational teams

### Crisis and continuity management

Risks	Climate projections <sup>1</sup>	Associated climate scenario narrative			Timeline	Last assessed
		Low Carbon world Orderly	Low Carbon world Disorderly	High Carbon world		
Physical risks						
Impact of storms	– NOAA and Bank of England 1.5°C, 2°C, 4°C, based off various NGFS Scenarios	–	Y	Y	2030, 2040, 2050	2021
Impact of floods	– IPCC RCP4.5 (~2.4°C), IPCC RCP8.5 (4°C)	–	Y	Y	2030, 2040, 2050	2023
Impact of water stress	– IPCC RCP 1.9, IPCC RCP 2.6, IPCC RCP 8.5 – NGFS NZ, NGFS Divergent NZ, NGFS Current Policies – CBES LA, CBES NAA – IEA APS, IEA NZE, IWEA STEPS – Carbon Brief	Y	Y	Y	2030, 2040, 2050	2024
Transition risks and opportunities						
Impact of carbon pricing	– IPCC RCP 1.9, IPCC RCP 2.6, IPCC RCP 8.5	Y	Y	Y	2030, 2040, 2050	2023
Impact of energy pricing	– NGFS NZ, NGFS Divergent NZ, NGFS Current Policies – CBES LA, CBES NAA – IEA APS, IEA NZE, IEA STEPS – Carbon Brief	Y	Y	Y	2030, 2040, 2050	2023
Impact of pursuing RE opportunities		Y	Y	Y	2030, 2040, 2050	2024

Integrating risk management processes

Climate-related risks are identified, assessed, and managed by teams across the organisation, depending on the nature of the risk. Our risk management framework (see page 80) provides a structure for significant risks to be escalated and integrated into our enterprise risk management process.

Examples of how climate-related risks are managed and integrated into existing risk management activities include:

- Longer-term viability assessment: environment and climate change related risks are included in the scenario modelling (see page 88)
- Crisis and continuity management programme: site assessments of physical risks and controls are undertaken (see page 86)
- TCFD alignment is considered as part of the 'Reputation' principal risk
- Climate change occurrence is monitored as an emerging risk

<sup>1</sup> CBES = Climate Biennial Exploratory Scenario, IEA = International Energy Agency, IPCC = Intergovernmental Panel on Climate Change, NGFS = Network for Greening the Financial System, NOAA = National Oceanic and Atmospheric Administration, NZ= Net-zero

Strategy

Risks and opportunities identified

In 2024, we expanded our CSA on water stress risk to include locations of some of our larger facilities including in Columbus (OH, USA), Morocco, Portugal and Tunisia. We also assessed and quantified the opportunity of developing renewable energy solutions at our facilities, conducted a general CSA programme review and a review of our alignment with the TCFD CSA Guidance (see table below). These actions were taken after our TCFD Workshop that was organised in 2023 with stakeholders from different businesses, corporate functions and geographical regions for the purpose of identifying and reviewing how climate change might impact our strategic business drivers. Participants in the 2023 TCFD Workshop included our TCFD Working Group (Investor relations, Finance, Sustainability, Risk, Procurement) as well as management from Operations, R&D, Manufacturing, Engineering, Supply Chain and Commercial. We explored how external influencing factors such as regulation, technology, energy costs, changing medical needs, supply chain vulnerability and the political landscape might translate into climate-related risks to our business, and what kind of climate-related opportunities might arise. The impact of storms on our business has not been reassessed since 2021 because the conditions remain the same for which we reached our previous conclusions on the matter.

Our updated climate-related risk register consists of 16 risks and opportunities. Through our risk management framework and assessment methodologies, we selected the following climate-related risks (four risks) and opportunities (one opportunity), deemed to

be most relevant and for which modelling could be enhanced, for further analysis:

Physical risks

- Impact of extreme weather events including impact of severe floods and storms
- Impact of chronic changes to the natural environment, including increased water stress

Transition risks

- Impact of carbon pricing, including carbon pricing mechanisms, carbon pass-through costs in the supply chain and the increase cost of raw materials
- Impact of energy pricing

Climate-related opportunities

- Impact of pursuing renewable energy solutions globally, including through generation, power purchasing agreements and an active energy supply management strategy

Basis for determining which risks and opportunities are most relevant

Materiality

For the purpose of climate risk analysis, we apply a risk scoring matrix that considers likelihood, velocity of risks, financial impact, and a wide variety of possible impacts including but not limited to delivery of strategic objectives, patient safety, product quality, reputation, continuity of supply, management time and effort to remediate. In the context of climate risk analysis, the CSA results do not exceed our climate-related financial materiality threshold in the most relevant scenario Low Carbon world-Disorderly transition.



We have been performing CSA since 2021 and continuously improve our insights."

Step in TCFD CSA guidance <sup>1</sup>	Consistency	Key improvements and next steps
Engaging stakeholders	Consistent	Continue to engage and inform key stakeholders about any current and future developments in our CSA approach, and to ensure that our stakeholders understand the purpose of the CSA process, the key steps conducted and the outcomes
Problem definition	Consistent	We conducted qualitative workshops to ensure our focal question was relevant to our business strategy and priorities and linked to our CSA work
Assessing context and identifying driving forces and uncertainties	Consistent	We conducted a workshop engaging key stakeholders to identify our key business drivers and review the list of identified climate-related risks and opportunities  We conducted a quantitative analysis of energy pricing risk after it was flagged through the workshop as a potential missing risk
Understanding and describing scenario outcomes/pathways and writing qualitative scenario narratives	Consistent	We produced robust scenario narratives for three separate future climate scenarios: Orderly Transition, Disorderly Transition and High Carbon Scenario.  We will continue to utilise these narratives to effectively inform stakeholders across the business about identified climate risks and opportunities
Quantification of risks, opportunities and financial impacts	Consistent	We work with third party experts to review applied models and identify/ implement improvements, as well as to review the materiality of risks and opportunities and update accordingly
Checking quality and avoiding pitfalls	Consistent	We work with third party experts to conduct annual health checks of our CSA work and integrate recommendations and findings accordingly.  We periodically update our CSA work and refine the scenarios and models used, and integrate the findings into our overall strategy
Strategic management using scenarios	Consistent	We assess the strategic relevance of risks that have not currently undergone quantitative modeling and ensure continuous monitoring and assessment of external environment and resilience strategies
Disclosure	Consistent	We include the following in our annual disclosures: <ul style="list-style-type: none"><li>– Explanation of how identified risks and opportunities were prioritised</li><li>– Clearly defined conditions for risk and opportunity assessment, including clear time horizons, likelihood and magnitude</li><li>– Disclosure of financial impacts of risks from the quantitative modeling</li><li>– Details of the climate scenarios used</li><li>– Disclosure of all time frames considered</li><li>– Explanation of how CSA results are integrated into our strategy and how our strategy may change to accommodate risks and opportunities identified</li></ul>

<sup>1</sup> For more information on CSA guidance, refer to Task Force on Climate-related Financial Disclosures Guidance on Scenario Analysis for Non-Financial Companies (2020), <https://www.fsb-tcfd.org/>

CSA findings

Below are summaries of our CSA findings.

Transition risks	Financial impact – range across scenarios			Climate scenario narratives used
	2030: Short-term	2040: Medium-term	2050: Long-term	
<b>Impact of carbon pricing</b> Reflected as potential increase in procurement costs in assessed categories due to carbon fee, if unmitigated (not cumulative)	\$3m – \$10m	\$7m – \$40m	\$8m – \$76m	Low Carbon world – Orderly transition Low Carbon world – Disorderly transition High Carbon world

How did we calculate the potential financial impact of carbon pricing?

We used the EcoAct Carbon and Energy Pricing Tool, which is informed by academic research, CDP data, and publicly available carbon price projections from the International Energy Agency. Cost exposure is calculated based on projected carbon and energy prices, combined with Hikma’s projected consumption of relevant goods and services.

How would this risk affect operations and financial planning?

Direct emissions from Hikma’s purchased goods and services will be regulated by (future) carbon pricing mechanisms, climate regulation and carbon tax. Carbon pass-through costs from 3rd parties in our supply chain, who are subject to carbon pricing (such as transport, distribution suppliers) will have an indirect impact on our cost base. Raw materials and packaging costs may increase due to climate-related constraints on plastics, labour and energy. We incorporated the following categories in our analysis: finished and semi-finished goods, upstream transport, energy, API, packaging, excipients, and intermediates.

Our diverse global presence (North America, Europe, MENA) sees varying degrees of sustainability advancement in our manufacturing countries, which necessitates constant monitoring and agile adaptation to evolving market conditions. For the time horizon to 2050 in a Low Carbon world – Disorderly transition, carbon prices will increase, however we deem the financial impact still not material at this stage. Although the range exceeds the materiality threshold in the context of climate-related risks, it is important to note that the upper end of the range arises in the Low Carbon world – Orderly transition, a scenario that we deem unlikely to happen.

How are we managing this risk?

We routinely look at ways to manage our procurement costs and offset price increases. Our sustainable procurement programme aims to better understand the carbon impact of purchased goods and services. As a key mitigation strategy, we engage with key material suppliers to understand their carbon reduction objectives and the activities they are undertaking to move to renewable energy and increase energy efficiency in their operations. Through supplier engagement, we expect to be able to partially mitigate the impact of carbon cost pass-through in the future. In our CSA, we calculated different potential mitigation scenarios, where the impact of carbon pricing would be constrained. While current exposure is low, it is expected that carbon costs will increase over the coming decade as more countries establish carbon prices. We continue to monitor developments.

What is our level of resilience to this risk?

We consider our level of resilience to the risk of carbon pricing over the short, medium and long term to be high. This is based on robust governance structure that includes Executive-level leadership in environmental sustainability and Board-level responsibility of the issue. Moreover, we have in place Group-wide targets and teams at the site level to identify and capitalise on relevant opportunities that emerge.

	Financial impact – range across scenarios			Climate scenario narratives used
	2030: Short-term	2040: Medium-term	2050: Long-term	
Transition risks				
Impact of energy pricing Reflected as potential increase in procurement costs in assessed categories due to carbon fee, if unmitigated (not cumulative)	\$3m – \$12m	\$7m – \$19m	\$14m – \$25m	Low Carbon world – Orderly transition Low Carbon world – Disorderly transition High Carbon world

**How did we calculate the potential financial impact of energy pricing?**  
We used the EcoAct Carbon and Energy Pricing Tool, which is informed by price projections from the EnerData EnerFuture database. Cost exposure is calculated based on projected energy prices, combined with Hikma’s projected consumption of electricity and natural gas.

**How would this risk affect operations and financial planning?**  
It is not certain that Hikma will face increasing energy costs over time, as governments have not pledged to implement policies directly intended to increase the cost of electricity and natural gas. However, limiting factors such as increasing energy demand because of population growth, technology and renewable energy investment, in combination with interrupted supply because of natural disasters, conflicts and limited metals may increase energy pricing in our value chain. The financial impact relates to the potential change in Hikma’s energy cost from a 2022 baseline, reflecting an increase in energy cost for electricity and natural gas at our manufacturing sites and offices.

In both Low Carbon world scenarios, electricity prices rise through 2030 but tend to fall sharply afterwards, counterbalancing the impact of increased consumption. To further improve the modelling, transition to lower carbon energies should be included, as well as increased on-site generation capacity, which would reduce consumption and cost exposure.

**How are we managing this risk?**  
Hikma is continuously evaluating opportunities to transition to renewable energy in each of our three regions (North America, Europe, MENA). Opportunities differ in potential, depending on the maturity of the markets that we operate in and the required financial investments. Where price increases might occur, Hikma may choose to accelerate site and country-specific adjustments to substitute natural gas for electricity and vice-versa, based on the relative price of available energy sources. Future modelling should account for this possibility.

**What is our level of resilience to this risk?**  
We consider our level of resilience to the risk of energy pricing over the short, medium and long term to be high. This is based on robust governance structure that includes Executive-level leadership in environmental sustainability and Board-level responsibility of the issue. Moreover, we have in place Group-wide targets and teams at the site level to identify and capitalise on relevant opportunities that emerge.

	Financial impact – range across scenarios		Climate scenario narratives used
	2030: Short-term	2050: Long-term	
Physical risks			
Increased frequency of extreme weather events Reflected as potential event cost caused by extreme weather event (not cumulative)	No impact anticipated	\$25m (storms)	Low Carbon world – Disorderly transition High Carbon world

**How did we calculate the potential financial impact of storms?**  
To calculate the potential financial impact of severe storms, we used data from the ThinkHazard database, the National Hurricane Centre and the National Oceanic and Atmospheric Administration portal to determine climate-related risk exposure baselines. A financial impact matrix was developed with degrees of asset and inventory loss or damage, and the length of operational shutdown was assumed based on the qualitative and quantitative narrative for each storm category in the Saffir-Simpson Hurricane Wind Scale.

**How did we calculate the potential financial impact of floods?**  
Hikma sites and key supplier sites were screened for both pluvial and coastal flood risk using the Aqueduct Flood Hazard Maps. In addition, a 15 km radius around Hikma sites was screened for indirect pluvial flooding risk. Financial modelling was conducted using operational disruption and loss from inundation at facility.

**How would this risk affect operations and financial planning?**  
Extreme weather events impacting our facilities might cause interrupted manufacturing or supply of key resources. They may impact national infrastructure and could lead to power outages, restrictions on access for supply chain and workforce leading to downtime, lost sales, fines and ultimately in the end reputational damage. Extreme weather events may also impact critical suppliers leading to downtime, lost sales, fines, and reputational damage. While no sites were identified with direct exposure to inundation risk, more research is needed to assess the indirect inundation risk.

We conducted an analysis of the financial impact of an extreme storm impacting a site in the US. Through this analysis, we concluded that the potential financial implications of physical risks under the worst-case scenario High Carbon world (for extreme weather events) are anticipated to remain minimal through at least 2030.

**How are we managing this risk?**  
With the insights from our modelling and understanding that these risks are not significant to our sites at this stage, we will continue to engage with our operational facilities teams in the highest risk regions to ensure our business continuity and recovery processes are fit for purpose.

**What is our level of resilience to this risk?**  
The findings of our LTVS analyses for extreme weather indicates that our broad geographical footprint provides us with a robust level of resilience towards extreme weather events in one location.

	Financial impact – range across scenarios		Climate scenario narratives used
	2030: Short-term	2050: Long-term	
Physical risks			
Impact of water stress Reflected as potential water cost (cumulative)	\$8m – \$9m	\$17m – \$22m	Low Carbon world – Disorderly transition Low Carbon world – Orderly transition High Carbon world

**How did we calculate the potential financial impact of water stress?**  
We looked at the potential future cost of water and potential EBIT loss due to production downtime as a result of water rationing. Total future water costs in our CSA consist of municipal water supply costs and water tanker costs (including fuel price projections). We assumed that the cost of municipal and tanker water change proportionally to water stress and a production site's water consumption will increase proportionally to the growth rate. At the same time, the number of days with a lack of access to water supply increases proportionally to the degree of water stress and the site's water storage mitigation. All total costs are based off future water consumption projected using the Hikma production growth rate.

**How would this risk affect operations and financial planning?**  
Given that water is used for cleaning in our manufacturing processes, we consider water stress a risk. Water stress is likely to increase in the future due to increases in demands for water from growing populations and industry and from a decrease in fresh water supply due to climate change. Shortage and potential rationing of water could potentially lead to disrupted operations and could financially impact Hikma both through increased cost of water supply and from loss of EBIT from production downtime. Only direct and tangible financial impacts have been assessed in the 2023 and 2024 CSAs. Other consequences such as impacts on the workforce, increased political unrest or conflict, and impacts to third parties have not been assessed, but Hikma acknowledges them. Our CSA initially focused on four countries (Jordan, Saudi Arabia, Algeria and Egypt) in 2023, and expanded its focus to include Columbus (OH, USA), Morocco, Portugal and Tunisia. This ensured that all countries that we determined as water stressed are included in our analysis (Algeria, Egypt, Jordan, Morocco, Saudi Arabia and Tunisia). The analyses show that Hikma faces potential water stress in both baseline and future projection scenarios, resulting in increased water costs and potential loss of EBIT due to production downtime. At this stage, impact figures are not currently material and are partially mitigated by storage capacity.

**How are we managing this risk?**  
To mitigate the risk of water shortage, we hold onsite storage capacity. Other mitigation actions include implementing water reduction and saving initiatives on site. Our executive remuneration and long-term incentive goals steer us towards achieving good water management at all Hikma's sites in MENA (where water stress is most apparent) by establishing water management systems, processes and targets, and implementing opportunities for efficient water use. More information on metrics linked to Executive Remuneration can be found at 116.

**What is our level of resilience to this risk?**  
We consider our organisation to have a high level of resilience on this issue due to our robust governance of environmental sustainability, our management of water-related issues at the global, regional and site levels and our focus on water-related goals and targets to drive more efficient consumption in water-scarce regions.

	Financial impact – range across scenarios			Climate scenario narratives used
	2030: Short-term	2040: Medium-term	2050: Long-term	
Energy cost opportunity				
Impact of pursuing renewable energy (RE) solutions Reflected as the potential financial benefit for Hikma to generate its electricity through onsite RE generation and RE-based Power Purchasing Agreements (PPAs). (cumulative)	\$85m – \$109m	\$176m – \$213m	\$244m – \$267m	Low Carbon world – Disorderly transition Low Carbon world – Orderly transition High Carbon world

**How did we calculate the potential financial impact of pursuing RE solutions?**  
The analysis focused on answering the question: "What would be the financial benefit for Hikma to pursue RE solutions through onsite electricity generation, as opposed to continuing to purchase electricity from the grid?" To answer this question, we compared the cost of onsite renewable energy generation with the projected cost of electricity under different scenarios. We conducted a comparative analysis using scenario-specific energy consumption and cost data from previous carbon and energy pricing analyses for 24 sites, including only sites with over one GWh of annual consumption. These figures were compared with a technology-specific Levelised Cost of Electricity (LCOE),<sup>1</sup> for developing solar and wind (onshore and offshore) capacity across the countries of the 24 prioritised sites. The difference indicates the potential cost savings in three scenarios across short-, medium- and long-term. The figures represent estimates based on desktop research that utilised various assumptions to generate estimated savings over the relevant time horizons.

**How would this opportunity affect operations and financial planning?**  
Given that the majority of our energy consumption is sourced from electricity, given our previous analyses on carbon and energy pricing, we consider the development of onsite RE capacity to be an opportunity. This analysis indicates that onsite solar generation has the largest savings potential. To date, we have onsite solar capacity in Jordan, KSA and Portugal; and are installing solar capacity in our Cherry Hill facility in the US.

**How are we managing this opportunity?**  
We are continuously assessing the feasibility of developing or expanding onsite RE capacity at our sites. In 2024, we expanded solar generation in our Salt facility which also provides our MENA Head Office in Amman with green electricity through wheeling.<sup>2</sup> We also installed solar generation in the Kingdom of Saudi Arabia (KSA) and Morocco and are exploring the installation of onsite solar generation in other locations in 2025. For more details on the actions we have taken and are taking to increase renewable energy consumption and generation, please see the Protecting the environment section on page 56.

**Resilience of our strategy**

The results of our CSA show that climate change is not expected to have a material impact on the Group's strategy or financial viability for the time horizon to 2030. Our CSA, longer-term viability statement and impairment tests are aligned through common scenario inputs. We will continue to strengthen our monitoring metrics and understand where we need to improve our mitigation controls.

Our model inputs in the CSA do not include mitigating actions on the part of Hikma, our suppliers, or governments, for example, and cover time horizons well beyond our current business planning. We recognise that climate-related risks and opportunities will continue to develop over a significantly longer period and believe that we will be able to adapt our strategy and respond appropriately to emerging climate-related risks and opportunities that could have a material impact on the Group in the future. Where we identify any areas for improvement, we will build clear action plans and ownership to address these gaps and ensure our long-term resilience.

Metrics and targets

As we continue to grow, we remain dedicated to minimising our environmental footprint. We are actively measuring and managing our energy and water consumption and are regularly reviewing opportunities to improve efficiency. We acknowledge the environmental impact of manufacturing and delivering medicines and are committed to the efficient and responsible management of energy, water, and waste within our organisation and throughout our value chain. To sustain our success, it is crucial that we manage resources responsibly and consider the long-term environmental impacts in the places where we do business.

Metrics to assess climate-related risks and opportunities

We monitor our Scope 1, Scope 2 and material Scope 3 emissions, as well as metrics related to the consumption of energy. This data is included in the Sustainability section (page 56). We will continue to develop our methodology for calculating our Scope 3 emissions categories that are relevant but not yet calculated. The development of onsite RE capacity presents an opportunity for our business and we monitor the percentage of RE-sourced energy, both onsite and purchased. In addition, as part of the 'Reputation' principal risk (see page 84), we monitor our performance against external ESG ratings.

Executive remuneration

We have adopted carbon and water-related targets as part of management's Long-Term Incentive Plan. More details can be found in the Governance section on page 101.

The table below indicates the metrics we have in place that are linked to our climate-related risks and improve our understanding of the impacts of these risks. More details on the progress against our targets is available in the Sustainability section.

Transition risks	Targets	Relevant metrics
Impact of carbon pricing	Reduce Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline  See page 56 for more information on our 2030 target and progress achieved to date  Our 2026 target is to revise long-term carbon reduction targets and implement key renewable energy projects  Scope 3 target not set	<ul style="list-style-type: none"><li>– Absolute emissions Scope 1, 2 (Location-based and market-based)</li><li>– Emissions intensity (revenue and employee headcount) Scope 1, 2 (Location-based and market-based)</li><li>– Absolute emissions Scope 3 in category 1 (purchased goods and services) and category 4 (upstream transportation)</li></ul>
Impact of energy pricing	No target set	<ul style="list-style-type: none"><li>– Absolute energy consumption</li><li>– Energy consumption mix</li><li>– Percentage renewable energy generated/purchased</li></ul>
Physical risks	Targets	Relevant metrics
Increased frequency of extreme weather events	No target set	<ul style="list-style-type: none"><li>– Proportion of facilities in an area subject to flooding or storms</li><li>– Number of sites with business continuity plans that cover impact of severe weather events</li></ul>
Impact of water stress	Achieve good water management at Hikma's MENA sites  Our 2028 target is to deliver key aspects of the ISO 46001 Water Efficiency Management System in the MENA region  See page 56 for more information on our target and progress achieved to date	<ul style="list-style-type: none"><li>– Change in m³ water withdrawal</li><li>– Change in m³ water consumption in countries with high water stress</li><li>– Change in m³ water discharge</li><li>– Change in m³ water treatment</li><li>– Progress of water efficiency measures</li><li>– Water consumption intensity</li></ul>
Opportunities	Targets	Relevant metrics
Energy cost opportunity	No target set	<ul style="list-style-type: none"><li>– Cost of standard electricity and fuels</li><li>– Cost of renewable solutions</li></ul>

We are committed to continuously evaluating our environmental impacts and to implementing mitigations and capitalising on opportunities. In 2025, we will continue to enhance and refine the metrics we use to monitor risks and opportunities and expand the robustness of our analyses.

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# Risk management

# Risk management

In 2024, we improved our risk assessments and responses through increased cross-functional reviews.

## Risk management framework

**Risk context**  
Our purpose is to put better health within reach, every day for healthcare professionals and their patients. We bring patients across North America, MENA and Europe a broad range of generic, specialty and branded pharmaceutical products.

The future is uncertain and carries risks for our business. These risks may be threats or opportunities related to our strategy and delivery of our goals, our activities and processes, the expectations of our stakeholders, or our key relationships and dependencies.

Find out more about the internal and external context for risk management for the Group in the ‘Our strategy’ (pages 8–9), ‘Our business model’ (pages 12–13) and ‘Our markets’ (pages 20–21) sections of this report.

**Risk strategy**  
Effective management of risk is fundamental for the long-term success of the Group. We operate an Enterprise Risk Management (ERM) framework to ensure that we are comprehensive and structured in our approach. The framework enables a thorough view of our risk exposure to be developed, which informs our decision-making and improves our strategic, tactical, operational and compliance processes. The approach

enables us to fulfil our obligations and provides assurance that our activities are appropriately controlled.

**Risk appetite**  
The Board determines the nature and extent of the principal risks it is willing to take and communicates this through the Group risk appetite. The risk appetite outlines expected management strategies and details limits and tolerances on risk exposure for each of the principal risks. It forms the foundation of the ERM framework and guides management decision-making across the Group. The risk appetite is reviewed twice a year at Board level and is monitored by management on an ongoing basis.

**Risk governance**  
The Board has overall accountability for the Group’s approach to risk management and internal control. The Audit Committee oversees risk management and internal control activities with delegated authority from the Board.

The Audit Committee reviews the material risks facing the Group, considering different sources of assurance, including executive management, internal audit, and external audit. The Chair of the Audit Committee is a standing member of the Compliance, Responsibility and Ethics Committee (CREC) to ensure connection between the Board Committees with primary risk oversight responsibilities.<sup>1</sup>

Internal audit provides independent assurance of the Group’s internal control environment. For more details on our internal audit approach see page 113.

The Group risk management function enables and drives effective risk management practices, guides global risk owners in assessing and reporting their risks, coordinates emerging risk assessments, and establishes connections and partnerships across the organisation to promote and develop a responsible risk culture.

Compliance and internal control functions with professional expertise in managing risk and internal control in specialist areas are in place across the organisation.

The CEO and Executive Committee have direct ownership of risk management for the Group. Risk management accountability is fully embedded within their executive responsibilities.

As part of the risk governance framework, Executive Committee and Leadership Council members, and other senior executives are assigned responsibility for specific principal risks. Together, they coordinate risk management activities across the organisation to manage risk exposure in line with the risk appetite.

1. Full committee terms of reference are available on [www.hikma.com](http://www.hikma.com)

## Risk management activities

Risk management activities occur at all levels of the organisation. The ERM framework provides structure for these activities to ensure consistency of approach, alignment to the risk appetite and monitoring of our risk exposure across the Group.

The Group risk management function coordinates regular risk assessments to review management of risks we already know about, and to identify, analyse and evaluate new and emerging risks. These assessments are consolidated through the Group risk management function and reported to the Executive Committee by the global risk owners.

Compliance and internal control functions, and internal audit, also conduct regular formalised risk assessments in relation to their mandates.

Summarised reports and key outcomes of risk assessments are reviewed by management teams, the Audit Committee and Board.

In addition to these core reporting processes, various other risk management activities occurred during the year.

**Risk management in practice**  
Our ability to effectively manage risk enables delivery of our objectives. To ensure we are action-oriented in managing threats and opportunities we categorise our risks considering significance of exposure and the opportunity for management action.

An example of risk management in practice is seen in the case study on the next page.

**Strategic risks**  
Group-level strategic risk assessments are conducted by the Executive Committee and Board of Directors. A formal review is conducted on an annual basis to consider threats and opportunities related to our strategy from internal and external perspectives and over various time horizons.

**Emerging risks**  
Emerging risks are those that are newly identified and have the potential to become significant risks for the Group, those that

may already be well known but are rapidly changing, or those that are developing over a longer term that may have significant impact on our ability to achieve our objectives.

Often driven by forces outside our control, emerging risks may be mitigated by existing control frameworks but are assessed to determine if any aspects fall outside current processes or if the controls in place may become inadequate as the risk develops.

Our approach involves establishing cross-functional teams to assess the threats and opportunities, recognising these may develop over an extended timeframe. The risk assessment methods deployed vary and may involve engaging with external experts, scenario modelling, engagement with existing risk mitigation programmes, and development of new risk mitigation and control strategies that will be sustainable over the longer term.

We scan for emerging risks in a wide array of domains, including economics and geopolitics, social and demographic, technology, legal and regulatory, environment and sustainability, global and local workforce, and business and competitive environment. We focus our emerging risk assessments and monitoring according to likelihood, impact and velocity.

Examples of emerging risks that are monitored include geopolitical instability in the Middle East, development of generative artificial intelligence, uncertainty related to global trade policies, and physical and transitional climate change-related risks and opportunities.

**Double materiality assessment**  
This year, we conducted a double materiality assessment (DMA) to identify and prioritise the sustainability topics most relevant to our business. The assessment results highlighted several material topics, with the most significant being Product Quality and Patient Safety and Access to Medicines, (see page 48).

These and the other material topics identified are monitored and managed under relevant principal risks, ensuring they are integrated

into our risk management framework and decision-making processes.

**Internal control activities**  
Compliance and internal control functions across the Group develop and manage internal control systems, frameworks and processes for their areas of focus as part of risk mitigation strategies, to meet internal and external expectations, and to ensure compliance with regulatory requirements.

In 2024, we evaluated our internal control framework in preparation for the updated UK Corporate Governance Code 2024 (the 2024 Code) Provision 29 requirements for a declaration of effectiveness of the material controls at 31 December 2026.

Through this evaluation, material risks and internal controls have been mapped. The programme will continue to enhance controls in relevant frameworks and launch training on best practices for formal controls.

**Priorities for 2025**  
In 2025 we will continue to develop connections and partnerships between compliance and internal control functions, and external groups to bring greater assurance for the Group.

We will continue to prepare and adapt to the 2024 Code.

We will further develop sustainability and climate-related risk assessments alongside existing and upcoming regulations, see the ‘Sustainability reporting readiness’ section on page 49 for more details.

### Risk management and internal control across the organisation

Complementary management units perform and provide assurance over risk management and internal control through standards, accountability and oversight. Independent and external assessments are additional sources of information for management.

Front-line management	Compliance and internal control	Executive accountability	Independent assurance	Board oversight
Operational activity	Corporate Compliance	Executive Committee	Internal audit	Board of Directors
	Quality Compliance			
	Group Risk Office	Global risk owners	External assessments	Audit Committee
Management reviews	Internal controls and assurance			
	Other compliance teams	External advisers	External audit	Compliance, Responsibility and Ethics Committee

Case study: Artificial intelligence (AI) and Hikma

In 2024, we embraced the transformative potential of artificial intelligence (AI) (and machine learning (ML)) technologies to drive automation, innovation, and efficiency.

AI oversight

Recognising the importance of responsible and ethical deployment, we established an AI Advisory Board (AIAB) to ensure that we leverage AI responsibly to drive excellence and improve efficiencies across the business, helping us deliver on our purpose of putting better health within reach, every day.

With a focus on exploration, education, and governance, the AIAB has set out principles related to data privacy, accountability, explainability, transparency, fairness, bias detection, security, safety, validity, and reliability.

Policy, governance and risk management frameworks have been developed and integrated with our approach to using AI.

AI initiatives

**Exploration:** deployment of AI tools for controlled uses; encouraging engagement



through internal innovation competition to identify opportunities and use cases.

**Education:** training made available for all employees to support understanding and use of AI tools; engagement with relevant functions on AI-related threats and opportunities.

**Governance:** issued AI guidelines to all employees; conducting risk assessments for AI suppliers; ongoing monitoring of regulatory and legal developments. Through these initiatives, Hikma is committed to harnessing AI's potential while ensuring ethical and effective implementation.

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 Board performs robust assessments of strategic, operating and emerging risks for the Group, considering our risk context, and input from executive management.

In 2024, as a result of the conflict in the Middle East, Hikma supported our people in Lebanon and closely monitored impacts on increased shipping costs and lead times. The situation is managed to the degree possible by local, regional and group management teams across multiple principal risk areas, overseen by the Executive Committee and Board.

The Board determined that the principal risks facing the Group have not materially changed over the year and that there are no new principal risks to be added.

The set of principal risks should not be considered as an exhaustive list of all the risks the Group faces. Certain risk factors are outside the control of management.

The Board recognises that the principal risks are dynamic and that management of these risks must be continuous as the risk environment changes. The Board is satisfied that the principal risks are being managed appropriately and consistently within the target risk appetite.

Effectively managing these risks is directly linked to the performance of our strategic KPIs (see pages 18–19) and the delivery of the strategic priorities outlined on pages 8–9.

The principal risks are set out below with examples of management actions that help to control the risk; the actions described do not include all actions taken by management.

Industry dynamics

Risk description	Management actions
The commercial viability of the industry and business model we operate may change significantly as a result of geopolitical events, macroeconomic factors, local political action, societal pressures, regulatory interventions or changes to participants in the value chain of the industry.	<ul style="list-style-type: none"><li>– Signed significant new long-term manufacturing agreement in Generics segment</li><li>– Acquired Xellia commercial capabilities, product portfolio and manufacturing facility, including aseptic premix bag filling capabilities</li><li>– Expanded commercial presence in new markets in Europe</li><li>– Completed construction phase of new manufacturing plants in Morocco, Algeria and Tunisia to enhance production capacity</li><li>– Grew commercial presence in MENA markets through targeted business development initiatives</li><li>– Continued local investment in line with localisation requirements</li><li>– Increased focus on developing consumer healthcare business for MENA</li><li>– Improved access to diabetes treatments and strengthened leading position in oncology</li></ul>

Product pipeline

Risk description	Management actions
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.	<ul style="list-style-type: none"><li>– Launched liraglutide injection in the US, the first approved generic GLP-1 referencing Victoza®</li><li>– Launched first specialty injectable product in the US, Combogesic</li><li>– Acquired and integrated Xellia R&amp;D pipeline assets and R&amp;D Centre in Zagreb, and with acquired manufacturing capability, opened up opportunity to introduce pipeline projects that require aseptic bag line technology</li><li>– Strengthened management across R&amp;D teams</li><li>– Established in-house extractables and leachables risk mitigation capability</li><li>– Signed business development deals to bolster MENA pipeline and increase patient access to needed treatments</li><li>– Acquired the rights to Takeda brands currently licensed to Hikma for MENA with production to move in-house, ensuring continuity of supply</li></ul>

People

Risk description	Management actions
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.	<ul style="list-style-type: none"><li>– Took actions at site, function, and team levels to address areas of improvement identified in the People Voice Survey, see page 26</li><li>– Developed plans to address high turnover rates in specific countries and functions</li><li>– Development of a new grade structure, wellbeing programmes, new recognition programmes</li><li>– Established a specialist department to promote our culture, drive engagement and ensure supportive environments for all our people</li><li>– Implemented training programmes and leadership development initiatives to build local expertise and improve employee retention</li><li>– Enhanced succession planning programme for senior roles</li><li>– Optimised the MENA operating model for central functions and local sites</li></ul>

Risk management continued

Reputation

Risk description	Management actions
Building and maintaining trusted relationships with our stakeholders relies on developing and sustaining our reputation as one of our most valuable assets.	<ul style="list-style-type: none"><li>– Completed double materiality assessment (DMA) (see page 48)</li><li>– Engaged on a regular basis with investors and analysts, including the attendance of conferences, hosting meetings with management and investor relations, including site visit to manufacturing facility in Casablanca, Morocco</li><li>– Continued to build strong relationships with current and potential future CMO partners</li><li>– Internal and external monitoring and management of issues that may impact reputation</li><li>– Focused our editorial delivery to communicate our progress against our business strategy and acting responsibility framework, leveraging our digital communication channels to engage external and internal stakeholders</li></ul>

Ethics and compliance

Risk description	Management actions
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.	<ul style="list-style-type: none"><li>– Updated and refreshed various Corporate and Local Compliance policies and procedures, including ABC, Conflict of interest, Gifts, Hospitality and Entertainment</li><li>– Collaborated with Legal and Procurement to implement enhanced due diligence processes for modern slavery risk assessment</li><li>– Continued participation in international anti-corruption initiatives, including the Partnering Against Corruption Initiative (PACI)</li><li>– Continued review of the effectiveness of our compliance programmes and alignment to international best practice expectations, including areas of anti-bribery and whistleblowing management</li></ul>

Information and cyber security, technology and infrastructure

Risk description	Management actions
Ensuring the integrity, confidentiality, availability and resilience of data, securing information stored and/or processed internally or externally from cyber and non-cyber threats, maintaining and developing technology systems that enable business processes, and ensuring infrastructure supports the organisation effectively.	<ul style="list-style-type: none"><li>– Monitored opportunities and threats related to artificial intelligence (AI) and machine learning (ML) systems through AI Advisory Board</li><li>– Updated disaster recovery runbooks for strategic assets</li><li>– Partnered with legal to review and establish controls to ensure compliance with Data Privacy Legislation in relevant MENA markets</li><li>– Partnered with Saudi FDA to ensure serialisation compliance and integration with agency systems</li><li>– Enhanced Cyber Security Operations capabilities</li><li>– Automated third-party cyber-risk assessments into the procurement process on the Ivalua platform. This ensures consistent and efficient evaluation of cybersecurity risks associated with new and existing suppliers</li><li>– Completed external assessment of information security maturity aligned to the industry-standard NIST cybersecurity framework and the CMMI maturity model</li><li>– Maintained alignment with ISO 27001 standards</li></ul>

Legal, regulatory and intellectual property

Risk description	Management actions
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.	<ul style="list-style-type: none"><li>– Established an AI Advisory Board with other departments to oversee the development, deployment, and impact of artificial intelligence technologies on the Group's operations, see page 82</li><li>– Continuous monitoring and assessment of developments in global legal and regulatory landscape and potential impacts on the Group</li><li>– Worked on finalising the in principle settlement for the vast majority of opioid-related lawsuits and defending remaining lawsuits in North America, see page 172</li><li>– Monitored and managed litigation activity in the US, including various anti-trust matters, see page 198</li><li>– Continued to implement comprehensive data privacy and security measures to protect sensitive information and comply with data protection regulations, including in MENA markets</li><li>– Continued to secure, maintain, and enforce patents and other intellectual property where appropriate to protect the Group's proprietary assets</li><li>– Strengthened corporate governance practices to ensure transparency, accountability, and ethical conduct within the organisation</li><li>– Provided legal support and oversight for successful acquisitions and other strategic transactions, ensuring they are completed smoothly and in compliance with all legal requirements</li><li>– Conducted regular training sessions for employees on legal and compliance matters to foster a culture of awareness and adherence to legal standards</li></ul>

Inorganic growth

Risk description	Management actions
Identifying, accurately pricing and realising expected benefits from acquisitions or divestments, licensing, or other business development activities.	<ul style="list-style-type: none"><li>– Maintained a healthy pipeline of opportunities to achieve Hikma growth strategy</li><li>– Extensive due diligence of each acquisition in partnership with external support in order to strategically identify, value, and execute transactions</li><li>– Extensive Board engagement to review major acquisitions proposed by the Executive Committee to ensure strategic alignment</li><li>– Post-acquisition performance (financial and non-financial) monitored closely to ensure integration and delivery on business plan</li><li>– Post-transaction reviews highlighted opportunities to improve effectiveness of processes</li><li>– Continue to grow our pipeline through business development (BD) and enhance the effectiveness of BD teams by adding additional resources</li><li>– Closed the acquisition of Xellia Pharmaceuticals' US finished dosage form (FDF) business and related assets and began integration</li><li>– Acquired the rights to a portfolio of Takeda brands for the MENA region, enhancing product offerings in key therapeutic areas</li></ul>

Active pharmaceutical ingredient (API) and third-party risk management

Risk description	Management actions
Maintaining availability of supply, quality and competitiveness of API purchases and ensuring proper understanding and control of third-party risks.	<ul style="list-style-type: none"><li>– Maintained rigorous selection and qualification process for new API suppliers</li><li>– Continued to secure API supply continuity through qualification of alternate sources (internal or external) and stocking strategies</li><li>– Proactively managed inventory levels to avoid disruptions in supply chain and mitigate impact from inflation and global trade uncertainty (eg strategic buy, increased inventory level)</li><li>– Continuous focus on building long-term supply contracts and strategic partnerships</li><li>– Enhanced automated due diligence screening process for onboarding and continuous monitoring of third parties, including modern slavery, politically exposed persons, sanctions and other risk areas</li><li>– Embedded and continued to expand programme assessing the sustainability performance of our suppliers</li></ul>

Crisis and continuity management

Risk description	Management actions
Developing, maintaining and adapting capabilities and processes to anticipate, prepare for, respond and adapt to sudden disruptions and gradual change, including natural catastrophe, economic turmoil, cyber events, operational issues, pandemic, political crisis, and regulatory intervention.	<ul style="list-style-type: none"><li>– Responded to disruptive events with values-led decision-making, prioritising the protection of the health and safety of our employees and patients, including situation in Lebanon</li><li>– Enhanced recovery plans for disruptions to IT applications</li><li>– Closely monitoring developments in the Middle East and assessing potential impact on our people and business</li><li>– Continued to embed our integrated crisis and continuity management (CCM) programme</li><li>– Reviewed and refreshed business impact analyses and business continuity plans for all manufacturing sites, incorporating assessments of climate change-related threats</li><li>– Coordinated IT Continuity and Disaster Recovery assessments at all manufacturing sites and key IT locations</li><li>– Reviewed and upgraded site emergency response arrangements and capabilities across our facilities</li><li>– Delivered instructor-led training to employees across the organisation to develop our resilience capability</li></ul>

Product quality and safety

Risk description	Management actions
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.	<ul style="list-style-type: none"><li>– Hikma Quality Council provides oversight and shares best practice across the Group</li><li>– Quality and safety culture driven throughout the organisation by global initiatives and regularly reinforced by communication from senior executives</li><li>– Continuous monitoring and assessment of potential contaminants in drug products (eg nitrosamines, penicillins, non-penicillin beta-lactams, monobactams)</li><li>– Facilities maintained as inspection-ready for assessment by relevant regulators</li><li>– Ongoing oversight of cGMP compliance of third parties supplying finished goods, APIs, raw materials, packaging components and other GMP services</li><li>– Continuous monitoring of quality critical incidents and activities through Notification to Management process implemented across the Group</li><li>– Continuous monitoring of the safety of products to detect any change to risk-benefit balance through the global pharmacovigilance system</li><li>– Continued to provide governance through cross-functional Drug Safety Committee and PV Quality Committee</li><li>– Initiated integration of the acquired Xellia R&amp;D into our quality systems</li><li>– Overseeing upgrades to the acquired Xellia manufacturing facility to incorporate automation in our manufacturing processes</li></ul>

Financial control and reporting

Risk description	Management actions
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.	<ul style="list-style-type: none"><li>– Managed financial and business challenges related to foreign exchange and access to USD in adverse conditions in Egypt</li><li>– Completed formal competitive tender for external audit services</li><li>– Embedded enhanced enterprise-wide fraud prevention and detection programme</li><li>– Implemented enhanced processes and controls to manage rebates and ensure compliance</li><li>– Aligned reporting on minimum standard set of controls for finance and related processes to enable disclosure against Provision 29 of the 2024 Code, see page 112</li></ul>

Going concern and longer-term viability

In accordance with the UK Corporate Governance Code 2018 Provisions 30–31 and other regulatory disclosure requirements, going concern and longer-term viability assessments are provided.

Assessment of position and prospects

The Group’s current and forecast financial positions are used to assess the going concern position and longer-term viability.

The position and prospects of the Group are assessed at Executive Committee meetings and at the end of the financial year. The assessments consider strategic and operational updates, principal and emerging risks, financial reporting and forecasting from the Chief Financial Officer, and through the development of a business plan. The business plan takes into account our current position, specific risks and uncertainties facing the business and known changes to our organisation and business model.

The Executive Committee assesses the future strategic positioning of Hikma as a company in the context of the changing business environment. Aspects of this analysis are shown in ‘Our markets’ (see pages 20–21).

These various assessments are presented to the Audit Committee and Board of Directors for independent scrutiny of management’s assumptions and modelling approach. The Board also receives regular updates on operational, strategic and financial matters from executives.

Financial position

The financial position of the Group as at 31 December 2024 was:

- net cash flow from operating activities was \$564 million
- overall net debt was \$1,118 million (1.4 times core EBITDA)
- available borrowing capacity is \$924 million of committed undrawn long-term facilities (see Note 29 of the Group consolidated financial statements on page 195). These facilities are well-diversified across the subsidiaries of the Group and are with a number of financial institutions

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

Future prospects

The Group’s base case forecasts take into account reasonably possible changes in trading performance, including those that may arise related to various inflationary effects, currency volatility, facility renewal sensitivities, and maturities of long-term debt.

Assumptions

Financial modelling for the business plan and the going concern and viability assessments is subject to assumptions related to:

- launch and commercialisation of new products
- market share and product demand rates
- maintenance of certain product prices
- political and social stability
- ability to increase operational efficiency and reduce central costs
- effective tax rate being within the current guidance range
- ability to refinance existing debt upon maturity (for longer-term viability)

Going concern

For the purposes of assessing the going concern position, the base case and a forecast including severe but plausible downside risks were analysed over a period longer than 12 months from the date of signing the financial statements.

The analysis shows that Hikma is well placed to manage its business and financial risks successfully despite current uncertainties and confirms that the going concern basis should be used in preparing the financial statements.

The Directors reviewed and challenged management’s forecasts, downside assumptions and mitigation strategies, and believe that the Group is adequately placed to manage its business and financing risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period longer than 12 months from the date of signing the financial statements and therefore continue to adopt the going concern basis in preparing the financial statements, with no material uncertainties.



Severe but plausible downside risk scenarios are used to test the viability of the Group.”

## Risk management continued

### Longer-term viability

#### Viability period

The longer-term viability of the Group is assessed for a period longer than for the going concern analysis.

The Directors determined that a three-year period, ending on 31 December 2027, constitutes an appropriate period over which to provide its viability statement.

This is the timeframe for acquisitions and business development opportunities to become integrated into the business, and for pipeline products to contribute as marketed products. Forecasts are more accurate in the near term than in the long term and this limitation also applies to our viability assessments.

#### Stress testing, modelling and sensitivity analysis

Management developed severe but plausible risk scenarios that could impact the business adversely.

The Group's strategic objectives, principal risks (PR), assessments of longer-term emerging risks (ER), management input, real-world examples and the financial modelling assumptions listed above were used to design the scenarios. Realistic but extremely severe adjustments were further applied for sensitivity analysis.

The following hypothetical severe but plausible risk scenarios were reviewed and assessed.

#### Longer-term viability scenarios

- **Scenario 1:** Industry dynamics (PR): Potential significant levels of price erosion over and above business plan assumptions
- **Scenario 2:** Product pipeline (PR): Potential significant and extensive delays to strategic product launches
- **Scenario 3:** Ethics and compliance (PR): The implications of a systemic failure of the corporate compliance programme leading to a regulator investigation were explored, including reputational impact, fines and legal fees, loss of sales, remediation expenses, and additional compliance costs
- **Scenario 4:** Product quality and safety (PR): A prolonged regulator-imposed restriction of a major US FDA-inspected manufacturing site was modelled, factoring in loss of sales and remediation expenses, as well as a reduction to operating costs
- **Scenario 5:** Crisis and continuity management (PR): Escalation and development of situations of political and social instability in MENA markets were assessed with loss of sales recognised
- **Scenario 6:** API and third-party risk management (PR): Significant disruptions to our raw and packaging materials supply chain were modelled
- **Scenario 7:** Climate change (ER): Disruption as a result of extreme weather events was assessed with impacts on certain facilities including property damage and business interruption (see also our disclosures related to climate change on pages 62–77)
- **Scenario 8:** Information and cyber security, technology and infrastructure (PR): Impacts of a ransomware attack affecting endpoints and ERP systems were modelled with potential loss of sales, general business interruption, and response and remediation costs
- **Scenario 9:** Legal, regulatory and intellectual property (PR): Potential for financial loss as a result of ongoing legal proceedings, see pages 198–199

#### Longer-term viability analysis

The consequences of each of these severe but plausible risk scenarios were modelled over the forecast period and the impacts on EBITDA, ability to meet our debt obligations, and cash flow were determined. Combinations of these scenarios occurring were also assessed for this exercise.

The analysis shows that although the scenarios are severe, they do not threaten the viability of Hikma. Headroom was comfortably maintained throughout the viability period for each of the risk scenarios and scenario combinations.

The analysis did not rely on management actions that could be taken in the circumstances to reduce the impact and consequences of the risk events. Such actions, the ongoing implementation of the Enterprise Risk Management (ERM) programme and other risk mitigation initiatives, and investment in infrastructure and change initiatives are anticipated to continue to enhance organisational resilience and support longer-term viability.

The outcome of these various quantitative and qualitative assessments leads management to believe that Hikma is resilient to downside risk scenarios over the three-year period. This is largely as a result of our financial position (in particular our strong balance sheet and low levels of debt) and is supported by the fact that our business is well diversified through geographic spread, product diversity, and large customer and supplier bases. Further details are provided in the 'Our strategy' (pages 8–9), 'Our business model' (pages 12–13), and 'Our markets' (pages 20–21) sections of this report.

The Directors reviewed and challenged management's longer-term viability analysis and confirm that they have a reasonable expectation that Hikma will be able to continue in operation and meet its liabilities as they fall due and over the viability period.



**Our assessments show that  
Hikma is resilient to downside  
risk scenarios."**



Non-financial and sustainability information statement

The table below summarises our position on matters relevant to the Non-Financial Reporting Directive, in line with the requirements of sections 414CA and 414CB of the Companies Act 2006. All references made are to publicly accessible information.

	Summary	Further information and policies
Our business model	<ul style="list-style-type: none"><li>Our diversified business model allows us to respond to the many opportunities and risks we face, while delivering value for our stakeholders</li></ul>	<ul style="list-style-type: none"><li>Our business model, pages 12–13</li></ul>
Principal risks	<ul style="list-style-type: none"><li>Our risk management framework is designed to ensure we take a comprehensive view of risk. This includes financial and non-financial risks that may impact our business and stakeholders</li></ul>	<ul style="list-style-type: none"><li>Risk management, pages 80–86</li></ul>
Environmental matters	<ul style="list-style-type: none"><li>We are committed to making our operations more energy efficient and environmentally responsible</li><li>We continue to improve the way we monitor our impacts, pursuing projects that reduce our environmental footprint</li><li>We have put in place a target to reduce our Scope 1 and 2 GHG emissions by 25% by 2030, using a 2020 baseline</li><li>We are aligning our internal processes and our public disclosures are consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations</li><li>We are aligned with the disclosure requirements of Climate Related Financial Disclosures (CFD) as articulated in the Companies Act</li><li>Board-level oversight of environmental sustainability</li><li>Environmental matters are incorporated in our risk management framework</li><li>We promote environmental sustainability in our supply chain</li></ul>	<ul style="list-style-type: none"><li>Protecting the environment, pages 56–59</li><li>TCFD, pages 62-77</li><li>Supplier Code of Conduct<sup>1</sup></li></ul>
Employees	<ul style="list-style-type: none"><li>Our employees have always been at the heart of everything we do. As the driving force behind Hikma’s growth and success, our people are our most valuable asset</li><li>We are committed to investing in the development of our workforce and in protecting their health and safety. We have 9,500 employees across North America, MENA, Europe and ROW</li></ul>	<ul style="list-style-type: none"><li>Stakeholder engagement: employees, page 26</li><li>Empowering our people, pages 54–55</li><li>Code of Conduct<sup>1</sup></li><li>Upholding ethical standards and acting with integrity, pages 60–61</li><li>Group Environmental, Health and Safety Policy Statement<sup>1</sup></li><li>Principal risk: People, page 83</li></ul>

1. Our public policies, codes and statements are available on [www.hikma.com](http://www.hikma.com)

	Summary	Further information and policies
Social matters	<ul style="list-style-type: none"><li>In all of our markets, we work to meet social needs locally and improve lives. We have developed programmes in key areas to address social challenges:<ul style="list-style-type: none"><li>providing better health</li><li>supporting education</li><li>helping people in need</li></ul></li><li>Where our activities relate to other social matters, we seek to understand the perspective of all stakeholders, determine our role and make clear our position based on our values and purpose</li></ul>	<ul style="list-style-type: none"><li>Stakeholder engagement, pages 24–29</li><li>Advancing health and wellbeing, pages 50–53</li><li>Product quality and safety, page 61</li><li>Addressing drug shortages in the US<sup>1</sup></li><li>Animal testing position<sup>1</sup></li><li>Principal risk: Reputation, page 84</li><li>Access to medicines, pages 50-51</li><li>Tax strategy statement<sup>1</sup></li></ul>
Respect for human rights	<ul style="list-style-type: none"><li>We respect and uphold the principles of the Universal Declaration of Human Rights both within Hikma and across our value chain</li><li>We object in the strongest possible terms to the use of any of our products for the purpose of capital punishment</li></ul>	<ul style="list-style-type: none"><li>Upholding ethical standards and acting with integrity, pages 60–61</li><li>Code of Conduct<sup>1</sup></li><li>Supplier Code of Conduct<sup>1</sup></li><li>Modern slavery act policy statement<sup>1</sup></li><li>Use of products in capital punishment<sup>1</sup></li><li>Principal risk: Reputation, page 84</li></ul>
Anti-bribery and corruption	<ul style="list-style-type: none"><li>Our Compliance, Responsibility and Ethics Committee leads our efforts to strengthen anti-bribery and corruption policies and manage associated risks</li><li>As a publicly-listed company on the London Stock Exchange, we abide by the regulations of the UK Listing Authority. We operate in compliance with the UK Bribery Act 2010, the Foreign Corrupt Practices Act as well as local laws and regulations</li></ul>	<ul style="list-style-type: none"><li>Upholding ethical standards and acting with integrity, pages 60–61</li><li>Code of Conduct<sup>1</sup></li><li>Supplier Code of Conduct<sup>1</sup></li><li>Speak up channels<sup>1</sup></li><li>Principal risk: Ethics and compliance, page 84</li><li>Compliance, Responsibility and Ethics Committee report, pages 114–115</li></ul>
Non-financial KPIs	<ul style="list-style-type: none"><li>We monitor the position, performance and impact of Hikma across a wide range of financial and non-financial KPIs. Non-financial KPIs are used to measure progress towards our strategic priorities (pages 18–19), our exposure to risks (pages 82-86), and are in place in other areas throughout the organisation as part of Hikma’s long-term sustainable growth strategy and our commitment to helping people and improving the communities in which we operate</li></ul>	<ul style="list-style-type: none"><li>GHG emissions reduction target, page 56</li><li>Protecting the environment, pages 56–59</li><li>Employees engagement and enablement, page 19</li><li>Audit Committee report, pages 109–113</li><li>Compliance, Responsibility and Ethics Committee report, pages 114–115</li><li>Diversity disclosures, page 97</li></ul>

The Strategic report was approved by the Board of Directors and signed on its behalf by:

**Riad Mishlawi**  
Chief Executive Officer  
25 February 2025

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# Corporate governance

# Executive Chairman's overview

We are committed to high standards of transparency in corporate governance reporting and work hard as a Board to provide strong and stable leadership, supported by our corporate governance framework.



Said Darwazah  
Executive Chairman

**This year the Board has focussed on supporting the CEO in establishing himself in his new role."**

### Dear Shareholders

Hikma continued to perform well in 2024, making excellent progress against our strategic objectives. After a number of changes to our Board over the past two years, 2024 represented a period of stability, giving the Board the opportunity to fully support the CEO in establishing himself in his new role, while continuing to deliver against our strategy. The Board also looked to the future with a focus on succession planning, agreeing actions for continuous improvement following the external Board performance review (more details on page 106), and preparations for future reporting requirements in relation to corporate governance and the evolving landscape for sustainability reporting.

### Succession planning and Board composition

A key priority for the Board in 2024 was to review succession plans for Board and senior management roles, noting that two independent Non-Executive Directors would reach nine years of service in 2025, and taking into consideration the changes to the Executive Committee that occurred in late 2023 and early 2024. The Nomination and Governance Committee supported the Board in this endeavour with a detailed review of succession plans for the independent Non-Executive Directors and for the senior management population, in conjunction with the Chief People Officer. Further information is included in the Nomination and Governance Committee report on page 105.

In relation to the independent Non-Executive Directors, John Castellani will reach nine years of service in March 2025 and will retire from the Board at the 2025 AGM. I thank John for his significant contribution to Hikma over the past nine years and wish him all the best for the future. Nina Henderson will reach nine years of service in October 2025 and will retire from the Board by the end of the year, allowing Hikma to benefit from Nina's experience for the remainder of this year. As announced in our 2023 Annual Report, Nina will step down as Remuneration Committee

Chair and as a member of all Board Committees following the 2025 AGM.

As disclosed in our 2023 Annual Report, the Board approved the following succession plans for the independent Non-Executive Directors to take effect from the 2025 AGM:

- Deneen Vojta will succeed John Castellani as Chair of the Compliance, Responsibility and Ethics Committee
- Cynthia Flowers will succeed Nina Henderson as Chair of the Remuneration Committee
- Laura Balan will succeed Nina Henderson as the designated independent Non-Executive Director for workforce engagement

### Inclusion and diversity

As a Board, we embrace diversity in all forms and believe that different perspectives and opinions enhance decision-making. Our Board Diversity Policy sets the approach to the diversity of Hikma's Board and its Committees in line with the gender and ethnic diversity objectives set by the UK Listing Rules, the FTSE Women Leaders Review and the Parker Review. We are proud to report that Hikma continues to meet all objectives set for diversity under the Board Diversity Policy. The Board Diversity Policy is available on our website at [www.hikma.com](http://www.hikma.com) and information on Board diversity is included on pages 97 and 142.

We are equally committed to supporting inclusion and diversity beyond the boardroom. Our Remuneration Committee has integrated targets into the performance measures for variable remuneration, in jurisdictions where permitted under applicable local laws, to increase diversity within the senior management population. Further detail is included in the 2022 and 2023 Annual Reports.

We are pleased to report an increase in the representation of women in senior leadership roles over the past year and are proud of the high level of ethnic diversity among the senior management population. Information on our senior management and wider workforce diversity is included on page 97 and information on our broader inclusion initiatives is included on page 55. Further information on the Board's oversight of diversity is included in the Nomination and Governance Committee report on pages 107 to 108.

### Corporate governance reporting

Following the publication of the UK Corporate Governance Code 2024 (the 2024 Code) in early 2024, we have spent time understanding the new requirements and preparing to report on the 2024 Code in our next Annual Report. To demonstrate our

commitment to corporate governance reporting, we have updated our disclosure on key Board activities to more explicitly link Board decisions and their outcomes to Hikma's strategy and objectives, complying early with the updated principles of the 2024 Code. The updated disclosures in relation to key Board activities in 2024 can be found on pages 103 to 104.

### Workforce engagement

Our people are core to Hikma's growth aspirations and delivery of our strategy. To enhance the Board's understanding of our colleagues' perspectives, Nina Henderson is our designated independent Non-Executive Director for workforce engagement, as defined under Provision 5 of the UK Corporate Governance Code 2018. Nina has undertaken an active programme of engagement each year which has contributed to ensuring that workforce perspectives are considered in Board and Committee decision-making, and that the Board, outside of our Executive Directors, is visible among our colleagues. In 2024, the engagement programme was organised in conjunction with the CEO and Nina formally reported to the Board on her observations.

As an aspect of her engagement activities, Nina listens to the workforce on career perspectives and reward, including remuneration matters.

In early 2024 the Board received the results of the People Voice Survey, Hikma's employee engagement survey. During the course of 2024, the Board received updates on the additional engagement undertaken with local management teams to identify areas for focus, agreed action plans, and monitored progress against those actions.

As noted above, Laura Balan will succeed Nina as the designated independent Non-Executive Director for workforce engagement. To ensure a smooth handover of responsibilities, Nina and Laura have been working together this past year.

In 2024, Non-Executive Directors visited Hikma sites and engaged with the workforce, including:

- participation in the senior leaders forum in Madrid (Spain)
- visits to manufacturing facilities in Riyadh (KSA), Milan (Italy), Columbus and Bedford (OH, US) and Portugal. During these visits, Non-Executive Directors were able to meet with local management and the wider workforce, tour manufacturing facilities and R&D laboratories, and visit Hikma customers including hospitals and physicians.
- visits to corporate offices in Portugal, Riyadh (KSA), Munich (Germany),

- Columbus and Bedford (OH, US), Berkeley Heights (NJ, US) to meet with local management and engage with the local workforce in informal settings over lunches and dinners
- meeting with forty women employees in Riyadh (KSA) for a conversation centred on workplace skills, ambitions and career development. Valuable insights were gained on their contributions to Hikma and ideas to support fellow Hikma colleagues
- a visit to our site in Casablanca, Morocco for the annual Board strategy meeting, during which the Board visited the new Hikma injectables manufacturing facility and held a dinner with local management

Further detail on our workforce engagement activities and outcomes, including a case study on the People Voice Survey, is included in our Section 172 statement on page 26.

### Stakeholder engagement

In the lead-up to, and following the 2024 AGM and in readiness for the 2025 AGM, Hikma undertook a detailed shareholder consultation exercise to gain feedback on the Rule 9 Waivers sought at the 2024 AGM and prepare for the renewal of the Rule 9 Waivers at the 2025 AGM. The aim of the consultation process was to explain the purpose of the Rule 9 Waivers and address any concerns. Following feedback from shareholders, we have developed an FAQ document which is available on our website at [www.hikma.com](http://www.hikma.com). Further information on the shareholder consultation exercise is included on page 102 and in the FAQ document.

In addition to the shareholder consultation relating to the Rule 9 Waivers, the Board undertakes significant efforts to understand and, in taking decisions, consider the interests and perspectives of all of our stakeholders, including customers, suppliers, employees, regulators, investors and the communities in which we operate. Further details, including examples of the outcomes and actions from our stakeholder engagement activities, are included in our Section 172 statement on pages 24 to 29. Information on our Supplier Code of Conduct is included on page 60.

### Looking ahead

On behalf of the Board, we look forward to building on the success of 2024 to create long-term sustainable growth for the benefit of all stakeholders in 2025 and beyond.

Said Darwazah  
Executive Chairman

# Corporate governance at a glance

## Governance framework

The Board delegates some of its powers to the CEO and operates with the assistance of five committees.

The Board is responsible for establishing the Group's purpose, values and strategy, and ensuring these are aligned with its culture. The Board maintains a list of matters that can only be approved by the Board. The matters reserved to the Board and Terms of Reference for each Committee can be found on our website at

[www.hikma.com](http://www.hikma.com). The Board delegates certain matters to its Committees to assist it in discharging its responsibilities. Committee reports can be found on pages 105 to 139.

The Board delegates responsibility for running the business and executing the strategy to the CEO, who is supported in this role by the Executive Committee. Biographies for our Executive Committee members can be found on page 100.

### The Board

- see pages 94-144 for corporate governance
- see pages 98-99 for Director biographies

### CEO

### Executive Committee

- see page 100

### Nomination and Governance Committee

- see pages 105-108

### Audit Committee

- see pages 109-113

### Compliance, Responsibility and Ethics Committee

- see pages 114-115

### Remuneration Committee

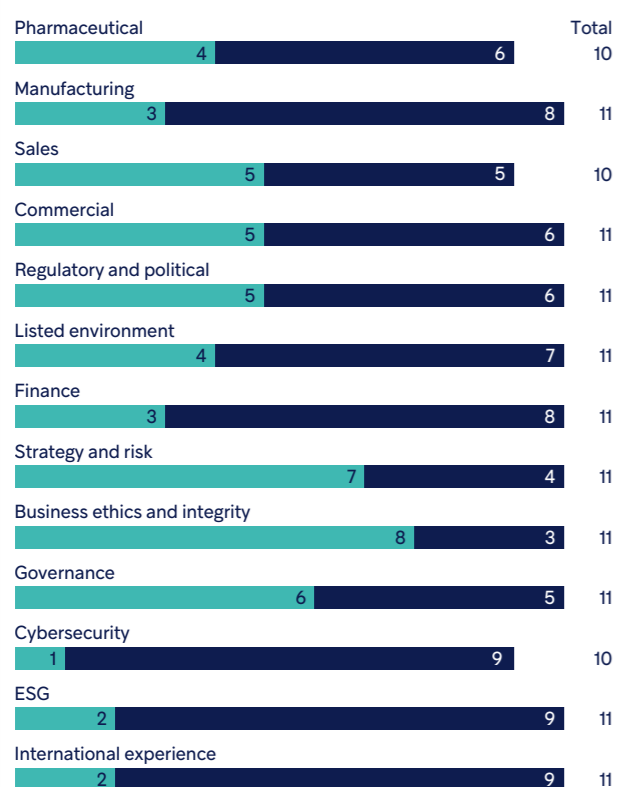
- see pages 116-139

### Disclosure Committee

- see our website [www.hikma.com](http://www.hikma.com)

## Skills and experience

- Number of Directors who have significant and current experience
- Number of Directors with experience



## Board composition

	31 December 2024	after 2025 AGM
Executive Chairman	9%	10%
Other Executive Directors	18%	20%
Non-Independent Non-Executive Directors	9%	10%
Independent Non-Executive Directors	64%	60%

2024



After 2025 AGM



In compliance with Provision 11 of the 2018 Code, when excluding the Chairman, the Independent Non-Executive Directors represent 70% of the Board as at 31 December 2024 and 67% of the Board after the AGM in April 2025 following the retirement of John Castellani.

## Independent Director tenure (as at 31 December 2024)

	Number	%
0-3 years	3	42%
4-6 years	2	29%
7-9 years	2	29%



## Diversity<sup>1</sup> (as at 31 December 2024)

### Ethnicity

#### Board<sup>2</sup>



Minority ethnic	4 (36%)
White	7 (64%)

#### Senior management<sup>3</sup>



1. White/Caucasian	25 (29%)
2. Minority ethnic, the minority ethnic group includes:	31 (36%)
- Middle Eastern	25 (29%)
- Asian	4 (5%)
- Mixed/Multiple ethnic groups/two or more races	1 (1%)
- Other	1 (1%)
3. Prefer not to say	2 (2%)
4. Did not respond	16 (18%)
5. Unknown <sup>4</sup>	13 (15%)

#### Executive Committee<sup>2</sup>



Minority ethnic	4 (44%)
White	5 (56%)

### Gender

#### Board



Women	5 (45%)
Men	6 (55%)

#### Senior management<sup>3</sup>



Women	26 (30%)
Men	61 (70%)

#### Executive Committee



Women	3 (33%)
Men	6 (67%)

#### Group



Women	3,352 (35%)
Men	6,082 (64%)
Prefer not to say	81 (1%)

### UK senior management

As required by the Parker Review in 2024, the composition of our senior management team working in the UK is 82% White/Caucasian and 9% Minority ethnic. 9% did not respond to the survey.

### Hikma subsidiary company directors

As required by the Companies Act 2006, the composition of our subsidiary company boards is 48 men (80%) and 12 women (20%).

- Diversity data collection is conducted in compliance with applicable laws and regulations
- Relates to Board and Executive Committee members who identify with one of the relevant categories under UK Listing Rule 6, Annex 1
- Senior management refers to senior direct reports to the CEO and Executive Chairman, and the senior leaders who report directly to them (excluding administrative roles)
- Ethnic diversity data excludes our employees in France, Portugal, Germany, Spain and Italy due to local GDPR and labour law issues

## Attendance

	Board (8 scheduled and 1 unscheduled meetings)		Nomination and Governance Committee (4 scheduled meetings)		Audit Committee (5 scheduled meetings)		Compliance, Responsibility and Ethics Committee (4 scheduled meetings)		Remuneration Committee (5 scheduled and 1 unscheduled meetings)	
Directors	Meetings attended	Attendance	Meetings attended	Attendance	Meetings attended	Attendance	Meetings attended	Attendance	Meetings attended	Attendance
Said Darwazah	9/9	100%	-	-	-	-	-	-	-	-
Riad Mishlawi	9/9	100%	-	-	-	-	4/4	100%	-	-
Mazen Darwazah	9/9	100%	4/4	100%	-	-	4/4	100%	-	-
Victoria Hull	9/9	100%	4/4	100%	5/5	100%	-	-	-	-
Ali Al-Husry	9/9	100%	-	-	-	-	-	-	-	-
Patrick Butler <sup>1</sup>	2/3	67%	1/1	100%	-	-	0/1	0%	-	-
John Castellani	9/9	100%	-	-	5/5	100%	4/4	100%	5/6	83%
Nina Henderson <sup>2</sup>	8/9	89%	4/4	100%	5/5	100%	4/4	100%	6/6	100%
Cynthia Flowers	9/9	100%	4/4	100%	5/5	100%	-	-	6/6	100%
Douglas Hurt	9/9	100%	4/4	100%	5/5	100%	4/4	100%	6/6	100%
Laura Balan	9/9	100%	-	-	5/5	100%	-	-	6/6	100%
Dr Deneen Vojta	9/9	100%	4/4	100%	-	-	4/4	100%	-	-

- Board Chair
- Committee Chair

- Patrick Butler retired from the Board on 29 February 2024
- Nina Henderson was unable to attend the short-form Annual Report sign off meeting on 21 February 2024 owing to a pre-existing commitment. Nina was in attendance for the long-form year-end sign off meeting on 15 February 2024

Where a Director was unable to attend a meeting, comments on the business of the meeting were shared with the Chair in advance of the meeting.

# Leadership – Board of Directors



1. Said Darwazah  
Executive Chairman

2. Riad Mishlawi  
Chief Executive Officer

3. Mazen Darwazah  
Executive Vice Chairman, President of MENA

**Appointed:** 1 July 2007 (joined Hikma in 1981)  
**Nationality:** Jordanian  
**Experience:** Said served as Chief Executive Officer from June 2022 to August 2023 and from July 2007 to February 2018 and has served as Executive Chairman since May 2014. Said was Chairman and Chief Executive of Hikma’s group holding company from 1994 to 2003 and Minister of Health for the Hashemite Kingdom of Jordan from 2003 to 2006. Said has over 40 years of experience in extensive leadership roles at Hikma.  
**Qualifications:** Industrial Engineering degree from Purdue University, MBA from INSEAD.  
**Other appointments:** Chairman of Royal Jordanian Airlines, Dead Sea Touristic & Real Estate Investments, and the Health Care Accreditation Council Jordan. Vice Chairman of Capital Bank, Jordan. Board Member of INSEAD.

**Appointed:** 1 September 2023 (joined Hikma in 1990)  
**Nationality:** Lebanese  
**Experience:** Riad was appointed as Chief Executive Officer in September 2023, bringing deep knowledge of Hikma, the pharmaceutical industry and a strong track record of delivering profitable growth and strategic expansion. From 2011 to 2023, Riad served as Hikma’s President of Injectables, significantly expanding the Injectables product portfolio and manufacturing footprint while maintaining focus on quality and efficiency, helping transform the Injectables business into a recognised market leader. Since joining Hikma in 1990, Riad has held various positions of increasing responsibility including Head of Manufacturing Operations at the Group’s former Generics facility in Eatontown, New Jersey. He left Hikma in 1998 to join Watson Pharmaceuticals, where he was Executive Director of Operations. Riad returned to Hikma in 2004 and held a series of positions in the Group’s Injectables business.  
**Qualifications:** BSc in Engineering and an MS in Engineering and Management from George Washington University.  
**Other appointments:** None

**Appointed:** 8 September 2005 (joined Hikma in 1985)  
**Nationality:** Jordanian  
**Experience:** Mazen is responsible for the strategic and operational direction of the business across the MENA region. During his 39 years of service at Hikma, Mazen has held an extensive range of positions within the Group. He has previously served as the President of the Jordanian Association of Manufacturers of Pharmaceuticals and Medical Appliances.  
**Qualifications:** BA in Business Administration from the Lebanese American University, Advanced Management Plan from INSEAD.  
**Other appointments:** Senator in the Jordanian Senate. Trustee of Birzeit University and King’s Academy. Member of HM King Abdullah’s Economic Policy Council. Board Director at Rakuten Medical Inc.

4. Victoria Hull  
Senior Independent Director

5. Ali Al-Husry  
Non-Executive Director

6. John Castellani  
Independent Non-Executive Director

**Appointed:** 1 November 2022 as Non-Executive Director (Senior Independent Director from 28 April 2023)  
**Nationality:** British  
**Experience:** Victoria has extensive senior executive experience across a broad range of business, legal, commercial and governance matters and strong international experience. In her executive career, Victoria was an Executive Director and General Counsel of Invensys plc and Telewest Communications plc. Victoria is a solicitor and began her career at Clifford Chance LLC. Victoria also served as Senior Independent Director of Ultra Electronics plc, and was previously Non-Executive Director and Chair of the Remuneration Committee at Network International Holdings plc.  
**Qualifications:** Solicitor, LLB (Hons) in Law from the University of Southampton.  
**Other appointments:** Non-Executive Director and Chair of the Remuneration Committee of IQE plc. Non-Executive Director at IMI plc and Serco Group plc.

**Appointed:** 14 October 2005 (joined Hikma in 1981)  
**Nationality:** Jordanian  
**Experience:** Ali joined Hikma as Director of Hikma Pharma Limited and held various management and leadership roles within the Group, before stepping into an advisory role in 1995. Ali brings great financial experience to the Board as well as an in-depth knowledge of the MENA region and Hikma Pharmaceuticals. Ali was a founder of Capital Bank, Jordan, and served as CEO of Capital Bank, Jordan until 2007.  
**Qualifications:** Mechanical Engineering degree from the University of Southern California, MBA from INSEAD.  
**Other appointments:** Director of Endeavour Jordan, Microfund for Women, Capital Bank, Jordan, and DASH Ventures Limited.

**Appointed:** 1 March 2016  
**Nationality:** American  
**Experience:** John brings experience of the pharmaceutical and biotechnical sectors, business ethics, and political and regulatory knowledge to the Board. John was President and Chief Executive Officer of Pharmaceutical Research and Manufacturers of America (PhRMA) from 2010 to 2015. Prior to that he was President and Chief Executive of Business Roundtable, an association of leading US company chief executives. During his career John has also held senior positions with Burson-Marsteller, Tenneco, and General Electric.  
**Qualifications:** BSc in Biology from Union College Schenectady, New York.  
**Other appointments:** Director of 5th Port and the Maine Coastal Healthcare Alliance.

A

 Audit Committee

C

 Compliance, Responsibility and Ethics Committee

N

 Nomination and Governance Committee

R

 Remuneration Committee

Committee Chair



7. Nina Henderson  
Independent Non-Executive Director

8. Cynthia Flowers  
Independent Non-Executive Director

9. Douglas Hurt  
Independent Non-Executive Director

**Appointed:** 1 October 2016 (Employee Engagement from 2019)  
**Nationality:** American  
**Experience:** Nina brings extensive experience of manufacturing and distribution, marketing, remuneration committee and stakeholder engagement, gained through her executive and non-executive career. Nina was Corporate VP of Bestfoods and President of Bestfoods Grocery prior to its acquisition by Unilever. During a 30-year career with Bestfoods, she held a wide variety of Global and North American executive general management and marketing positions. Nina has previously served as a director of Royal Dutch Shell, AXA Financial, The Equitable Companies, DelMonte, Pactiv and Walter Energy.  
**Qualifications:** Honours graduate and BSc from Drexel University.  
**Other appointments:** Non-Executive Director and Chair of Remuneration Committee at CNO Financial Group Inc and International Workplace Group plc. Director of the Foreign Policy Association, St. Christopher’s Hospital for Children, VNS Health and Commissioner of the Smithsonian National Portrait Gallery. Vice Chair of the Board of Trustees, Drexel University.

**Appointed:** 1 June 2019  
**Nationality:** American  
**Experience:** Cynthia brings detailed knowledge of the pharmaceutical and biotechnical sectors and healthcare practitioner experience to the Board. Cynthia was President and CEO of the North American divisions of the global pharmaceutical companies Ipsen and Eisai, and also held general management positions at Amgen and Johnson & Johnson. For nearly a decade Cynthia served on the Women’s Leadership Advisory Board at Harvard University’s Kennedy School of Government.  
**Qualifications:** BSN from the University of Delaware and Executive MBA from Wharton School at the University of Pennsylvania.  
**Other appointments:** Non-Executive Director of Lisata Therapeutics Inc. and Relevate Health Inc. Chief Executive Officer of OMEZA Holdings Inc.

**Appointed:** 1 May 2020  
**Nationality:** British  
**Experience:** Douglas brings significant financial experience, having served as Finance Director of IMI PLC from 2006 to 2015. Prior to this, he held a number of senior finance and general management positions at GlaxoSmithKline PLC, previously having worked at Price Waterhouse. His career has included several years working in the US as a Chief Financial Officer and significant experience in European businesses as an Operational and Regional Managing Director. Douglas previously served as Senior Independent Director and Chairman of the Audit Committee of Tate & Lyle plc and Vesuvius PLC, Chairman of Countryside Partnerships PLC, and Non-Executive Director and Chair of the Audit Committee of the British Standards Institution.  
**Qualifications:** Chartered Accountant and a Fellow of the ICAEW, MA (Hons) in Economics from Cambridge University.  
**Other appointments:** None.

10. Laura Balan  
Independent Non-Executive Director

11. Dr Deneen Vojta  
Independent Non-Executive Director

**Appointed:** 1 October 2022  
**Nationality:** Romanian and British  
**Experience:** Laura brings a deep understanding of international business, the pharmaceutical industry globally, key sector trends and dynamics. Laura is a retired partner of The Capital Group Companies, the US investment manager, where she was an investment analyst for 17 years, covering the European healthcare and pharmaceutical industries. Prior to this, Laura held associate and analyst roles at The Goldman Sachs Group Inc, where she focused on European healthcare and pharmaceutical investment research.  
**Qualifications:** CFA Charterholder, BA (Hons) in International Business from the Academy of Economic Studies in Bucharest, Romania.  
**Other appointments:** Trustee and Chair of the Finance, Audit & Risk Committee of the Charter Schools Educational Trust.

**Appointed:** 1 November 2022  
**Nationality:** American  
**Experience:** Deneen is a healthcare executive with extensive experience in clinical medicine, scientific research, and care delivery. Deneen is the Executive Vice President (EVP), Health Solutions for Blue Shield California. Previously she served as EVP, Research and Development for UnitedHealth Group (UHG) and as Founder and CEO of MYnetico, which was acquired by UHG. She also served as Chief Medical Officer of ARIA Health Care System and Health Partners of Philadelphia. In 2022, Deneen was named a Modern Healthcare’s Top Innovator, in 2014, she was an Emmy® Award winner and in 2013, a CES® Innovation Design & Engineering Innovation Honoree.  
**Qualifications:** MD from the Temple University School of Medicine, BS in Behavioral Neuroscience from the University of Pittsburgh.  
**Other appointments:** EVP for Health Solutions at Blue Shield of California. Member of the Advisory Board of The Center for Health Incentives & Behavioral Economics at Penn Medicine.

Other Directors who served during 2024

Patrick Butler  
Non-Executive Director

Patrick Butler retired from the Board on 29 February 2024.

Company Secretary

Helen Middlemist

**Appointed:** 1 January 2024 (joined Hikma in 2022)  
**Role:** Helen is responsible for advising on relevant law, regulation and best practice in relation to Hikma’s listing on the London Stock Exchange.







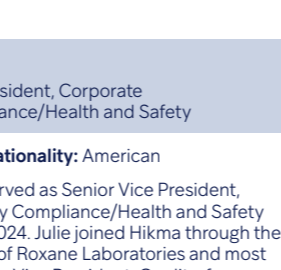
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# Leadership – Executive Committee

<b>1. Riad Mishlawi</b> Chief Executive Officer			
<b>2. Mazen Darwazah</b> Executive Vice Chairman, President of MENA			
For biographical details, see page 98			
<b>3. Hussein Arkhagha</b> Chief People Officer			
<b>Joined:</b> 2001 <b>Nationality:</b> Jordanian <b>Role:</b> Hussein was appointed as Chief People Officer in September 2023. He is responsible for the Human Resources and Compliance Departments, and overseeing legal and Company Secretarial Departments. Hussein has been a standing member of the Executive Committee since 2017. Hussein has held several executive positions during 24 years at Hikma, including Chief Counsel and Company Secretary, General Counsel, Head of Legal/MENA, Head of Shareholders' Department and Head of Tax. <b>Qualifications:</b> Hussein holds a Master's degree in International Business Law from the University of Manchester, under the UK Chevening Scholarship Programme.			
<b>4. Bassam Kanaan</b> Executive Vice President, Corporate Development and M&A			
<b>Joined:</b> 2001 <b>Nationality:</b> Jordanian <b>Role:</b> Bassam was appointed EVP, Corporate Development and M&A in 2014 and has Group-level responsibility for strategic development, acquisitions, and alliances. He also has oversight of the IT function, Global Procurement and Hikma Ventures. Bassam has held several executive positions during 23 years with Hikma, including Chief Financial Officer in the period from 2001 to 2012, and President & COO for MENA and EU from 2012 to 2014. Bassam played a leading role in preparing for Hikma's IPO in 2005 and in its subsequent M&A activity. <b>Qualifications:</b> US Certified Public Accountant, Chartered Financial Analyst, BA from Claremont McKenna. International Executive MBA from Northwestern University.	<b>6. Susan Ringdal</b> Executive Vice President, Strategic Planning and Global Affairs	<b>8. Julie Hill</b> Senior Vice President, Corporate Quality Compliance/Health and Safety	
	<b>Joined:</b> 2005 <b>Nationality:</b> American <b>Role:</b> Susan has served as EVP, Strategic Planning and Global Affairs since 2012 and is responsible for strategic planning, investor relations, corporate communications, and sustainability. Prior to joining Hikma, Susan worked for Alliance Unichem and Morgan Stanley. <b>Qualifications:</b> BA in History from Cornell University. MBA from London Business School.	<b>Joined:</b> 2016 <b>Nationality:</b> American <b>Role:</b> Julie has served as Senior Vice President, Corporate Quality Compliance/Health and Safety since February 2024. Julie joined Hikma through the 2016 acquisition of Roxane Laboratories and most recently served as Vice President, Quality, for Hikma's Generics business. Prior to that, she served in various leadership roles with Hikma and predecessor companies at Hikma's Columbus, Ohio, generics manufacturing facility. <b>Qualifications:</b> Bachelor of Science degree in Biochemical Engineering from Purdue University.	
<b>5. Khalid Nabils</b> Chief Financial Officer			
<b>Joined:</b> 2001 <b>Nationality:</b> Jordanian <b>Role:</b> Khalid was appointed as Chief Financial Officer in 2011 and is responsible for Group finance, including reporting and capital management. Khalid has held several leadership positions within Hikma's financial functions during 23 years with Hikma, including VP Finance. <b>Qualifications:</b> Certified Public Accountant. MBA from the University of Hull.	<b>7. Dr Bill Larkins</b> President of Injectables	<b>9. Dr Hafrun Fridriksdottir</b> President of Generics	
	<b>Joined:</b> 2022 <b>Nationality:</b> American <b>Role:</b> Bill was appointed as President of Hikma's Injectables business in September 2023. Bill has extensive experience in the sterile injectable generic market, having previously served as Chief Executive Officer of Custopharm, which was acquired by Hikma in 2022, and until September 2023 served as Hikma's Senior Vice President, R&D, Injectables. <b>Qualifications:</b> BSc in Chemistry from Purdue University and a PhD in Analytical Chemistry from The Ohio State University.	<b>Joined:</b> 2024 <b>Nationality:</b> Icelandic and American <b>Role:</b> Hafrun joined Hikma in April 2024 as President of Hikma's Generics business. Prior to joining Hikma, Hafrun held senior executive roles at leading global pharmaceutical companies including Alvotech, Teva Pharmaceuticals, Allergan and Actavis, and most recently has served in advisory and board roles for several biotech and mid-sized pharma companies. <b>Qualifications:</b> MS Degree in Pharmacy and a PhD in Physical Pharmacy from the University of Iceland.	

# Corporate governance report

## UK Corporate Governance Code compliance

<p>Hikma is committed to high standards of corporate governance and we work hard to apply the Principles of the UK Corporate Governance Code 2018 (the 2018 Code) and the Markets Law of the Dubai Financial Services Authority (the Markets Law). The 2018 Code and associated guidance are available to view on the Financial Reporting Council's website at <a href="http://www.frc.org.uk">www.frc.org.uk</a>.</p> <p>The report on pages 94 to 144 describes how the Board has applied the 2018 Code and Markets Law throughout the year ended 31 December 2024. Other than Provisions 9 and 19, as referred to in the following section on the Executive Chairman, Hikma has complied with all Provisions of the 2018 Code throughout the year.</p> <p><b>Our commitment to corporate governance reporting</b> Following the publication of the UK Corporate Governance Code 2024 (the 2024 Code) in January 2024, the Board has spent time understanding the new requirements, mapping Hikma's practices against the updated Principles and Provisions and preparing to report on the 2024 Code from 1 January 2025 (except for the new Provision 29 on internal controls, which will be reported on from 1 January 2026).</p> <p>To demonstrate our commitment to transparent corporate governance reporting, we have updated our disclosure on key Board activities to more explicitly link Board decisions and their outcomes to Hikma's strategy and objectives. Key Board activities in 2024 can be found on pages 103 to 104.</p>	<p>The Board consulted shareholders prior to Said's appointment as Executive Chairman and CEO in May 2014 and following the change to the position of Executive Chairman in February 2018.</p> <p><b>Rationale</b> The Board is focused on the commercial success of Hikma and believes that continuing the position of Executive Chairman is the best way to achieve success for Hikma for the following reasons:</p> <ul style="list-style-type: none"><li>– <b>Continuity of strategy:</b> Said has been a driving force behind the strategic success of the business since 2007 and the Board believes that it is important for the continued success of the Group that he remains in a strategic role. The Executive Chairman's role is to develop the Group's strategy in conjunction with the CEO. The division of responsibilities for our Executive Chairman and CEO are available on our website at <a href="http://www.hikma.com">www.hikma.com</a></li><li>– <b>Profile:</b> the Executive Chairman position is highly visible inside and outside Hikma, providing leadership to the Board and management of the Group, acting as an ambassador with business partners and advisers to the organisation</li><li>– <b>Shareholder support:</b> on a rolling five-year basis, shareholder votes have been in favour of the Executive Chairman's re-election at the Annual General Meeting (AGM), with an average vote of 96% in favour</li><li>– <b>Stakeholder engagement:</b> a significant number of Hikma's key political and commercial relationships across the MENA region, Asia and some continental European countries are built on the long-term trust and respect for the Darwazah family such that the role of the Executive Chairman remains key. During 2024 the Executive Chairman undertook an active programme of stakeholder engagement activities, joining the CEO and CFO at the Jefferies London Healthcare Conference, where they met with investors, partners and advisers to discuss Hikma's strategic progress and strong position for continued success in 2025 and beyond. In 2024 the Executive Chairman received recognition for his contributions to healthcare, being named on the Arabian Business Healthcare Visionaries list and ranked second on Forbes' Middle East Top 100 Healthcare Leaders, 2024. These accolades reflect on the Executive Chairman's decades of leadership at Hikma, and the Group's ongoing impact on the healthcare industry</li></ul>	<p><b>Safeguards</b> The Board continues to operate the following enhanced governance controls to support the Executive Chairman role:</p> <ul style="list-style-type: none"><li>– <b>Governance structure review:</b> the independent Non-Executive Directors meet after every Board meeting in a private session chaired by the Senior Independent Director. They also undertake an annual review of the appropriateness of the governance structure, the division of responsibilities between the Executive Chairman and the CEO, safeguards and shareholder views. During their 2024 meeting, the independent Non-Executive Directors reviewed the succession plan, stakeholder views and the effectiveness of the governance controls in place to support the Executive Chairman role, and concluded that the Executive Chairman role should continue</li><li>– <b>Board role statements:</b> The division of responsibilities for our Executive Chairman and CEO are available on our website at <a href="http://www.hikma.com">www.hikma.com</a></li><li>– <b>Senior Independent Director role:</b> the Senior Independent Director has an enhanced role at Hikma, taking joint responsibility, with the Executive Chairman, for the annual Board performance review, setting the Board agenda, agreeing action points and the minutes of the meetings</li><li>– <b>Committee Chair roles:</b> the Chairs of the Board Committees and the Director responsible for workforce engagement undertake a significant amount of work in the discharge of their responsibilities</li><li>– <b>Transparency and engagement:</b> Hikma has always had the highest regard for shareholders, with several of the original investors from before listing still investing and supporting Hikma today. Over the c.19 years since flotation Hikma has maintained the highest standards of shareholder engagement, which reflects the importance placed in maintaining strong investor relations and governance</li></ul> <p>The Board considers that the Executive Chairman role is key to Hikma and does not intend to make any changes to this structure in the medium term. Should shareholders require any further information relating to these matters, questions may be directed to the Company Secretary.</p>
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2024 AGM voting result

At the AGM held on 25 April 2024 (2024 AGM), Hikma received significant votes (defined as above 20% under Provision 4 of the 2018 Code) against Resolution 22 (the Rule 9 Waiver (Buyback Waiver)). The Rule 9 Waiver (Buyback Waiver) sought the approval of independent shareholders for a waiver obtained from the Panel on Takeovers and Mergers in respect of any obligation that could arise, pursuant to Rule 9 of the Takeover Code, for the Darhold Concert Party (as defined in the 2024 Notice of AGM) to make a general offer for all the issued Ordinary Share capital of Hikma, following an increase in the percentage of shares held by the Darhold Concert Party to 30% or more, resulting from the exercise by Hikma of the authority to purchase its own Ordinary Shares pursuant to Resolution 20 (which received approval from 99.32% of those voting).

The Board continues to believe that in order to promote the success of Hikma and act in the best interests of shareholders, Hikma should have the flexibility to return value to shareholders through a possible future buyback programme. Had the Rule 9 Waiver (Buyback Waiver) not been approved, Hikma would not be able to effect such a buyback programme.

Hikma engaged in a constructive dialogue with its shareholders and proxy advisers ahead of and following the 2024 AGM, to explain the rationale behind the Rule 9 Waiver (Buyback Waiver) and address any concerns they may have. This included individual meetings with our largest 20 independent shareholders on the Rule 9 Waiver and a broader engagement programme with the next 50 independent shareholders to provide further explanations of the Rule 9 Waiver, which together represented a large percentage of Hikma's independent voting capital. The meetings held with investors and proxy advisers were

productive and informative, and following this engagement, we consider that the rationale for the Rule 9 Waiver is well understood by our largest shareholders. We also acknowledge that a Rule 9 Waiver is not a market-typical resolution and the associated safeguards that accompany it may not be well understood. To address this point and to prepare for the 2025 AGM, we have commenced a further programme of shareholder engagement and have prepared an FAQ document based on the most common queries and concerns raised on Rule 9 Waivers. This document is available on our website at [www.hikma.com](http://www.hikma.com). Should shareholders require any further information relating to the Rule 9 Waiver, questions may be directed to the Company Secretary or the Investor Relations team.

In accordance with the requirements of Provision 4 of the 2018 Code:

- We provided additional information in our announcement of the AGM voting result on 25 April 2024, including feedback received from shareholders to understand the reasons behind the result and the actions we intended to take
- On 24 October 2024, we provided a further update within the six-month period prescribed by Provision 4 of the 2018 Code on the actions taken since the 2024 AGM
- We included a final summary above on the impact the feedback has had
- Preparations are underway to seek shareholder approval for a renewal of the Rule 9 Waiver at the 2025 AGM. This includes a further shareholder engagement campaign and the creation of an FAQ document based on the most common queries and concerns raised by shareholders on Rule 9 Waivers, which is available on our website at [www.hikma.com](http://www.hikma.com). Further detail on the Rule 9 Waiver is included in the explanatory notes to the 2025 Notice of AGM, available at [www.hikma.com](http://www.hikma.com).

Independence

The Board reviews the independence of each of its Non-Executive Directors during the year as part of the annual corporate governance review and succession planning process, which includes consideration of progressive refreshment of the Board. We are committed to ensuring that the Board comprises a majority of independent Non-Executive Directors, who objectively challenge management, balanced against continuity on the Board. This is also important to meet the independence requirements of the Board Committees.

The Board considers Victoria Hull, John Castellani, Nina Henderson, Cynthia Flowers, Douglas Hurt, Laura Balan and Dr Deneen Vojta to be independent as at the date of this report. These individuals have extensive experience of international pharmaceutical, financial, corporate governance and regulatory matters, bring strong independent oversight, continue to demonstrate independence and were not associated with Hikma prior to joining the Board.

On 1 March 2025, John Castellani will reach nine years of service on the Board, which Provision 10 of the 2024 Code identifies as a circumstance likely to impair or which could appear to impair a non-executive director's independence. To preserve the independence of our Board, John will step down from the Board following the AGM in 2025.

The Board does not view Ali Al-Husry as an independent Director. This is due to the length of his association with Hikma, having held an executive position with Hikma prior to listing, and his involvement with Darhold Limited, Hikma's largest shareholder. However, Ali continues to bring to the Board broad corporate finance experience, in-depth awareness of the Group's history, and a detailed knowledge of the MENA region, which is an important and specialist part of the Group's business.

Culture

Our values

Hikma's values build on our founder's vision of Hikma as a company with high ethical standards, where our people thrive in a supportive environment.

These values were introduced in 2020, following engagement with our workforce and a thorough review of our culture by the Board.

In the boardroom, we are reminded of our values regularly and are guided by them when making decisions and engaging with the Executive Committee and the wider workforce. Read more about our values at [www.hikma.com](http://www.hikma.com).

Further information on the Group's activities as they relate to culture is available on pages 19, 26, 54 to 55 and 60 to 61.

Indicators of culture reviewed by the Board and its Committees:

- reviewing the volume and nature of whistleblowing reports and outcome of any investigations
- internal audit reports and findings, as attitudes to regulators and internal audit can give an early indication of potential culture-related issues
- feedback reports on workforce engagement activities
- monitoring compliance with our Code of Conduct
- reports from the Compliance, Responsibility and Ethics Committee
- results of our workforce engagement surveys
- first-hand experience from engagement with the workforce during site visits

Our values

**We are Innovative**

**We are Caring**

**We are Collaborative**

Key Board activities in 2024

To demonstrate our commitment to transparent corporate governance reporting, we have updated our disclosure on key Board activities to more explicitly link Board activities, decisions and their outcomes to Hikma's strategy and objectives.

Strategic pillars:

 **Strive for excellence**












 **Diversify and differentiate**







 **People and responsibility**

Business and strategy	Link to strategic priorities
Approved the acquisition of parts of Xellia Pharmaceuticals. This delivers on our strategy and supports the long-term growth of the Injectables business. It adds a differentiated portfolio and pipeline, significantly expands Hikma's US Injectables manufacturing capacity, adds complex manufacturing technologies and enhances Hikma's R&D capabilities	 
Received updates on the signing of a significant new long-term CMO contract with a global pharmaceutical company. Our CMO business is key to our Generics strategy, supporting stronger revenue growth and profitability, while improving the utilisation of our Columbus, Ohio site	
Approved an agreement in principle to resolve the opioid related cases brought against Hikma Pharmaceuticals USA Inc. by US states, their subdivisions, and tribal nations. These cases represent the vast majority of cases brought against Hikma related to the manufacture and sale of prescription opioid medications. The agreed upon settlement is not an admission of wrongdoing or legal liability. The Board considered investors, the long-term success of the Group, and maintaining high standards of business conduct	
Oversaw the launch of Combogesic®, our first specialty injectable product in the US, and expanded commercial presence in Europe with entries into Spain and the UK	
In line with the Board-approved strategy, strengthened product mix in our Branded business through continued shift towards higher value medicines	
Held the annual two-day strategy meeting in Casablanca, Morocco, during which the Board visited the new Hikma injectables manufacturing facility and discussed the Group strategy, progress and future plans for growth	  
Reviewed and approved the five-year business plan, capital expenditure plan and budget for 2025	  
Reviewed business development opportunities throughout the year and completed post-acquisition reviews of Custopharm and the Canadian assets of Teligent, which were acquired in 2022	







Key Board activities in 2024 continued

Strategic pillars:  **Strive for excellence**  **Diversify and differentiate**  **People and responsibility**

Performance, risk and operations	Link to strategic priorities
Received reports from the CEO and CFO at each meeting which included progress against strategic objectives, financial performance and key areas of focus	  
Monitored key legal matters which were summarised by the Group General Counsel in regular legal reports	
Received updates from management on quality compliance, health & safety, pharmacovigilance and regulatory affairs	 
Reviewed the Group risk report and approved the principal risks and risk appetite, and the emerging risks	
Received and discussed the annual update on cyber security, which included training on cyber awareness for Board members	 
Approved the annual statements on Modern Slavery and Tax Strategy, which are available on our website at <a href="http://www.hikma.com">www.hikma.com</a>	
Following a formal competitive audit tender process, approved the reappointment of PwC as external auditor of the Company from 2026 onwards. More information can be found on page 110	

Stakeholder focus	Link to strategic priorities
Considered the results of Hikma’s People Voice Survey, the recommended areas of focus and actions, and the progress made against action plans. More information can be found on page 26	
Approved a progressive dividend policy to return value to shareholders. This resulted in an increased dividend of 72 cents per share for the full year 2023 (2022: 56 cents per share). The expected full-year dividend for 2024 is 80 cents per share	
Received reports from the designated Non-Executive Director for workforce engagement on feedback received from our people during visits to Hikma sites in Portugal, KSA, US	
Approved the UK Carbon Reduction Plan which confirms Hikma’s commitment to achieving Net Zero emissions by 2050 for its UK sites. The UK Carbon Reduction Plan is available on our website at <a href="http://www.hikma.com">www.hikma.com</a>	
Considered the feedback provided from investors as part of the annual investor perception report	
Undertook an engagement programme with investors regarding the Rule 9 waiver. More information can be found on page 102	

More information on stakeholder engagement activities and outcomes is included in our Section 172 statement on pages 24 to 29

Corporate governance and succession planning	Link to strategic priorities
Planned and completed the 2024 external Board performance review. More information on the process, insights and outcomes of the Board performance review can be found on page 106	
Oversaw the orderly succession for the independent Non-Executive Directors handing over responsibilities in April 2025	
Ensured high-quality leadership in place to drive the next phase of growth for our Generics business, receiving updates on the appointment of Hafrun Fridriksdottir as President of Generics	 
Received reports from Committee Chairs on the work of the Board committees	
Reviewed the new corporate governance reporting requirements under the 2024 Code, mapping Hikma’s practices against the updated Principles and Provisions	

Letter from the Chair

Victoria Hull  
Chair, Nomination and Governance Committee and Senior Independent Director



Activities in 2024

- Agreed succession plans for two independent Non-Executive Directors who will retire in 2025, having reached nine years of service
- Completed a detailed review, with the Chief People Officer, of the succession plans for the Executive Committee and certain senior roles
- Conducted an externally facilitated Board performance review to evaluate the effectiveness of the Board and its Committees
- Reviewed Hikma’s readiness to report against the UK Corporate Governance Code 2024 from the financial year 2025

Priorities for 2025

- Monitor the implementation of actions agreed as part of the 2024 Board performance review
- Continue to refine succession planning for the Executive Committee and senior management
- Review and update the Board skills matrix to inform future Non-Executive Director recruitment

Dear Shareholders

The Nomination and Governance Committee (NGC or the Committee) has continued to play a key role in the oversight of the Group’s governance arrangements and succession planning.

Succession

The Committee oversees succession for both Executive and Non-Executive Directors and reviews the succession plans for these roles. Below Board level, the Committee is responsible for ensuring that appropriate arrangements are in place for senior positions, including the Executive Committee.

Executive

As identified during the 2023 Board evaluation, a key priority for 2024 was to review succession plans for the Board and Executive Committee. During 2024 the Committee undertook a detailed review of succession plans for the Executive Committee and certain other senior roles, prepared by the Chief People Officer, Hussein Arkhagha. The Committee intends to build on this work in 2025, maintaining the format of regular updates to review succession planning for the Executive Directors.

The Committee also received updates on the appointment by the CEO of two new Executive Committee members: Julie Hill, Senior Vice President, Corporate Quality Compliance/Health and Safety joined the Executive Committee in February 2024, and Hafrun Fridriksdottir, President of Generics joined Hikma and the Executive Committee in April 2024. Both bring outstanding leadership qualities and valuable insights to the Executive Committee and Hafrun has the research and development leadership capabilities to drive Hikma’s Generics business in its next phase of growth.

Non-Executive

As disclosed in our 2023 Annual Report, following recommendation by the Committee, the Board approved the following succession plans in February 2024, to take effect from the 2025 AGM:

- Deneen Vojta will succeed John Castellani as Chair of the Compliance, Responsibility and Ethics Committee when John steps down from the Board at the conclusion of the 2025 AGM
- Cynthia Flowers will succeed Nina Henderson as Chair of the Remuneration Committee at the conclusion of the 2025 AGM
- Laura Balan will succeed Nina Henderson as the designated independent Non-Executive Director for workforce engagement at the conclusion of the 2025 AGM

Each successor has shadowed the incumbent in their role for the past year to ensure a smooth handover of responsibilities.

In 2025 the Committee will review and update the Board skills matrix. The skills matrix will be mapped against Hikma’s strategic priorities to identify key skills and experience required to support the delivery of the strategy and inform future Non-Executive Director recruitment.

# Nomination and Governance Committee continued

## Board performance review

In line with the UK Corporate Governance Code 2018 (the 2018 Code) we undertake a formal and rigorous annual evaluation of performance of the Board, its committees, the Chairman and individual Directors. We operate a three-year cycle of an external Board Performance Review (BPR) in year one, followed by internal reviews in years two and three. Our last external evaluation took place in 2021, so in 2024, Hikma undertook an external BPR. Hikma engaged Lintstock Limited (Lintstock) to facilitate this process. Lintstock is an advisory firm that specialises in Board reviews and had no pre-existing connections, beyond conducting Board reviews, with Hikma or any individual Director.

### Process

The 2024 BPR was led by myself, as SID, with the support of the Group Company Secretary.

A questionnaire was issued in August 2024 to be completed by all Board members. The questionnaire covered:

- Board composition and dynamics
- Board support and meeting management
- The Board's performance on key areas such as strategy, risk and people
- Priorities for change

A questionnaire was also issued for each Board Committee and was completed by Committee members.

One-to-one interviews were held with each Board member in September 2024

Findings of the questionnaires and interviews were collated, anonymised, and a summary report was produced in October 2024

Discussions of the insights and recommendations were held in November 2024 with the SID, Executive Chairman, CEO, Committee Chairs and Group Company Secretary

In December 2024, the Board discussed the findings and agreed an action plan for 2025, which is set out in the following paragraphs

## Insights from 2024

Overall, the Board operates to a high standard and continues to add real value to the business. Board dynamics were seen to be positive, with results showing a high level of respect between Board members, an environment that allows robust discussions, and an appropriate balance of support and challenge to management.

Lintstock's report highlighted the collective willingness of the Directors to participate in a constructive manner and identify areas for continuous improvement. A summary of the agreed actions is set out below.

### Action plan for 2025

The Board noted key findings and agreed the following actions for 2025:

Key finding	Actions
Strategic updates	Enhancements to the format of the CEO report and time allocated for discussion, to ensure a regular cadence of updates to the Board on key strategic topics and initiatives.
Board governance	Identified key policies and procedures to update during 2025, including refinements to the Board protocol for paper submissions.
Succession planning	Refresh the Board skills matrix and map against Hikma's strategy to identify key skills and experience, informing future Board recruitment.
Sustainability	Acknowledging the changing landscape of sustainability reporting and regulation, review responsibilities for sustainability topics among the Board committees and update terms of reference as necessary.
Independent Non-Executive Directors	Noting that Hikma's largest shareholder is represented on the Board, increase the number of meetings of the independent Non-Executive Directors.
BPR	Improvements to the process for individual Director performance reviews for 2025.

### Progress against actions from 2023

Good progress has been made against the actions identified as part of the 2023 BPR:

- Succession and talent management: as noted on page 105, significant progress has been made in this area with succession plans approved for key Board roles following the planned retirement of two independent Non-Executive Directors in 2025. For the Executive Committee and senior management, the NGC received regular updates throughout the year from the Chief People Officer on succession plans and associated processes for talent management. This has been built into the annual meeting calendar for future years
- Strategy and growth: strengthened discussions of strategic issues by integrating key topics into the annual Board calendar

## Executive Chairman performance review

The Executive Chairman and I meet regularly to discuss matters including Board succession planning, the performance of the Board and how his role helps deliver and enhance that performance. This builds on discussions that I hold with the independent Non-Executive Directors as a group and commentary received through the BPR and other stakeholder engagement processes. The Remuneration Committee is an important input to this process as they assess the Executive Chairman's performance as part of the determination of performance-based compensation.

### Director performance reviews

The Executive Chairman, having taken into account the comments from the Board performance review and discussions with the SID, reviewed the performance of each of the Directors during the year and concluded that each Director contributes effectively to the Board, brings particular areas of skill and experience, which ensures the Board as a whole has the right capabilities, and devotes sufficient time to their role. The Committee has concluded that the relevant Directors be recommended to shareholders for re-election at the 2025 AGM.

## Board composition

During the year, the Committee reviewed the composition of the Board and its committees. This review included consideration of the skills and attributes of each member, the balance between constructive challenge and empowerment of the executive, the results of the 2024 BPR and the current and desired levels of perspectives and experiences in the Boardroom.

### Skills and experience

The Board believes it is important for Directors to demonstrate the highest level of integrity, a challenging and constructive style and have significant international experience at an executive level. The Committee regularly considers whether there may be gaps in fulfilling the specific and in-depth experience that the Board requires as a whole, which focuses on the following areas:

- strategy, culture and leadership
- business environment in the US, Europe and the MENA region
- pharmaceutical manufacturing and distribution
- development of new healthcare capabilities
- listing regulations, investor perceptions and governance

Hikma supports Directors in their continued professional development. As the Directors are highly experienced, their training needs tend to be related to either ensuring awareness of changes in the business, political and regulatory environments, or bespoke training on particular areas for development. Therefore, Hikma provides financial support for specific training requests and ensures that Directors are briefed by internal and external advisers on a regular basis.

During the year, the Board received briefings on matters including the pharmaceutical competitive environment, healthcare business development activity, external stakeholder perspectives, investor perceptions, market sentiment, cybersecurity, business intelligence, capital markets, emerging risks and regulatory developments.

## Tenure

We anticipate that independent Non-Executive Directors will generally serve for a period of up to nine years or, if required to facilitate an orderly transfer of responsibilities, no later than the next Annual General Meeting (AGM) of the Company following the ninth anniversary of their appointment. All appointments are formally reviewed after three years and again at six years.

Except for John Castellani, who will retire from the Board at the conclusion of the 2025 AGM, each Director will stand for re-election at the 2025 AGM. The position of each Director was reviewed during the year as part of the consideration of succession arrangements, independence issues, the annual governance structure review, the BPR and the ongoing dialogue between the Executive Chairman and the SID.

### Time commitment

The Committee continues to review the external commitments of each Director with a view to ensuring that the benefits of the additional experience from their external commitments are not outweighed by reductions in their commitment to Hikma. The Directors achieve excellent attendance and spend significant time delivering their responsibilities. Accordingly, the Committee considers that there is currently an appropriate balance. The Committee will continue to monitor the situation.

### Inclusion and diversity

The Board Diversity Policy, which applies to the Board and its committees, sets out the Board's ongoing commitment to ensure that the Board and its committees are an inclusive place that welcomes different cultures, perspectives, and experiences from across the globe.

Information on Board, Executive Committee and senior management diversity is summarised on page 97 and included in the prescribed format required under the UK Listing Rules on page 142. Hikma supports the recommendations of the Parker Review and the FTSE Women Leaders Review in relation to Board diversity and has adopted the objectives for Board diversity set by both reviews. The Board Diversity Policy is available at [www.hikma.com](http://www.hikma.com).

At a Group level, Hikma's objective is to ensure that it has an inclusive workplace that welcomes different cultures, perspectives and experiences from across the globe. Hikma is committed to attracting, retaining and developing talented people, irrespective of their race, colour, religion, age, sex, sexual orientation, gender identity, marital status, national origin, present or past history of mental or physical disability and any other factors either protected from consideration by law or not related to a person's ability to perform the relevant role. This statement is included in our Code of Conduct and communicated to all employees.



Hikma's inclusive workplace welcomes different cultures, perspectives and experiences from across the globe."

## Nomination and Governance Committee continued

One of the pillars of the Group's strategy is 'people and responsibility'. The Group's approach to our people's progress, belonging, succession and appointments are a core part of this pillar. The Committee monitors the diversity metrics which are detailed on page 97 and uses these as a reference point when considering the level of achievement against its diversity initiatives. Hikma has successful empowerment and talent development programmes to help all of our people make the most of their potential, for more information please see pages 54 and 55. Further detail on workforce diversity is provided on page 97.

The Group's talent acquisition policies for the three most senior staff grades require a balanced list of candidates to support our diversity goals.

### Ethnicity

The Board considers that it has demonstrated strong ethnic diversity since the formation of Hikma and has four Directors from ethnic minority backgrounds (when assessed against UK ONS criteria), representing 36% of the Board, including the Executive Chairman and CEO. The Board has adopted and meets the objectives set by the Parker Review and UK Listing Rules.

In August 2024, the Parker Review announced that their 2024 survey would focus on the ethnic diversity of senior management<sup>1</sup> working in the UK (rather than the global workforce as requested in 2023). The Committee carefully considered the voluntary recommendation for FTSE 350 companies to set themselves a target for the percentage of the UK senior management team who self-identify as being from an ethnic minority by 2027, and its appropriateness for Hikma. Following a detailed review the Committee decided not to set an ethnic diversity target for its UK senior management team for the following reasons:

- Hikma has a diverse geographic footprint and a global workforce with high levels of diversity (36% of our global senior management<sup>1</sup> population self-identify as being from an ethnic minority)
- There is a small UK workforce, accounting for c.13% of the senior management<sup>1</sup> population

In order to demonstrate focus on the issues raised by the Parker Review in relation to senior management ethnic diversity, Hikma reaffirmed its commitment to:

- Monitoring senior management<sup>1</sup> ethnic diversity across our global operations on an annual basis, using a voluntary survey to collect data. The survey contained an expanded list of ethnicities sensitive to Hikma's workforce, and individuals had the option to respond by selecting 'prefer not to say'
- Providing enhanced ethnic diversity disclosures by continuing to report on the ethnic diversity of our global senior management<sup>1</sup> population, in addition to the UK senior management population requested by the Parker Review. The enhanced disclosures can be found on page 97

### Gender

Since its founding, Hikma has actively promoted inclusion across its operations. Our Board has good gender diversity with women representing 45% of the Board. The Board has adopted and meets the objectives set by the FTSE Women Leaders Review and diversity-related disclosures under the UK Listing Rules to have at least 40% of Board members identifying as women.

The Board also supports the voluntary target set by the FTSE Women Leaders Review, to increase the diversity of the senior management team<sup>1</sup>. In jurisdictions where permitted under local law, our Remuneration Committee has integrated targets to increase gender diversity within the senior management<sup>1</sup> population into the performance measures for variable remuneration; further detail is included in the 2022 and 2023 Annual Reports. These targets are not intended to act as quotas, preferences or set-asides and selections will continue to be made based on merit. Information on our senior management<sup>1</sup> gender diversity is included on page 97.

### Governance review

As in previous years, the Committee undertook the annual review of the Group's governance arrangements in conjunction with the Group Company Secretary. This year the exercise included a review of the structure and composition of the Board and its committees, Board succession planning, and the external BPR. The Committee also received a regulatory update in relation to corporate reporting and reviewed Hikma's readiness to report against the UK Corporate Governance Code 2024 from the financial year 2025. Our governance framework can be found on page 96, and further information on Hikma's Board, committees and corporate governance practices is available at [www.hikma.com](http://www.hikma.com).

For and on behalf of the Nomination and Governance Committee.

### Victoria Hull

Chair, Nomination and Governance Committee  
and Senior Independent Director  
25 February 2025

# Audit Committee

## Letter from the Chair

**Douglas Hurt**  
Chair, Audit Committee



### Activities in 2024

- Conducted a formal competitive external audit tender process and recommended that the Board reappoint PricewaterhouseCoopers LLP as external auditor of the Company from 2026 onwards, subject to shareholder approval at the 2026 AGM
- Prepared for the additional reporting requirements under Provision 29 of the 2024 UK Corporate Governance Code (the 2024 Code)
- Monitored the implementation of fraud prevention controls and associated training in readiness for the new offence of failure to prevent fraud introduced under the Economic Crime and Corporate Transparency Act (ECCTA)
- Reviewed the Group's tax policies, procedures and internal controls

### Priorities for 2025

- Oversee the testing of Hikma's fraud prevention controls in readiness for the new requirements related to failure to prevent fraud introduced under the ECCTA
- Oversee the process to meet disclosure requirements under the EU Corporate Sustainability Reporting Directive (CSRD) for financial year starting 1 January 2025
- Continue to implement enhancements to our internal controls following the publication of the 2024 Code
- Conduct an external review of the effectiveness of Hikma's internal auditor in line with new Global Internal Audit Standards published by the Institute of Internal Auditors (IIA)

## Dear Shareholders

The Audit Committee (the Committee) has had a busy year performing its duties in relation to the matters delegated to it by the Board.

During the year, the Committee continued to play a key role in assisting the Board in its oversight of financial reporting and auditing matters, including conducting a formal competitive external audit tender process. More information on the external audit tender process and outcome can be found on page 110 of this report. The Committee's activities also included reviewing and monitoring the integrity of the Group's financial information, the internal and external audit processes, and the Group's systems of internal controls and risk management, including preparing for the additional requirements under Provision 29 of the 2024 Code.

## Audit Committees and External Audit: Minimum Standard

The Committee confirms that it complies with the obligations set out under the Audit Committees and the External Audit: Minimum Standard, published by the Financial Reporting Council (FRC) in May 2023. Disclosures in line with the reporting obligations are included within this Committee report on pages 109 to 113 and an explanation of the entity's accounting policies can be found on pages 161 to 166.

## External audit

The external audit was undertaken by PricewaterhouseCoopers LLP (PwC) and has been since their appointment in May 2016. PwC were originally appointed following a competitive tender process in 2015. Mr Nigel Comello was appointed as the senior statutory auditor in May 2022. The Committee recommends the re-appointment of PwC for 2025. We believe the independence and objectivity of the external auditor and the effectiveness of the audit process are safeguarded and strong. The Company has complied with the Statutory Audit Services Order for the financial year under review.

### Effectiveness

During the year, the Committee reviewed the work of PwC and concluded that they provided an effective audit, were appropriately challenging, had constructive relationships with the relevant parties and that the senior statutory auditor provided clear and constructive leadership to the audit team. As part of this review the Committee examined the following areas:

- **Audit quality and technical capabilities:** the Committee considered that the external auditor undertook an effective and in-depth assessment and verification exercise in respect of the financial statements and associated disclosures for the year ended 31 December 2024 and provided a high level of expertise. The Committee provided feedback on the auditor's performance as part of its regular meetings with them without management present. The Committee also took into account the reports of the FRC, including the Audit Quality Inspection Supervision report, and continues to believe that there is an open and appropriately challenging relationship between the audit leadership team, the Committee and management. Management also conducted a formal review of audit quality and effectiveness using a survey where feedback was provided by Committee members and management. The key outcomes were summarised and considered by the Committee in their assessment of the auditor
- **Independence:** the Committee regularly reviews the independence safeguards of the auditor and remains satisfied that auditor independence has not been compromised. During the year, the Committee received reports on the application of its policies on the provision of non-audit services and employment of former employees of the external auditor. The Committee is satisfied that the auditor is independent

<sup>1</sup> Senior management refers to senior direct reports to the CEO and Executive Chairman, and the senior leaders who report directly to them (excluding administrative roles)

## Audit Committee continued

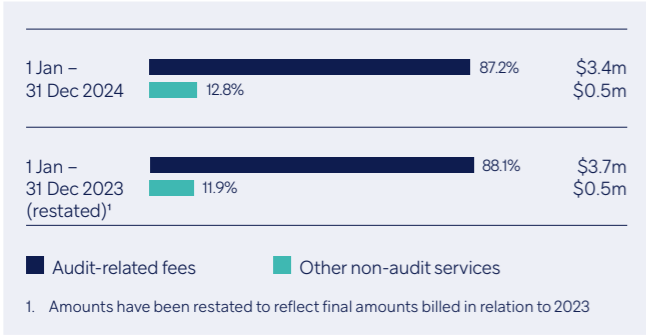
- **Challenge and judgement:** the Committee considers that PwC provide appropriate challenge to the management team which results in the Company's position being fully considered and supported and, where appropriate, further strengthened. The Committee believes that PwC have demonstrated well-considered and clear-sighted judgement in the matters on which they have provided opinion and that they have been open to an appropriate level of challenge and debate. Examples of PwC's professional scepticism and challenge, as noted by the Committee, include their in-depth audit and challenge of the assumptions used in the impairment review exercise, particularly regarding the reversal of impairment for the complex respiratory cash-generating unit (CGU) and the accounting treatment of the Xellia Pharmaceuticals acquisition as a business combination
- **Non-audit services:** the Committee's policy on non-audit services is available on our website [www.hikma.com](http://www.hikma.com). The Committee has discretion to grant exceptions to this policy where it considers that exceptional circumstances exist and that independence can be maintained, while having due regard to the FRC's ethical standards for auditors, meaning that non-audit fees will be capped at 70% of the average audit fees paid in the previous three consecutive financial years. In 2024, PwC provided assurance services related to the interim review and other non-audit services with a total value of \$519,000 (2023: \$553,000). These services are within the ordinary course of services provided by the auditor

The Committee confirms that the statutory audit services for the financial year under review were conducted in compliance with the Competition and Markets Authority Order, and competitive audit tender processes were undertaken in 2015 and 2024.

Auditor's fee

\$3.4m

PwC



### Audit tendering

As a UK public interest entity, Hikma is required to carry out an audit tender every ten years and rotate the external auditor every 20 years. PwC was first appointed as external auditor in May 2016 following a tender in 2015, therefore, the current Annual Report is the ninth report that they have audited. PwC rotated the senior statutory auditor in 2019 and 2022. In accordance with the audit tendering guidelines, and as reported in our 2023 Annual Report, a key priority for the Committee in 2024 was to plan for and conduct a competitive external audit tender.

The Committee undertook a formal competitive tender during 2024, which concluded with the Board accepting the Committee's recommendation that PwC be reappointed as external auditor of the Company from 2026 onwards, subject to shareholder approval at the 2026 AGM.

The tender followed the process outlined in the FRC's Audit Committees and the External Audit: Minimum Standard, and is summarised below:

- April 2024: the Committee approved the proposed tender process and timeline
- May to August 2024: review of potential audit firms, including independence considerations. This review included firms outside the 'Big 4', but after consideration of geographical coverage they were not progressed
- September 2024: Invitations to Tender were circulated to three firms, one of which was unable to participate due to resource constraints. Requests for Proposal (RFP) were circulated to the remaining bidding firms
- September 2024: firms provided with detailed information on the Company, including organisation structure, risk and control, accounting, reporting and audit scope
- September 2024: meetings arranged with members of the Committee and senior management
- October 2024: firms submitted proposal documents in response to the RFP
- November 2024: final presentation made by each firm to the Committee, with the CFO, Group Financial Controller and other members of senior management in attendance

A transparent and non-discriminatory scorecard system was used to evaluate the proposals, focusing primarily on the proposed audit approach and effectiveness, communication skills, competencies and the utilisation of technology. Having considered the scoring criteria, key factors, input and observations from each Committee member and members of management, and the proposal documents and presentations themselves, the Committee submitted the two candidate firms to the Board for consideration, with a recommendation that PwC be reappointed as external auditor of the Company from 2026 onwards, which was accepted by the Board.

### Position and prospects

During the year, management undertook an annual review of the Company's strategic direction and an extensive assessment of the Group's short-term and medium-term prospects, including the budget for 2025 and the five-year business plan, respectively. Management presented and received the Board's approval and commentary on the full strategy, budget and five-year business plan. Having taken account of how the business has responded to the changing business environment, the business plan, principal risks and uncertainties facing the Group and other relevant information, the Committee has concluded that the Group continues to have attractive prospects for the future.

### Going concern and longer-term viability

The Committee considered the going concern position as detailed on page 87 and the longer-term viability assessment as detailed on page 88. The Committee gave careful consideration to the period of assessment used for the Viability Statement and concluded the time period of three years remained appropriate.

Having reviewed and challenged the downside assumptions, forecasts and mitigation strategy of management, the Committee believes that the Group is adequately placed to manage its business and financing risks successfully and has a reasonable expectation that the Group has adequate resources to continue in operation and meet its liabilities as they fall due and over the viability period. The Committee was comfortable with recommending to the Directors that they adopt the going concern basis in preparing the financial statements.

### Significant matters related to the financial statements

As part of its work reviewing the financial statements of the Group and the report of the auditor, the Committee considered and discussed the following important financial matters:

Matters considered in relation to the financial statements	The Committee's review and actions
<b>Impairment review</b>	Management conducted an impairment review of intangible assets, right-of-use assets, and property, plant, and equipment. This resulted in a recommended impairment reversal of \$60 million for the complex respiratory CGU, alongside a total impairment charge of \$22 million for various individual intangible assets and \$9 million for property, plant, and equipment. The Committee reviewed management's approach and recommendations and concluded that the proposals were appropriate. More information can be found in Notes 15 and 16 on pages 179 to 182.
<b>Business combination of Xellia Pharmaceuticals</b>	The Committee reviewed and challenged the accounting treatment of the acquisition as a business combination, including the estimates and judgements underpinning the valuation of the acquired assets, and concluded that they were appropriate. A third-party expert conducted the valuation exercise. More information can be found in Note 34 on page 197 to 198.
<b>Revenue recognition</b>	<p>The Committee reviewed the Group's revenue recognition policies and their application by management. This included assessing the model used to estimate chargebacks, in-channel inventories, and chargeback rates. The Committee also evaluated deductions for customer rebates, returns and government rebates (including the adjustment made in respect of prior years), and approved the disclosures on year-end estimates and their sensitivity to assumption changes.</p> <p>The Committee also reviewed the application of the Group's revenue recognition policy with respect to a significant contract manufacturing arrangement, focusing specifically on the recognition of revenue and contract liabilities associated with the Group's commitments to provide facility space and equipment under the terms of the arrangement.</p> <p>More information on revenue recognition can be found in Notes 2 and 3 on page 162 and 166.</p>
<b>Exceptional items and other adjustments</b>	<p>Management presents core results to monitor performance, set targets, and assess progress. Core results are a non-IFRS measure which exclude exceptional items and other adjustments. These figures are also presented alongside reported results to external audiences, providing a clearer view of the Group's underlying performance, a more complete picture of its results, and enhanced comparability of consolidated financial statements. Exceptional items and other adjustments for the year are detailed in Note 6 on page 171.</p> <p>The Committee assessed management's presentation of non-core items and concluded that the classification and proposed disclosures for non-IFRS items were appropriate and in accordance with Hikma's policy.</p>
<b>Taxation</b>	<p>Hikma's worldwide operations are highly integrated and involve a number of cross-border supply chains, which results in judgement being required to estimate the potential tax liabilities in different jurisdictions. The Committee took advice from professional services firms and management in assessing the reasonableness of the Group's provisions for uncertain tax positions, which amounted to \$54 million, and in reviewing the deferred tax assets in key markets, which amounted to \$293 million. More information can be found in Note 12 on pages 175 to 177.</p> <p>The Committee reviewed the appropriateness of the disclosures in the Annual Report, and reviewed and approved the Group's tax strategy statement, which is available on our website at <a href="http://www.hikma.com">www.hikma.com</a>.</p>



Ensuring the integrity of financial reporting and providing oversight of our systems for internal control and risk management."

# Audit Committee continued

## Fair, balanced and understandable reporting

Hikma is committed to clear and transparent disclosure and seeks to continuously improve the clarity of its reporting. At the request of the Board, the Audit Committee considers whether Hikma’s Annual Report is fair, balanced and understandable and that the narrative is consistent with the financial information. The Committee’s assessment is underpinned by a statement from the Reporting Committee following their comprehensive review of the Annual Report. The Reporting Committee is comprised of representatives from Finance, Investor Relations, Risk, Reward, Sustainability and Company Secretariat and is supported by divisional and functional heads, as required.

The Reporting Committee’s activities include:

- initiating the review process for the Annual Report significantly before the year-end, considering external developments, issuing guidance to contributors and identifying areas for improvement
- obtaining input from external advisers, including the external and internal auditors, designers, corporate brokers and public relations advisers
- undertaking several multi-functional reviews of the disclosures as a whole prior to the publication of the Annual Report to ensure consistency and accuracy across the document as a whole
- overseeing an extensive verification process to ensure the accuracy of disclosures

Each member of the Audit Committee and the Reporting Committee is satisfied that the 2024 Annual Report is fair, balanced and understandable and has recommended the adoption of the Report and Accounts to the Board.

## Verification

The qualitative disclosures in the Annual Report are subject to adviser review, internal review and external audit processes. Our internal teams have also provided additional verification and support in respect of each material statement of fact, which assisted the Committee in its determination that the report and financial statements taken as a whole are fair, balanced and understandable.

## Reporting controls

Hikma’s key controls and risk management systems relating to the financial reporting process include the enterprise resource planning system, the processes in the ‘Fair, balanced and understandable’ and ‘Verification’ sections described earlier in this letter, the review of the financial statements and disclosures that is undertaken by the Executive Committee, and detailed internal financial control processes necessitating the verification of financial records at a local, regional and Group level.

## Risk management and internal control

The Board is ultimately responsible for ensuring that Hikma’s systems of internal controls and risk management processes are effective and has delegated responsibility for reviewing their effectiveness to the Committee.

### Risk management

The Committee has continued to receive reports on the operation of the Group’s Enterprise Risk Management (ERM) framework which includes the material controls and programme for enhancing the Group’s risk management efforts. Management escalated certain risks that materialised during the year for Board attention and oversight, for example the conflicts in the Middle East, legal matters, product quality controls, and talent attraction and retention challenges in certain markets. Such instances serve to hone escalation and disclosure protocols and learnings are taken to improve risk mitigation programmes.

The Board continued to exercise oversight of cyber risks during the year, including presentations from management on enhancements to security systems, new security services, key metrics, assessment activities, notable threat events and the outcome of an internal audit. The CIO also provided a briefing on cyber awareness and protection, specific to Directors and Executive Committee members as attractive targets for technology-driven fraud attempts. Further information on Hikma’s management of cyber risks, associated assessments and certifications is included on page 84.

As in previous years, management and the Board have undertaken a robust assessment of the Group’s emerging risks as well as the annual review of the principal risks. The Committee and the Board have considered the principal risks facing the Group and have decided that no adjustments were required in the year under review. The Board and management have also reviewed the appetite for those principal risks and have concluded that it remains appropriate. Further information regarding the Group’s risk management activities is available in the risk management section on pages 80 to 88.

### Internal control

In preparation to report against Provision 29 of the 2024 Code from 1 January 2026, Hikma has launched a Group controls programme to map identified material risks against the existing controls mitigating them. The material risks were identified by assessing management’s top risks, using an impact grid. The work continues on further enhancing and improving controls in the relevant frameworks, and documenting the levels of assurance currently obtained.

The key elements of our internal control framework are as follows:

- a documented and disseminated reporting structure with clear policies, procedures, authorisation limits, segregation of duties and delegated authorities
- written policies and procedures for functional areas with specific responsibility allocated to individual managers
- a comprehensive system of internal financial reporting that includes regular comparison of results against budget and forecast and a review of KPIs, each informed by management commentary
- an established process for reviewing the financial performance and providing support to Hikma companies and associates together with direct support from Hikma’s finance function
- annual budgets, updated forecasts and medium-term business plans for Hikma that identify risks and opportunities and that are reviewed and, where appropriate, approved by the Board
- a defined process for controlling capital expenditure which is detailed in the governance framework

### Effectiveness

The Board is satisfied that Hikma’s systems for internal control are in accordance with the FRC’s guidance, and have been in place throughout the year under review and up to the date of approval of the Annual Report and Accounts. The Board reviews the effectiveness of these systems at least annually as part of the processes for the Annual Report, and throughout the year when reviewing Internal Controls and Assurance testing outcomes as well as risk management reports. The Board has not identified any material weaknesses. In making this assessment, the Board takes into account:

- **Internal audit:** the Committee receives regular reports from the internal auditors and other third-party experts who review relevant parts of the Group business operations, assess Hikma’s processes, identify areas for improvement, monitor progress, and undertake their own assessment of the risks facing Hikma
- **Internal controls and assurance:** the Committee receives regular reports from the Internal Controls and Assurance team, who review relevant parts of the finance function and operational processes, based on a risk-based testing plan. The team assesses Hikma’s processes, identifies areas for improvement, and monitors remediation progress

- **Risk management:** the ERM framework provides a structure for risk management activities to occur at all levels of the organisation, including management of principal risks and uncertainties (detailed on pages 82 to 86) and emerging risks. Risk reporting processes ensure the Executive Committee and the Board are engaged in the design and implementation of new control initiatives and provide oversight of existing programmes
- **Financial performance:** Hikma’s financial performance and forecasting reports are reviewed by the Board to aid the understanding of the underlying performance of the business, deviations from expectations and management’s operational challenges and responses
- **Ethics:** the business integrity and ethics procedures and controls that are led by the Compliance, Responsibility and Ethics Committee (CREC). To ensure consistency and awareness between these committees’ responsibilities, the Audit Committee Chair is a standing member of the CREC
- **Governance:** our overall approach to corporate governance, including compliance with the UK Corporate Governance Code, is led by the Nomination and Governance Committee
- **External auditor:** the regular and confidential dialogue with the external auditor

During the year, the Committee received updates from Hikma’s Internal Controls and Assurance team on:

- preparations to comply with Provision 29 of the 2024 Code, which will come into effect from financial year 2026
- the fraud prevention and detection programme, which builds on existing practices and policies and further supports the Group’s internal control environment with formalised controls. The programme was launched to ensure compliance with the newly legislated criminal offence of failure to prevent fraud, which will come into force on 1 September 2025
- the results of internal assurance of controls

The Committee also maintains a programme of in-depth reviews into specific financial and operational areas of the business. These reviews allow the Committee to meet key members of the management team and provide independent challenge. During 2024, the Tax team presented a deep dive on their organisational structure, mandate, strategy, processes, systems and controls. The Committee deliberated with management and the Tax team during the presentation, gaining comfort in relation to the general control environment surrounding the tax function of the Group, in addition to the various assurance activities undertaken by internal audit and internal controls and assurance.

## Internal audit

The internal audit of Hikma is performed by EY, who report directly to the Chair of the Committee. There is a regular programme of interaction between EY and the Committee.

EY assess each facility and the Group’s major processes over a three-year period. For major sites, assessments are more frequent. Management is required to respond to findings within an agreed time period and ensure mitigation or remediation of all high-risk findings within six months.

During the year, the Committee monitored progress with the internal audit programme for 2024 and reviewed and approved the plan for 2025. EY and management work closely together to deliver the internal audit plan, develop action plans for points raised, and ensure that the Committee receives appropriate and timely information. The Committee also received updates on the IIA’s new Global Internal Audit Standards (the Standards) which were published in January 2024 and became effective in January 2025, to ensure Hikma’s timely compliance with the Standards.

During the year, the Committee continued to monitor the performance and independence of the internal auditors in accordance with the policies that have been established. The Committee assessed the effectiveness of the internal audit function by reviewing its reports, progress against the 2024 plan and meeting with internal audit without management present. The Committee considers that EY bring significant pharmaceutical and MENA market experience which is complemented by the experience of other third-party experts where required and concluded that EY continue to perform an effective internal audit programme and remain independent.

## Membership of the Committee

The Committee comprises solely independent Non-Executive Directors, who as a whole, have competence and experience relevant to Hikma’s business and the industry in which it operates. I am considered by the Board to have significant recent and relevant financial experience chiefly related to my work with other audit committees, having been a finance director of another listed entity and having held senior financial positions in other entities. Biographical details of the Committee members can be found on pages 98 and 99. The Board is satisfied that the Committee has the resources and expertise to fulfil its responsibilities.

As Chair of the Audit Committee, I remain available to shareholders and stakeholders should they wish to discuss any matters within this report or under the Committee’s area of responsibility whether at the AGM or by writing to the Company Secretary.

For and on behalf of the Audit Committee.

## Douglas Hurt

Chair, Audit Committee  
25 February 2025

# Compliance, Responsibility and Ethics Committee

## Letter from the Chair

**John Castellani**  
Chair, Compliance, Responsibility and Ethics Committee



### Activities in 2024

- Continued to monitor ABC compliance developments, our speak up programme and business integrity, supported by regular reports from independent third parties
- Monitored Hikma's sustainability activities, including those relating to reporting and disclosure, water management, emissions and driving a sustainable supply chain
- Reviewed, and where applicable under the Committee's Terms of Reference, approved updates to key policies
- Monitored the delivery of ethical and social responsibility aspects of our CSR programme
- Enhanced our modern slavery statement following updates to our due diligence and supplier onboarding processes

### Priorities for 2025

- Assist with the delivery of the ethical and social responsibility aspects of our sustainability programme
- Support the transition of the Committee Chair following the retirement of John Castellani at the end of the 2025 AGM
- Clarify responsibilities for sustainability oversight and reporting among the Board committees. More information can be found on page 106

## Dear Shareholders

During 2024, the Compliance, Responsibility and Ethics Committee (CREC or the Committee) continued to promote and oversee our commitments to business integrity, compliance, communities and ethical conduct, and broadened its remit to oversee key aspects of Hikma's sustainability strategy. This report focuses on the matters that the Committee addressed during the year. Further details related to the structure of our Anti-Bribery and Corruption (ABC) compliance and integrity programme are available on our website at [www.hikma.com](http://www.hikma.com).

I will reach nine years of service with Hikma in March 2025 and will retire from the Board at the 2025 AGM. In readiness for my retirement, the Board approved Deneen Vojta as successor for the Chair of the CREC in February 2024. Deneen has served as a member of the CREC since her appointment to the Board in November 2022 and has taken a keen interest in Hikma's sustainability programme and its impact on broader stakeholders. Deneen and I have worked closely together during the past year to ensure an orderly succession, and I am pleased to leave the role of Chair of the CREC in safe hands.

## Hikma's compliance programme

### ABC programme

Our Anti-Bribery and Corruption (ABC) compliance programme continues to perform in a highly effective manner. The ABC programme has strong support from the Board, the CREC and the CEO, and the Chief Compliance Officer has direct access to the Committee. During the year, the Committee reviewed and approved updates to the Group Anti-Bribery and Corruption Policy.

### Commitment to integrity

The Committee and the Board are very proud of Hikma's commitment to high standards of business integrity. It includes the Board's long-standing, zero-tolerance approach to bribery and corruption which has been demonstrated in numerous instances, including being a founding member of the World Economic Forum's Partnering Against Corruption Initiative.

### Codes of Conduct

The Committee continues to oversee the development and promotion of Hikma's Code of Conduct, which embodies the important moral and ethical values that are critical to the Group's success. The Code of Conduct guides all the Committee's activities and is the key reference point for all our employees.

Our Supplier Code of Conduct reinforces our commitment to integrity and transparency in all our business dealings, as it sets out the highest ethical standards we expect from all our suppliers.

The Codes of Conduct referred to above can be found at [www.hikma.com/who-we-are/codes-and-standards](http://www.hikma.com/who-we-are/codes-and-standards)

### Speak up

The Committee receives regular reports on issues identified through our speak up channels, which provide both internal and external stakeholders a resource to raise concerns about suspected misconduct confidentially and anonymously. Our procedures require that all reports received via our speak up channels are investigated by senior and independent employees.

The Committee is satisfied that all speak up reports raised in 2024 were investigated and appropriately addressed, and that our speak up procedures remain effective and compliant with applicable law. The overall level of speak up reports received is within the normal range for an organisation of our size.

The Chair of the Audit Committee is a standing member of the CREC and vice versa, which ensures that any relevant issues are considered by the right people within our governance structure. Both Committee Chairs report all relevant matters considered by their committees to the Board. Speak up matters are reported and considered as part of this process.

## Training

During the year, we continued with our training programmes for the Code of Conduct, ABC, speak up, anti-money laundering, Criminal Finances Act, data privacy and protection, antitrust and related matters, both virtually and in person. The programmes have been developed with assistance from external experts and are provided to employees virtually through their personalised corporate training portal. Our training programmes include worked examples and tests to ensure and enhance understanding.

## Internal auditing and monitoring

The Committee receives regular updates on the monitoring programme conducted by the Hikma Compliance team. In addition, the Committee retains independent third parties to conduct periodic and recurring audits of our governance and transparency and the compliance programme and related activities.

## Ethics

### Corporate Social Responsibility

The Committee oversaw, encouraged and supported the corporate social responsibility programme, which is clearly linked to our founder's desire to improve lives, particularly through health and educational development opportunities for the least privileged. During the year, the Committee approved updates to the Group CSR Projects, Corporate Sponsorships and Charitable Donations Policy, strengthening our governance process across these key areas. The sustainability section of this Annual Report provides a detailed assessment of our efforts in relation to corporate social responsibility and is available on pages 50 to 53.

### Ethical issues

The Committee oversaw Hikma's response to ethical issues arising during the year. There are no matters to report.

### Modern slavery

Hikma is committed to taking the required actions to identify, prevent and mitigate modern slavery in the form of forced or compulsory labour and human trafficking in any of its businesses, operations or supply chains across the globe.

To enhance oversight, risk assessment, and due diligence efforts in preventing and addressing modern slavery risks in our supply chain, Hikma has established a Modern Slavery Task Force (MS Task Force), comprising members from the Legal, Procurement, and Compliance teams. The MS Task Force collaborates to review and enhance our risk assessment and due diligence process, ensure their effective implementation, and develop clear strategies for addressing potential instances of modern slavery, should they arise.

Key measures in support of this goal include:

- a global Supplier Code of Conduct that requires our suppliers and third parties who represent or conduct business on behalf of Hikma to comply with all applicable laws, rules, regulations, and ethical standards, including with respect to forced or compulsory labour and human trafficking
- enhanced third-party due diligence processes with updated risk criteria to identify and address modern slavery risks within our supply chain
- training on third-party risk assessment and due diligence processes for employees involved in third-party onboarding
- continuing our partnership with EcoVadis, a leader in sustainability ratings, to assess our main supplier base for any risk of modern slavery or human rights abuses
- training Hikma staff on labour standards and how to recognise and respond to any incidences of modern slavery
- an anonymous speak up line to empower Hikma employees, consultants, suppliers and third parties to report potential issues, including those related to modern slavery

- engaging with supply chain partners and the operational part of our business if and when any risk of modern slavery is identified

Hikma's modern slavery statement is available at [www.hikma.com](http://www.hikma.com).

## Sustainability

The Committee received regular updates on Hikma's sustainability strategy and related activities, including those related to water management, emissions and driving a sustainable supply chain. The Committee monitored developments in reporting and disclosure requirements and received updates on our preparations to report against the Corporate Sustainability Reporting Directive (CSRD) from financial year 2025, including an externally facilitated double materiality assessment which will be used to update our sustainability framework and determine the scope for CSRD reporting. More information on our sustainability activities can be found on pages 56 to 59.

## Regulations

The General Counsel attends all Committee meetings and reports to the CREC on relevant matters that arise, including pertinent changes to the regulatory landscape. The legal team has developed training programmes on antitrust, prevention of tax evasion, trade sanctions and data protection, which have been undertaken by colleagues whose roles require training or awareness.

### Antitrust, anti-money laundering (AML) and trade sanctions

The General Counsel oversees Hikma's compliance with the antitrust, AML and trade sanctions legislation, among other matters. The General Counsel has created procedures for the management of these matters which have been reviewed and approved by the CREC.

### Criminal Finances Act

The General Counsel is responsible for ensuring compliance with the Criminal Finances Act. The CREC has approved procedures that have been recommended by the General Counsel and reviewed those procedures at appropriate intervals. The procedures are designed to respond to the requirements of the prevention of tax evasion legislation from the UK government. Hikma's processes and procedures in this regard are proportionate to its risk of facilitating tax evasion, which is relatively low. Hikma is steadfast in applying the principles of the UK prevention of tax evasion legislation across its businesses and will continue to oversee matters of compliance.

### Data protection

The General Counsel is responsible for Hikma's data protection policies which are designed to ensure compliance with all applicable legislation.

I remain available to discuss with shareholders any matter within this report or under the Committee's area of responsibility, by writing to the Company Secretary.

For and on behalf of the Compliance, Responsibility and Ethics Committee.

### John Castellani

Chair, Compliance, Responsibility and Ethics Committee  
25 February 2025



**Doing the right thing by conducting business with integrity and transparency and in accordance with the law."**

Letter from the Chair

Nina Henderson  
Chair, Remuneration  
Committee



Dear Shareholders

On behalf of the Remuneration Committee (the Committee), I am pleased to present our 2024 remuneration report which, reviews the Committee’s work during the year, provides a summary of our Remuneration Policy, and details compensation decisions based on policy implementation for 2024 and looks ahead to 2025.

Hikma’s Remuneration Policy

The Committee acts on behalf of the Board of Directors, to ensure that the Remuneration Policy is aligned with the Group’s corporate strategy and fosters the Group’s long-term success, while enhancing shareholder value.

The current Remuneration Policy received strong shareholder support with 98.24% voting in favour and 91.44% voting for its application at the 2024 AGM. For 2024, there were no changes to the policy’s design. The performance awards set out in the policy are linked to the achievement of the Group’s business plan and delivery of its corporate strategy, in alignment with Hikma’s shareholder experience. During 2025, the Remuneration Policy will be reviewed to ensure its continued relevance to driving Hikma’s growth in a global context, with shareholder input considered in shaping future policy direction.

Committee’s activities during the year

To ensure that our remuneration practices are in line with the evolving business landscape and best practices, the Committee has engaged in extensive analysis and discussions regarding talent motivation, reward and attraction, Group performance, shareholder expectations, and emerging governance trends.

During the year the Committee:

- Conducted an assessment of performance and incentive plans
- Monitored performance against pre-determined objectives and performance metrics, and their alignment to shareholder experience.
- Analysed Executive Director remuneration in the context of peer compensation benchmarking across global markets.
- Implemented an evaluation process for CEO leadership

Wider employee population

Engaged directly with employees by visiting Group sites to gain insights on the ground, and to ensure our practices remain responsive, transparent and aligned to our executive remuneration philosophy.

Supported the evolution of the Group’s career development philosophy to foster employee growth, support talent development and retention.

Granted an average pay increase of 4.5%, prioritising high-inflation countries and continuing our commitment to a living wage.

All merit salary increases in 2024 and 94% of bonus funding was awarded to employees below executive management.

Executive Directors 2025 salary review

As part of our annual compensation review, the Committee conducts a through benchmarking analysis comparing Executive Director positions’ compensation to that of executives in global pharmaceutical and FTSE peers of comparable size and complexity. The Committee also recognized the strong Group performance delivered and resultant shareholder return.

The Executive Directors did not receive a base pay adjustment for 2024. Based on the above factors considered, the Committee approved moderate 2025 base pay increases for the Executive Chairman of 2%, raising his salary to \$1,040,000 per annum, and for the Executive Vice Chairman of 3% bringing his base salary to \$830,000 per annum. These increases are below the planned 2025 average base pay increase of 4.2% for the global workforce.

Riad Mishlawi was promoted to CEO on 1 September 2023. Under his leadership, Hikma delivered strong 2024 financial results while returning shareholder value demonstrated by relative Total Shareholder Return (TSR). The CEO drove a clear strategy for the core business, developed new business via acquisitions and partnerships, strengthened Hikma’s talent asset and enhanced collaboration. The Committee conducted compensation benchmarking, which compared the CEO’s compensation to executives in global pharmaceutical and FTSE peers of comparable size and complexity. This analysis confirmed a material gap in the CEO’s salary and his total Target Direct Compensation (TDC) opportunity versus these peers and significantly below US compensation where 60% of Hikma’s revenue is delivered. In view of his strong performance and demonstrated leadership, the Committee approved a 4.2% salary increase equal to the broader employee salary increase plus an additional 15.8%. This total increase of 20% results in a base pay \$1,200,000 per annum. Therefore, his target TDC opportunity of \$4,596,000 will be just above median when compared to FTSE peer groups, but remaining below Global and US Pharma peers.

Shareholder experience

Over the 12 months to 31 December 2024 Hikma’s strong performance delivered a TSR of 15.0% versus 9.7% for the FTSE 100 (excluding financial services) and 1.5% for the FTSE 350 Pharma and Biotech segment. Globally, Hikma operates within a subset of the pharmaceutical industry focused on generic medicines with a significant presence in the US. Hikma’s TSR of 15.0% continues to outperform its CEEMEA Healthcare peers (8.4%) and its US Mid Cap generics and injectables peers (-3.0%).

	2024	2023	Change
Core EPS	224	223	–
Share price increase	1,993p	1,789p	11.4%
TSR (L1Y)			
Hikma			15.0%
FTSE comparators (excluding financial services)			
FTSE 100			9.7%
FTSE 350 Pharma & Biotech			1.5%
Generic Pharmaceutical peers			
Large Cap Specialty/Generics			40.4%
CEEMEA Healthcare			8.4%
US Mid Cap Generics and injectables			(3.0%)

2024 performance outcomes

Hikma’s Remuneration Policy is composed of three components, base salary, the only fixed portion, and variable components of annual bonus and long-term incentives.

Annual bonus

The outcomes described below relate to the annual bonus for the year ended 31 December 2024. In addition to the financial and strategic outcomes, the Committee assesses Executive Director performance holistically to ensure payments are appropriate and justified using a framework shown on 124. This year the Board added a formal appraisal of the CEO’s leadership which was subsequently shared with the Executive.

Financial outcomes

During the 2024 financial year Hikma delivered strong performance across all three of its businesses delivering Group core revenue of \$3,156m (2023: \$2,875), a 10% growth. Core operating profit delivered \$719m versus 2023 of \$707m representing 2% growth.

Both the Generics and Injectable businesses achieved double digit core revenue growth, 11% and 10% respectively. The Branded business also delivered strong core revenue growth of 8%, the top end of our guidance range. Branded core operating profit increased by 11% and Branded core operating margins expanded by 800bp to an impressive 24.6%

No discretion has been applied by the Committee.

Strategic outcomes

The Executive Chairman was set a performance objective to review Hikma’s financing structure, business constituents and locations. The Board are satisfied that the Group is in a strong position to deliver sustainable growth.

The Executive Vice Chairman was set a performance objective of delivering a clear and sustainable strategy for MENA growth. He was set targets to continue our expansion in the Kingdom of Saudi Arabia (KSA) to facilitate an increase of our footprint in this key market, and to enter into new partnerships in MENA to secure additional future revenues. These were all completed in the year.

The CEO was set a performance objective of ensuring that the Group was appropriately structured to continue to deliver growth. This included strengthening leadership talent , embedding the Leadership Council set up at the end of 2023 and implementing a new operating model in MENA to support faster decision making. The Board is confident that strong leadership is in place to drive delivery of Hikma’s strategy.

The CEO was set a further objective to deliver revenue growth through the expansion of existing contracts or the signing of new partnerships as discussed in the Strategic report on page 9.

The Board continues to be conscious of the impact of Hikma’s business on the environment and particularly its operations in water stressed regions. The Executive Directors were collectively set an objective to establish water related targets for Jordan, KSA, Algeria and Egypt . There has been progress in efficiency and monitoring efforts which will support a strong foundation for water stewardship.

2024 bonus outcomes

The total 2024 incentive payments, as a percentage of base salary, for the Executive Directors are summarised in the following table and correlate well to the Group’s performance and shareholder returns

	2024	2023
	Cash and deferred shares	Cash and deferred shares
Executive Chairman	146.8%	161.3%
CEO	148.5%	166.3%
Executive Vice Chairman	155.7%	168.7%

Details of the calculation of these payments are included on pages 127-129. These amounts will be delivered as 50% cash and 50% deferred into shares for a period of 3 years. Malus and clawback provisions apply.

2024 EIP vesting

The Executive Incentive Plan (EIP) was the previous Remuneration Policy in place throughout 2022. The LTIP vesting in 2024 relates to Elements B and C granted in 2022 and 2021 respectively under the EIP.

Remuneration Policy 2025 implementation

The Committee’s annual bonus and LTIP target setting process is rigorous. Starting with Hikma’s annual and strategic business plan, multiple data points including targets for previous awards, targets among our global pharmaceutical and FTSE peers and analyst target consensus are combined to produce key performance measurements.

Operation of 2025 annual bonus

The 2025 bonus will be based on performance measures weighted 80% financial and 20% strategic deliverables. The financial element focuses on revenue and profit and the strategic element will be a combination of initiatives related to Hikma’s strategy.

Fifty percent of any bonus payment for Executive Directors will be paid in cash with the remainder deferred into shares for a period of three years. The maximum bonus will be 200% of base salary.

Further details on the targets can be found on page 136.

Long-term Incentive Plan (LTIP) 2025 grants

A Performance Share Plan (PSP) award of a maximum of 300% of base salary to Executive Directors based on achievement of the following performance conditions measured from 1 January 2025:

- Relative TSR against FTSE 50-150 peer group excluding investment trusts (20% weighting)
- Business development and portfolio expansion (35% weighting)
- Compound annual growth of EPS (35% weighting)
- Strategic measures (10% weighting)

Further details regarding the performance conditions for the award are included on page 137.

Concluding remarks

Following the 2025 AGM, I will step down as Chair of Hikma’s Remuneration Committee. Hikma’s Remuneration Policy has evolved to support the Group’s growth trajectory. It focuses on a pay for performance philosophy and ensuring that the policy remains fit for the purpose of talent reward, retention and acquisition. As announced, Cynthia Flowers will become Chair. Cynthia and the Committee will continue to foster a remuneration approach that provides the talent required to deliver Hikma’s business plans and strategy resulting in shareholder value.

On behalf of the Committee, I would like to thank our shareholders for their continued engagement and valuable input. I commend the Remuneration Report to you and look forward to receiving your support at our Annual General Meeting on 24 April 2025.

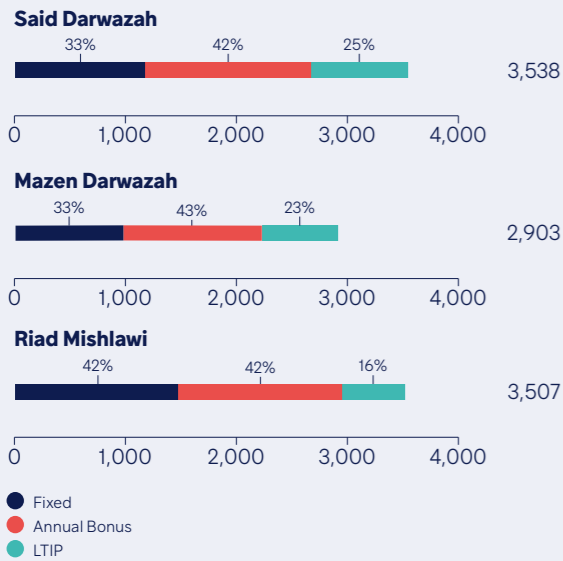
Nina Henderson

Chair, Remuneration Committee  
25 February 2025

# Remuneration at a glance

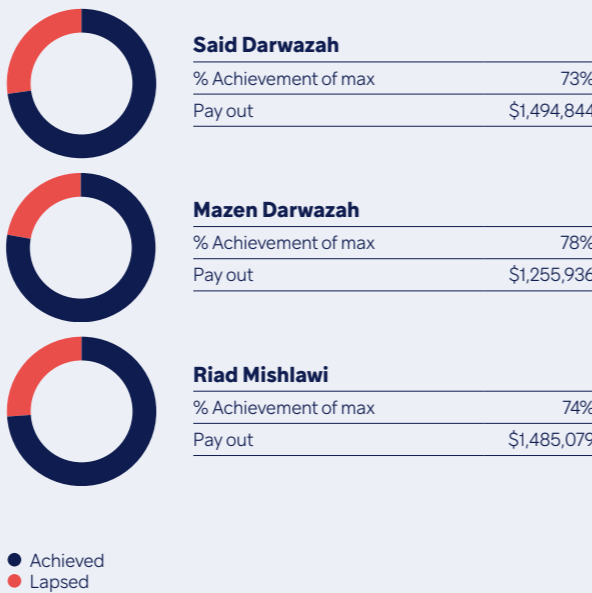
## 2024 single remuneration figure (\$m)

The chart below shows the remuneration outcome for the Executive Directors for 2024 illustrating the significant proportion of remuneration delivered as variable pay.



## 2024 annual bonus outcome

The performance outcome for the annual bonus reflects the strong business performance for the year. Maximum achievement is 200% of salary. Delivery of the award is 50% in cash and 50% in shares (subject to a 3 year holding period). Malus and clawback provisions apply.



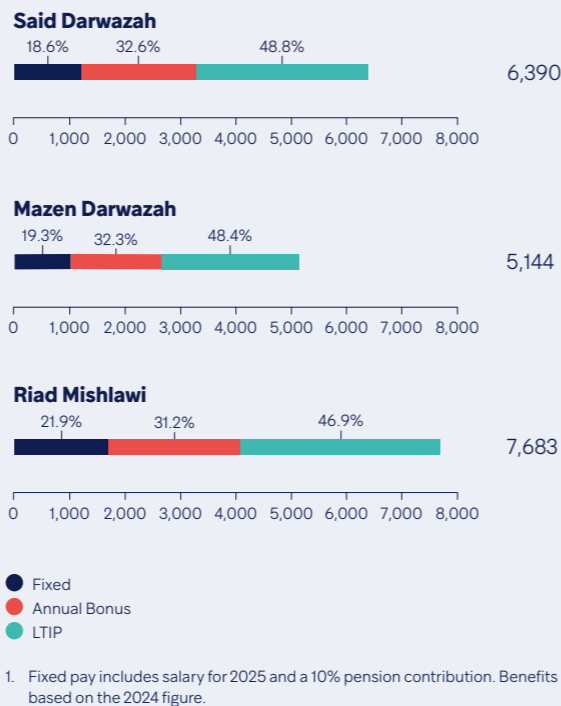
## 2024 vesting outcomes

During 2024, share awards vested under the prior Remuneration Policy (EIP) under which performance criteria had to be met before an award was granted. Element B is attributed to earnings in 2024; Element C was attributed to earnings in the year of grant (2021). See page 126 for details.

Element		Said Darwazah	Mazen Darwazah	Riad Mishlawi
B	Shares granted	34,652	26,812	22,099
	Shares vested	100%	100%	100%
	Value	876,138	677,912	558,749
C	Shares granted	19,830	13,903	17,120
	Shares vested	100%	100%	100%
	Value	501,380	351,522	432,861
Total value of shares vested		1,377,517	1,029,434	991,610

## 2025 single remuneration opportunity (\$m)

The following charts show the potential projected remuneration available for 2025 at maximum opportunity (excluding the impact of share price appreciation).



# Shareholder experience

## Executive Director shareholding

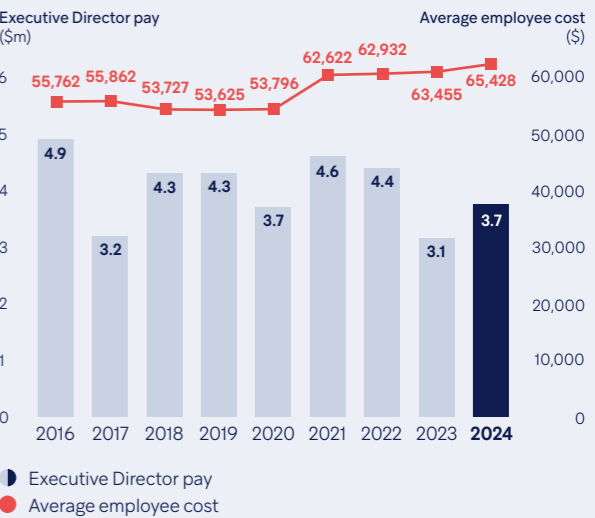
The Executive directors' shareholdings are significantly above the required minimum, demonstrating their strong commitment to the Group and alignment with shareholder interests. This substantial investment reflects their confidence in the Group's future and reinforces the linkage between executive remuneration and long-term shareholder value.

	Shareholding requirement \$m	Number of shares required	Current shareholding	Actual holding as a % of requirement
Said Darwazah	3,054	122,403	14,354,267	11,727%
Mazen Darwazah	2,420	97,007	8,195,622	8,448%
Riad Mishlawi	3,000	120,239	133,302	110%

## Wider workforce

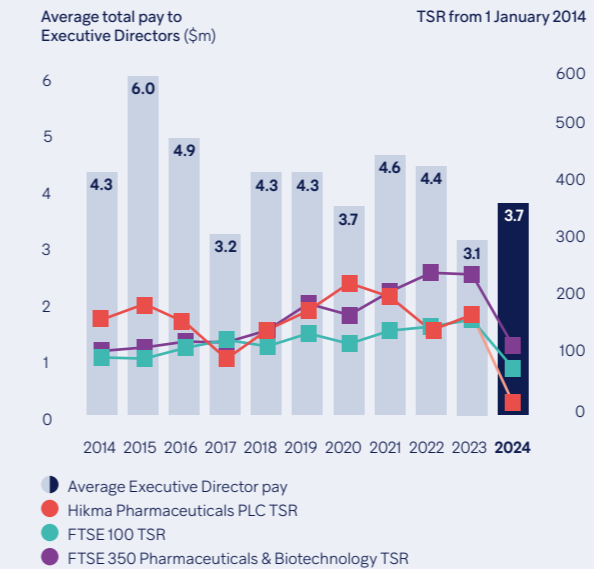
The Committee is committed to maintaining a fair and proportionate approach to Executive Director pay. In line with this, the remuneration of the Executive Directors remains closely aligned with the average employee cost, ensuring that pay is balanced and reflects the broader experience of all employees within the Group.

### Employee cost and average executive pay (\$m)



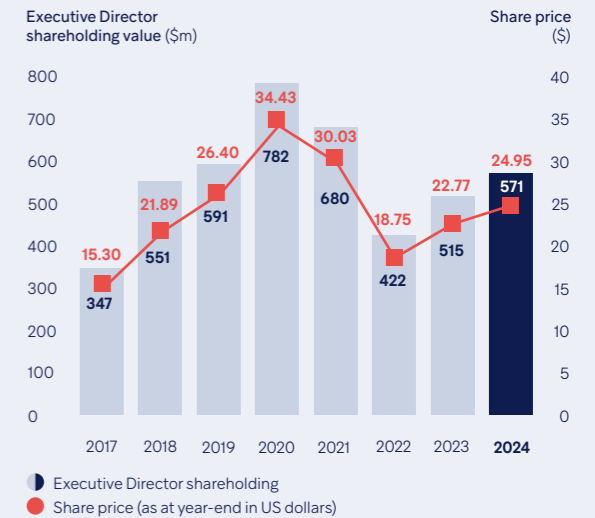
## TSR and total Executive pay

The table below shows the alignment of executive pay to TSR performance.



## Value of Executive holdings

Hikma's Executive Directors have substantial equity interests, which strongly aligns their long-term interests with shareholders.



Remuneration Policy

Directors Remuneration Policy

This section of the report provides a summary of the current policy for the remuneration of the Directors. This policy was approved by shareholders at the AGM on 28 April 2023 and took effect from this date for 3 years. Full details of the policy can be found on pages 99 to 106 of the 2022 Annual Report as well as at [www.hikma.com](http://www.hikma.com).

The Remuneration Policy is designed to support the long-term interests of the Group. The Group is committed to paying for performance and rewarding the senior management team only when its goals are achieved. Each year the remuneration framework and the packages of the Executive Directors and members of the Executive Committee are reviewed by the Committee to ensure that they continue to achieve this objective.

The Committee takes into account multiple reference points when setting pay including companies in the FTSE 100 and the broader global pharmaceutical sector.

The Committee takes the following areas into account when reviewing the policy:

- Emphasis on maximising shareholder value
- Ongoing global growth and expansion of the group
- The importance of attracting and retaining top senior management
- Remuneration arrangements for the wider workforce
- Commitment to aligning with best practices as outlined by shareholders and their representatives
- Adherence to the principles of the UK Corporate Governance Code 2018 (the 2108 Code)

The Committee considered the operation of the Remuneration Policy in terms of the 2018 Code as follow:

**Clarity:** the Committee regularly engages with shareholders, their representative bodies and management to explain the approach to executive pay and gain their perspectives.

**Simplicity:** the rationale, structure and strategic alignment of each element of pay has been explained in the Remuneration Policy.

**Risk:** the balance between fixed and variable pay is appropriate, with objectives aligned with long-term shareholder interests.

**Predictability:** the pay opportunity for pay for performance is clear.

**Proportionality:** executives are incentivised under the Remuneration Policy to achieve stretching annual targets. Additionally the policy builds in stretching targets over three-year performance periods for the Long Term Incentive Plan awards. The Committee assess performance at the end of each performance period against underlying business results and in an internal and external context.

**Alignment with culture:** Hikma’s purpose and values are reinforced through the strategic objectives set out in the Remuneration Policy.

Details of the performance measures for the short-term incentive for the year ending 31 December 2024 and how they are aligned to Group strategy and the creation of shareholder value are set out on pages 127-129. Annual short-term incentive targets for the 2025 financial year are shown on page 136. Targets that are commercially sensitive will be disclosed retrospectively in next years’ Remuneration Report.

Performance measures for the 2025 Long Term Incentive award are shown on page 137. These performance targets are designed to be stretching but achievable and are set based on Hikma’s corporate business plan and strategies, and the impact on shareholder return.

Summary of our Remuneration Policy

The table below summarises the current Remuneration Policy for the Executive Directors which can be found on pages 99 to 106 of the 2022 Annual Report as well as at [www.hikma.com](http://www.hikma.com). The Committee is not proposing any changes to the policy for 2025.

	Year 1	Year 2	Year 3	Year 4	Year 5	Up to Year 10
Fixed pay	Salary, benefits and pension					
Annual bonus	1-year performance period	50% paid in cash, 50% deferred into shares for 3 years No further performance conditions Malus and clawback apply				
LTIP	Performance shares with a 3 year performance period			2 year holding period No further performance conditions Malus and clawback apply		
Shareholding requirements	Period of 5 years from date of appointment to achieve a requirement of 300% salary 2 year shareholding requirement post departure					



Fixed remuneration				
Element	Key features of operation of policy	How we will implement for 2025	Link to strategy	
Salary, benefits and pension	<ul style="list-style-type: none"><li>– Salaries are set with reference to: pay increases for the wider workforce, salaries in peer companies from the global pharmaceutical sector and UK listed companies</li></ul>	<ul style="list-style-type: none"><li>– CEO increase to reflect performance and position against peers</li><li>– Executive Chairman and Executive Vice Chairman salary increase below wider workforce average</li><li>– No change to benefits and pensions which remain aligned with policy</li></ul>	<ul style="list-style-type: none"><li>– Provides a base level to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group’s strategy</li></ul>	<div>👤</div>
Annual bonus	<ul style="list-style-type: none"><li>– Maximum 200% salary</li><li>– Target 100% of salary</li><li>– Threshold 50% of salary</li><li>– Half deferred into awards over Hikma shares for three years</li><li>– Malus and clawback provisions apply</li></ul>	<ul style="list-style-type: none"><li>– Targets for core revenue and core operating profit</li><li>– KPIs focused on key strategic priorities</li><li>– Payouts as follow: Below threshold: zero Threshold: 25% of max Target: 50% of max</li><li>– Remuneration Committee assessment of performance in the round</li><li>See page 124 for details</li></ul>	<ul style="list-style-type: none"><li>– Financial metrics set with reference to business plans and shareholder return</li><li>– Strategic measures reviewed annually to support the achievement of the Group’s key strategic priorities</li></ul>	<div>☆</div>
LTIP Performance shares	<ul style="list-style-type: none"><li>– Maximum face value 300% salary</li><li>– Target 62.5% max (187.5% salary)</li><li>– Threshold 25% max (75% salary)</li><li>– Three year performance period and two year holding period</li><li>– Malus and clawback provisions apply</li><li>– Dividend equivalents may be accrued on the shares earned from the LTIP awards based on dividends paid to shareholders during the vesting period. Dividends may also accrue during the post-vesting holding period.</li></ul>	<ul style="list-style-type: none"><li>– Targets set for: Core compound EPS growth Revenue from new business over 3 years Relative TSR performance compared to FTSE 50-150 (excluding investment trusts) ESG measure</li><li>– Remuneration Committee assessment of performance in the round</li><li>See page 124 for details</li></ul>	<ul style="list-style-type: none"><li>– To incentivise and reward long-term performance and align the interests of Executive Directors with those of shareholders</li></ul>	<div>☆</div> <div>📊</div> <div>👤</div>
Shareholding requirements	<ul style="list-style-type: none"><li>– 300% of salary</li></ul>	<ul style="list-style-type: none"><li>– 5 year period from date of appointment to board to achieve</li><li>– Two-year shareholding post-employment</li></ul>	<ul style="list-style-type: none"><li>– Promotes long term alignment with shareholders</li><li>– Promotes focus on management of corporate risks</li></ul>	<div>☆</div>

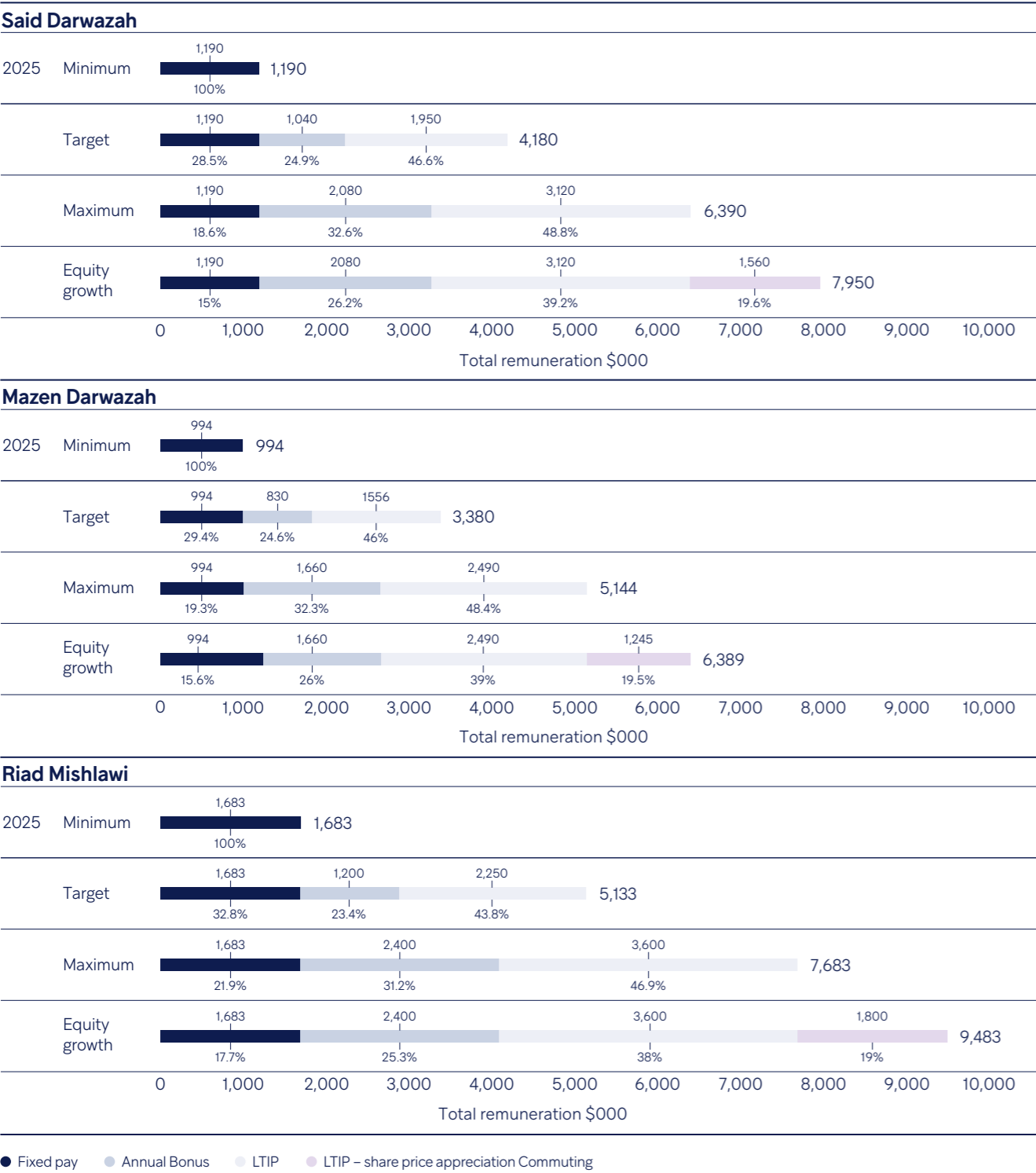
Differences between the policies for Executive Directors and employees, consideration of shareholder views and consideration of conditions elsewhere in the Group

Employees were not directly consulted on the executive Remuneration Policy. All employees receive a salary, pension, and medical insurance on a similar basis to the Executive Directors. Additionally, all employees participate in a cash bonus scheme, which is similar to the annual bonus. The Committee reviews detailed internal and summary benchmarking data and is satisfied that the level of remuneration is proportionate across the wider employee population. Further information is available on page 29 regarding how the Committee takes account of shareholder views when developing and implementing the Remuneration Policy.

Remuneration Policy  
continued

Illustrations of application of Remuneration Policy

The following charts show the potential projected total remuneration available for 2025 at four levels of performance: minimum, target, maximum and maximum with assumed share price appreciation of 50% (in accordance with the 2018 Code). The impact of potential share price appreciation is omitted from the other three scenarios:



The scenarios in the graphs are as follows:

- fixed pay includes salary, benefits, and pension. The numbers are based on the base salary for 2025, the cost of benefits provided in 2024 and a pension contribution of 10% of base salary.
- annual bonus is shown as a percentage of base salary, with minimum, target and maximum shown as 0%, 50% and 100% respectively of maximum opportunity.
- LTIP is shown as a percentage of base salary, with minimum, target and maximum performance shown as 0%, 62.5% and 100% of maximum opportunity respectively.
- share price appreciation has been calculated as a 50% increase in the value of the LTIP between the date of grant and vesting
- no dividend accrual has been incorporated in the values relating to the LTIP

Remuneration Policy table for the Chair and Non-Executive Directors

Non-Executive Directors' (NEDs) fees are set by the Board under the direction of the Executive Directors having considered the:

- pay practice in FTSE and sector peers
- extensive travel required to undertake the role
- significant guidance and support required from the NEDs
- the time required to fulfill their responsibilities

Application of Remuneration Committee decision : Whilst there is no maximum, the practice is to remain within the parameters of FTSE peers.

NEDs do not participate in the Group's pension or incentive arrangements. The annual fees payable to newly recruited NEDs will follow the policy for fees payable to existing NEDs, whose fees comprise:

Component	Approach
Basic fee	An underlying fee for undertaking the duties of a Director of Hikma, chiefly relating to Board, strategy, and shareholder meetings. Provides a level of fees to support recruitment and retention of NEDs with the necessary experience.
Committee membership fee	A composite fee for taking additional responsibilities in relation to Committee membership. Usually, NEDs are members of at least three committees.
Committee Chair/employee engagement fee	The Committee Chairs undertake additional responsibilities in leading a committee and are expected to act as a sounding board for the executive that reports to the relevant committee. The Director responsible for workforce engagement receives a similar fee due to the additional requirements of that role. The chairmanship fee is paid in addition to the membership fee and a Senior Independent Director fee is paid to the individual in that position.
Expenses	The Group pays expenses incurred wholly in relation to the position of NEDs and ensures that Directors do not incur a tax liability as a result. The Group retains discretion to provide for an allowance structure as an alternative to the latter payment.

Assessment of incentive outcomes

A comprehensive evaluation of the Group's and Executive Directors' performance ensuring the annual bonus payout and long-term incentive vesting are appropriate and justified.

<div><div>The quality of earnings</div><div>The Committee will review the results to ensure they accurately reflect underlying performance and take into account any exceptional items.</div></div>
<div><div>Executive Director leadership</div><div>The Committee carries out a formal evaluation of the CEO</div></div>
<div><div>Overall Group performance</div><div>This includes factors such as market share, competitor benchmarking, sustainability, people and culture, strategic progress, stakeholder engagement, and analyst feedback.</div></div>
<div><div>The impact on shareholder value</div><div>The Committee considers absolute and relative shareholder return over the relevant periods including dividend payment(s)</div></div>
<div><div>Consider any other internal and external inputs</div><div>This includes factors such as reputation or risk-related issues, changes in accounting standards, and input from the CRE Committee, Audit Committee, and management functions. The Committee will also consider the impact of any external factors.</div></div>
<div><div>Outcome consistencies</div><div>Consider whether bonus and LTIP outcomes are consistent with performance criteria. The Committee does not apply discretion unless there are exceptional circumstances.</div></div>
<div><div>Final Annual bonus and LTIP outcomes</div></div>

Single total figure (audited)

The following table shows a single figure of remuneration' in respect of qualifying services for the 2024 financial year, together with the comparable figures for 2023.

Director	Year	Fixed pay				Variable pay			Total
		Salary	Benefits	Pension	Total fixed	Bonus and Deferred Shares)	Shares vested (EIP element B) <sup>2,3</sup>	Total variable	
Said Darwazah	2024	1,018,000	82,678	65,962	1,166,640	1,494,844	876,138	2,370,982	3,537,622
	2023	1,018,389	75,328	65,315	1,159,032	1,641,665	772,442	2,414,107	3,573,139
Mazen Darwazah	2024	806,787	97,179	64,895	968,861	1,255,936	677,912	1,933,848	2,902,709
	2023	806,837	67,004	65,223	939,064	1,361,276	539,381	1,900,657	2,839,721
Riad Mishlawi	2024	1,000,000	362,839	100,000	1,462,839	1,485,079	558,749	2,043,828	3,506,667
	2023	333,333	182,045	33,333	548,711	554,213	449,909	1,004,122	1,552,833

1. All figures are in (USD)  
2. Share price at vesting date in 2024 was \$ 25.28 (£19.94) and foreign exchange rate of \$ 1.268 to £1  
3. The EIP was applicable for the period 2020-2022 and full details are provided on pages 79 to 84 of the 2019 Annual Report. The new Policy was approved at the AGM held on 28 April 2023 and applied from 28 April 2023

Salary

Please see Chair's letter (page 116) for commentary on salaries. The application of benefits remains unchanged and pensions are aligned with the wider workforce under the Directors Remuneration Policy.

Executive Director	Individual	Salary		Change
		2025	2024	
Executive Chairman	Said Darwazah	\$1,040,000	\$1,018,000	2.2%
CEO	Riad Mishlawi	\$1,200,000	\$1,000,000	20.0%
Executive Vice Chairman	Mazen Darwazah	\$830,000	\$806,787	2.9%

Benefits (audited)

Said Darwazah received transportation benefits of \$57,040 (2023 \$50,783) and medical benefits of \$25,638 (2023: \$24,546). Mazen Darwazah received transportation benefits of \$71,604 (2023: \$44,974) and medical benefits of \$25,575 (2023: \$22,030). Social security payments made in Jordan, that are required to be paid by Jordanian law, are not considered to be a benefit.

Riad Mishlawi received a transportation allowance of \$60,568 (2023: \$20,687) medical benefits of \$26,926 (2023: \$52,983). In 2023 he was asked to relocate to the US for a period of 2 years and received housing support of \$180,000 and tax equalisation support of \$95,345.

Pension (audited)

Said Darwazah and Mazen Darwazah have global roles and are paid in a number of locations. Pension contributions are only made on the proportion of salary received in Jordan, where they participate in the Hikma Pharmaceutical Defined Contribution Retirement Benefit Plan (the Jordan Benefit Plan) on the same basis as other employees. Under the Jordan Benefit Plan, Hikma matches employee contributions made, up to a maximum of 10% of applicable salary. Riad Mishlawi receives a cash allowance of 10% of base salary in lieu of pension.

Annual report on remuneration  
continued

Vested share awards (audited)

During 2024, the share awards in the following tables vested for Executive Directors under the prior Remuneration Policy. Under the EIP, performance criteria had to be met before an award was granted. There were three award types under the EIP which are treated in the following manner in respect of the single remuneration figure on page 125.

- Element A – a cash bonus that is payable immediately and attributed to the earnings for the performance year. 2022 was the last payment of Element A of the EIP
- Element B – an award of shares that vests two years after grant subject to there being no forfeiture events and is attributed to the earnings in respect of the year in which it vests (i.e. two years after being granted)
- Element C – an award of shares that vests three years after grant and, due to their being no further performance requirements, is attributed to the earnings for the performance year in the same manner as Element A

The tables below detail share awards (Elements B and C) vesting during the year ended 31 December 2024.

Said Darwazah – EIP

EIP element	Maximum number of shares capable of vesting	% Shares vesting	Forfeiture	Number of shares vested	Total value of vested shares <sup>2</sup>
Element B <sup>3</sup>	34,652	100%	Nil	34,652	\$876,138
Element C	19,830	100%	N/A	19,830	\$501,380
Total	54,482			54,482	\$1,377,518

Mazen Darwazah – EIP

EIP element	Maximum number of shares capable of vesting	% Shares vesting	Forfeiture	Number of shares vested	Total value of vested shares
Element B <sup>3</sup>	26,812	100%	Nil	26,812	\$677,912
Element C	13,903	100%	N/A	13,903	\$351,522
Total	40,715			40,715	\$1,029,434

Riad Mishlawi – EIP<sup>1</sup>

EIP element	Maximum number of shares capable of vesting	% Shares vesting	Forfeiture	Number of shares vested	Total value of vested shares
Element B <sup>3</sup>	22,099	100%	Nil	22,099	\$558,749
Element C	17,120	100%	N/A	17,120	\$432,861
Total	39,219			39,219	\$991,610

1. The shares that vested for Riad Mishlawi were in respect of grants made before appointment as CEO
2. Share price at vesting date was \$ 25.28 ( £19.94 and foreign exchange rate of \$ 1.268 to £1)
3. Element B shares are attributed to earnings in respect of the year of vest and are included in the single remuneration figure on page 125

Policy deviation

During 2024, the Committee has not deviated from the Remuneration Policy approved by shareholders at the AGM on 28 April 2023.

2024 annual bonus performance outcome: (audited)

Readers are directed to the commentary on business performance that is included in the Chair's letter on pages 116-117. The section sets out the performance conditions and targets for 2024 and their level of satisfaction for each Executive Director.

Performance conditions – rationale and measurement

The Executive Directors shared a number of common performance conditions as detailed below. Additional individual performance conditions are detailed for each Executive Director in their respective sections along with their weighting.

Financial measures  
– Core revenue

Historically, the pricing of generic pharmaceutical products has decreased with time. The Committee is cognisant that this could lead to declining revenue over the longer term, which could ultimately result in a declining business overall. By ensuring that a significant proportion of performance remuneration is based on revenue, the Committee is able to ensure that the Executive Directors are focused on mitigating pricing declines by maximising the potential of the in-market portfolio, launching new products, and developing the pipeline. See page 1 of the Strategic report for further detail on the performance related to this target.

– Core operating profit (COP)

Ultimately, the COP is a key measure of value to Hikma's shareholders. Given the highly competitive business environment in which Hikma operates, the Executive Directors must focus continuously on optimising Hikma's cost base.

Strategic measures  
– Water related targets

The Board remains mindful of Hikma's environmental impact, particularly in regions facing water stress. The Executive Directors were collectively tasked with setting water-related targets for Jordan, KSA, Algeria and Egypt, and making progress towards these goals.

Executive Chairman (audited)

In addition to the common performance conditions set out above the Executive Chairman was set the following:

- Financing structure

The correct financing structure, business constituents and locations are critical to the future growth of Hikma. The Executive Chairman was required to review these and provide the Board with recommendations.

Performance conditions – satisfaction

Executive Chairman

	Weight	Threshold 50% of salary awarded	Target 100% of salary awarded	Maximum 200% of salary awarded	Results	Achievement	% of salary
Financial							
Core revenue	30%	Target -10% \$2,763m	Target \$3,070m	Target +10% \$3,377m	\$3,156m	Target to maximum	38.4%
Core operating profit (COP)	50%	Target -10% \$620m	Target \$689m	Target +10% \$758m	\$719m	Target to maximum	71.8%
Strategic							
Financing structure	10%	The financing and business structure was thoroughly assessed and after recommendations to the Board, appropriate actions were taken				Maximum	20.0%
Water related targets	10%	Strong progress has been made in efficiency and monitoring efforts which will support a strong foundation for water stewardship				Target to maximum	16.6%
Total	100%	Acceptable	Good	Excellent			146.8%

Performance outcome

The above performance results in performance remuneration under the new Policy as follows (audited):

Participant		Calculation			Receive	
Executive	Policy element	Salary	Maximum potential (% of salary)	Application % of salary	Value of bonus/shares	Receive
Executive Chairman	Cash bonus	\$1,018,000	100%	73.42%	\$747,422	Cash now (March 2025)
	Deferred shares		100%	73.42%	\$747,422	Shares deferred for a period of 3 years
Total			200%	146.84%	\$1,494,844	

Note. All shares vesting are subject to continued employment and a holding period after vesting. These shares may not be sold until 5 years after grant.

Annual report on remuneration

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Executive Vice Chairman (audited)

In addition to the common performance conditions set out on page 127, the Executive Vice Chairman was set the following performance conditions:

Financial measures

– MENA revenue and COP

The Executive Vice Chairman is responsible for this region. The Committee considered financial metrics to be the best method of ensuring delivery of the strategy that could be measured in an objective manner that is readily understandable by investors. Measured by audited MENA revenue compared to target MENA revenue for the year ended 31 December 2024 and by audited MENA COP compared to target MENA COP for the year ended 31 December 2024.

Strategic measures

– Strategic expansion in KSA

To ensure continued focus on Hikma’s presence in the region, the Executive Vice Chairman was requested to establish a regional headquarter, expand manufacturing capacity and establish an R&D center. Measured by progress made in the establishment of capability in KSA.

– Review MENA strategy

The MENA region continues to contribute significantly to the Group’s revenue. To safeguard future revenues, the Executive Vice Chairman was ask to present a clear future strategy for the region and its markets, highlighting capital allocation required for investment. Measured by the Committee’s assessment of the strategy.

MENA business development

To support expansion in the region, the Executive Vice Chairman was set the target of entering into at least two new alliances and/or licensing opportunities, including at least one new technology. Measured by the number of agreements completed in 2024.

CEO (audited)

In addition to the common performance conditions set out on page 127, the CEO was set the following performance conditions:

Strategic Measures

– Effective organisational structure for senior executives

Effective leadership in the organisation is critical for setting up the Group for future success. The CEO was given a target to review the structure of senior leadership and implement changes to ensure that the right team are in place to deliver the Group strategy. Measured by evidence of structural and personnel changes and the delivery of initiatives by the Leadership Council.

– Execution of the approved Group strategy

To support this, the CEO was tasked with recruiting strong leadership and developing a robust business plan for the Generics business. In addition, he was required to expand the Generics business by signing of at least one additional CMO contract or extending an existing contract by adding at least one product.

– Assess Hikma’s operating model

The CEO was asked to work closely with the Executive Vice Chairman to develop the strategy for MENA. An important part of this was to ensure that the correct organisational structure was in place to deliver sustainable profitable growth. Measured by the Committee’s assessment of the strategy.

Performance conditions – satisfaction

Executive Vice Chairman

	Weight	Threshold 50% of salary awarded	Target 100 % of salary awarded	Maximum 200% of salary awarded	Results	Achievement	% of salary
Financial							
Core revenue	12%	Target -10% \$2,763m	Target \$3,070m	Target +10% \$3,377m	\$3,156m	Target to maximum	15.4%
Core operating profit (COP)	18%	Target -10% \$620m	Target \$689m	Target +10% \$758m	\$719m	Target to maximum	25.8%
MENA revenue	20%	Target -10% \$858m	Target \$953m	Target +10% \$1,048m	\$983m	Minimum to target	26.5%
MENA COP	30%	Target -10% \$188m	Target \$209m	Target +10% \$230m	\$225m	Target to maximum	53.0%
Strategic							
Strategic expansion in KSA	5%	Expansion in the Kingdom of Saudi Arabia (KSA) supported our strategy to expand our manufacturing and commercial operations				Target to maximum	6.7%
Review MENA strategy	5%	The MENA strategy was thoroughly assessed and after recommendations to the Board were made, appropriate actions were taken				Maximum	10.0%
MENA business development	5%	The number of business development projects signed in 2024 was in excess of the approved budget				Maximum	10.0%
Water related targets	5%	Strong progress has been made in efficiency and monitoring efforts which will support a strong foundation for water stewardship.				Target to maximum	8.3%
Total	100%	Acceptable	Good	Excellent			155.7%

Performance outcome

The above performance results in performance remuneration under the new Policy as follows (audited):

Participant		Calculation			Receive	
Executive	EIP Element	Salary	Maximum potential (% of salary)	Application % of salary	Value of bonus/ shares	Receive
Executive Vice Chairman	Cash bonus	806,787	100%	77.84%	\$627,968	Cash now (March 2025)
	Deferred shares		100%	77.84%	\$627,968	Shares deferred for a period 3 years
Total			200%	155.67%	\$1,255,936	

Note. All shares vesting are subject to continued employment and a holding period after vesting. These shares may not be sold until 5 years after grant.

Performance conditions – satisfaction

CEO

	Weight	Threshold 50% of salary awarded	Target 100% of salary awarded	Maximum 200% of salary awarded	Results	Achievement	% of salary
Financial							
Core revenue	30%	Target -10% \$2,763m	Target \$3,070m	Target +10% \$3,377m	\$3,156m	Target to maximum	38.4%
Core operating profit (COP)	50%	Target -10% \$620m	Target \$689m	Target +10% \$758m	\$719m	Target to maximum	71.8%
Strategic							
Effective structure	5%	Effective leadership has been put in place through both internal and external appointments				Maximum	10.0%
Execution of Strategy	5%	Completed and implemented the approved strategy in the year by extending CMO and compounding businesses and strengthening R&D				Maximum	10.0%
Operating model	5%	The MENA region operating model was updated to support faster decision making				Maximum	10.0%
Water related targets	5%	Strong progress has been made in efficiency and monitoring efforts which will support a strong foundation for water stewardship.				Target to maximum	8.3%
Total	100%	Acceptable	Good	Excellent			148.5%

Performance outcome

The above performance results in performance remuneration under the new Policy as follows (audited):

Participant		Calculation			Receive	
Executive	Policy element	Salary	Maximum potential (% of salary)	Application % of salary	Value of bonus/shares	Receive
CEO	Cash bonus	\$1,000,000	100%	74.25%	\$742,540	Cash now (March 2025)
	Deferred shares		100%	74.25%	\$742,540	Shares deferred for a period of 3 years
Total			200%	148.51%	\$1,485,079	

Note. All shares vesting are subject to continued employment and a holding period after vesting. These shares may not be sold until 5 years after grant.

Annual report on remuneration  
continued

Long-term incentive awards made during the year ended 31 December 2024 (audited)

On 9 April 2024, Said Darwazah and Mazen Darwazah and Riad Mishlawi received awards of performance shares under the Hikma Pharmaceuticals plc Long-Term Incentive Plan 2023 as a percentage of salary as outlined below. The three-year period over which performance will be measured is 1 January 2024 to 31 December 2026.

The performance measures for these awards are outlined below:

Measure	Rationale	Weighting	Threshold	Target	Maximum
Core compound EPS growth for 1 January 2024 to 31 December 2026	Alignment with shareholders' return	30%	1%	2%	5%
Percentage of revenue from new business over 3 years	Developing revenue from new business is a key element of Hikma's business plan	40%	12%	15%	18%
Relative TSR performance compared to FTSE 50-150 (excluding investment trusts)	Alignment with shareholders' return	20%	Median	–	Upper Quartile
Retention of employees measured by a reduction in voluntary turnover measured against the 2023 base number	Retention and cost management	10%	7%	10%	13%

Details of the value of these awards<sup>1</sup> are shown in the table below:

Executive Director	Date of grant	Award made	Grant price <sup>2</sup>	Face value \$000	Face value as % salary
Said Darwazah	9 April 2024	129,792	\$23.53	\$3,054,006	300%
Mazen Darwazah	9 April 2024	102,863	\$23.53	\$2,420,366	300%
Riad Mishlawi	9 April 2024	127,497	\$23.53	\$3,000,004	300%

1. No award vests for performance below threshold, 25% at threshold and 62.5% at target  
2. The share price was determined by the average closing price in the five business days preceding the grant date

The proportion of the awards outlined above that will vest will depend on the achievement against the performance objectives and their continued employment. The final value that vests may be zero if the threshold performance for each of the objectives is not achieved. The vesting outcome of the awards will be disclosed in the 2026 Annual Report.

Outstanding share awards (audited)

Hikma continued to operate the EIP with the final award being made in May 2023. The first award under the new LTIP was made on 30 May 2023. The outstanding share awards in respect of each of the Executive Directors are:

Participant	Share scheme				Quantum		
Director	Scheme description <sup>1,3</sup>	Type of interest	Date of award	Date of vesting	% Salary	Shares (max)	Face value <sup>2</sup>
Said Darwazah	EIP Element C	Conditional award	25-Feb-22	25-Feb-25	53%	18,420	\$544,311
	EIP Element B	Conditional award	30-May-23	30-May-25	57%	31,679	\$584,161
	EIP Element C	Conditional award	30-May-23	30-May-26	36%	19,761	\$364,393
	LTIP 2023 <sup>2</sup>	Conditional award	30-May-23	30-May-26	241%	132,783	\$2,448,519
	LTIP 2024 <sup>4</sup>	Conditional award	09-Apr-24	09-Apr-27	300%	129,792	\$3,054,006
	Deferred Shares 2024 <sup>5</sup>	Conditional award	09-Apr-24	09-Apr-27	81%	34,884	\$820,821
Total						367,319 2023: 257,125	\$7,816,211 2023: \$6,353,163
Riad Mishlawi	EIP Element C	Conditional award	25-Feb-22	25-Feb-25	55%	18,691	\$552,319
	EIP Element B	Conditional award	30-May-23	30-May-25	79%	36,371	\$670,690
	EIP Element C	Conditional award	30-May-23	30-May-26	67%	30,749	\$567,012
	LTIP 2023 <sup>2</sup>	Conditional award	30-May-23	30-May-26	139%	75,339	\$1,389,251
	LTIP 2023 <sup>2, 6</sup>	Conditional award	31-Aug-23	31-Aug-26	23%	12,263	\$226,130
	LTIP 2024 <sup>4</sup>	Conditional award	09-Apr-24	09-Apr-27	300%	127,497	\$3,000,004
	Deferred Shares 2024 <sup>5</sup>	Conditional award	09-Apr-24	09-Apr-27	28%	11,777	\$277,113
Total						312,687 2023: 212,632	\$6,682,519 \$5,306,268
Mazen Darwazah	EIP Element C	Conditional award	25-Feb-22	25-Feb-25	54%	14,844	\$438,640
	EIP Element B	Conditional award	30-May-23	30-May-25	83%	36,171	\$666,993
	EIP Element C	Conditional award	30-May-23	30-May-26	47%	20,650	\$380,786
	LTIP 2023 <sup>2</sup>	Conditional award	30-May-23	30-May-26	241%	105,233	\$1,940,497
	LTIP 2024 <sup>4</sup>	Conditional award	09-Apr-24	09-Apr-27	300%	102,863	\$2,420,366
	Deferred Shares 2024 <sup>5</sup>	Conditional award	09-Apr-24	09-Apr-27	84%	28,926	\$680,629
Total						308,687 2023: 217,613	\$6,527,911 2023: \$5,319,848

1. The performance criteria for Elements B and C of the EIP are assessed before a grant is considered. Additionally, Element B is subject to forfeiture criteria for the first two years after grant  
2. The face value is calculated as the monetary value of the award at the point of grant converted to the number of shares using the 30-day average share price to the 31 December of the performance year. The 30 day average share price used for awards granted in 2022 was \$29.55(£22.20), 2023 \$18.44(£15.15). The actual value received by Executive Directors under the share incentive arrangements is dependent upon the share price of Hikma at the time of vesting, the satisfaction of performance criteria and the non-occurrence of forfeiture events (EIP Element B only). Forfeiture would apply to 50% of any unvested Element B shares if the financial performance in any year is less than 30% of the target. 2023 numbers have been restated to reflect the correct face value  
3. The minimum value of the awards at vesting will be the share price on the day of vesting multiplied by the number of shares vesting. If the Executive Director leaves employment during the vesting period, the normal position is that zero shares vest. If all the forfeiture conditions occur in each year of the vesting period under Element B only, zero shares will vest. The weighting of each forfeiture condition has a proportional impact on the vesting percentage under Element B only  
4. The face value was determined by the average closing price in the five business days preceding the grant date, \$23.53(£18.64)  
5. The deferred shares granted in 2024 relate to the 50% of the 2023 annual bonus deferred into shares  
6. The LTIP award granted to Riad Mishlawi on 31 August 2023 represented an exceptional award on his appointment to the position of CEO

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continued

The applicable share prices for Hikma during the period under review were:

Date	Market price (Closing price)
1 January 2024	1,787p
31 December 2024	1,993p
2024 Range (low to high)	1,772p to 2,088p
25 February 2025	2,296p

Dilution

In accordance with the guidelines set out by the Investment Association applicable in 2024, Hikma can issue a maximum of 10% of its issued share capital in a rolling ten-year period to employees under all its share plans and a maximum of 50% of this (representing 5% of issued share capital) for discretionary share plans. The following table summarises the current level of dilution resulting from Hikma's share plans since 2015:

Type of plan	Granted in a rolling ten-year period	Granted during the year
Discretionary Share Plans (5% Limit)	4.7%	0.76%

Director share interests (audited)

Said Darwazah, Mazen Darwazah and Ali Al-Husry are Directors and shareholders of Darhold Limited. Darhold holds 60,000,000 Ordinary Shares in Hikma. The table below breaks down their shareholdings in Hikma by shares effectively owned through Darhold and shares held personally or by connected people as at 31 December 2024. The cancellation and issuance of shares in Darhold and Hikma, as well as changes in the number of Hikma shares held by Darhold, can lead to a degree of variation in the 'Effective Hikma shares'.

Director	Darhold		Personal	Total shareholding
	Interest in Darhold	Effective Hikma shares	Shares (incl. connected people)	
Said Darwazah	22.50%	13,501,800	852,467	14,354,267
Mazen Darwazah <sup>1</sup>	11.34%	6,803,400	1,392,222	8,195,622
Ali Al-Husry <sup>2</sup>	8.32%	4,992,600	1,162,811	6,155,411

1. Mazen Darwazah holds his shares in Darhold Limited through a family trust  
2. Ali Al-Husry holds his shares in Hikma and Darhold Limited through a family trust

The following table sets out details of the Directors' shareholdings in Hikma as at 31 December 2024 and, where there are shareholding requirements, whether these have been met:

Director	Ownership requirements			Total	Scheme Interests		Total
	Percentage of salary	Number of shares	Requirement fulfilled?	Shares owned <sup>2</sup>	Awards subject to performance conditions <sup>3</sup>	Awards not subject to performance conditions <sup>4</sup>	Share interests
Said Darwazah <sup>1</sup>	300%	122,403	Yes	14,354,267	294,254	73,065	14,721,586
Riad Mishlawi	300%	120,239	Yes	133,302	251,470	61,217	445,989
Mazen Darwazah <sup>2</sup>	300%	97,007	Yes	8,195,622	244,267	64,420	8,504,309
Ali Al-Husry <sup>4</sup>	N/A	N/A	N/A	6,155,411	N/A	N/A	6,155,411
Patrick Butler <sup>5</sup>	N/A	N/A	N/A	3,875	N/A	N/A	3,875
John Castellani	N/A	N/A	N/A	3,500	N/A	N/A	3,500
Nina Henderson	N/A	N/A	N/A	7,100	N/A	N/A	7,100
Cynthia Flowers	N/A	N/A	N/A	1,100	N/A	N/A	1,100
Douglas Hurt	N/A	N/A	N/A	4,500	N/A	N/A	4,500
Deneen Vojta	N/A	N/A	N/A	1,000	N/A	N/A	1,000
Laura Balan	N/A	N/A	N/A	N/A	N/A	N/A	–
Victoria Hull	N/A	N/A	N/A	N/A	N/A	N/A	–

1. Including shares effectively owned through Darhold as per the table above  
2. Mazen Darwazah holds his shares in Darhold Limited through a family trust, in which he has a beneficial interest  
3. This includes element B awards made under the EIP (see page 126) and the LTIP under the new Policy.  
4. Ali Al-Husry holds his shares in Hikma and Darhold Limited through a family trust, in which he has a beneficial interest  
5. Patrick Butler stepped down on 29 February 2024  
6. This includes element C awards made under the EIP (see page 126) and deferred shares under the annual bonus plan of the current remuneration policy

The share price used to calculate whether the shareholding requirements have been met is the price on 31 December 2024 of £19.93 and foreign exchange rate of \$1.252 to £1 on the same date.

There have been no changes in the interests of the Directors in the shares of Hikma between 31 December 2024 and the date of this report.

Director share interests (audited) continued

The following table sets out the changes in the share interests of Directors during the year under review and up to the date of this report. Other than as detailed in the table, the Directors' share interests in Hikma did not change during the period.

Director	Date	Event	Number of shares
Said Darwazah	26/02/2024	Vesting of 2021 EIP Element C. Retained all Shares	19,830
Said Darwazah	26/02/2024	Vesting of 2022 EIP Element B. Retained all Shares	34,652
Riad Mishlawi	26/02/2024	Vesting of 2021 EIP Element C. Retained all Shares	17,120
Riad Mishlawi	26/02/2024	Vesting of 2022 EIP Element B. Retained all Shares	22,099
Riad Mishlawi	07/05/2024	Dividend reinvestment	736
Riad Mishlawi	23/09/2024	Dividend reinvestment	509
Mazen Darwazah	26/02/2024	Vesting of 2021 EIP Element C. Retained all Shares	13,903
Mazen Darwazah	26/02/2024	Vesting of 2022 EIP Element B. Retained all Shares	26,812

Scheme interests (audited)

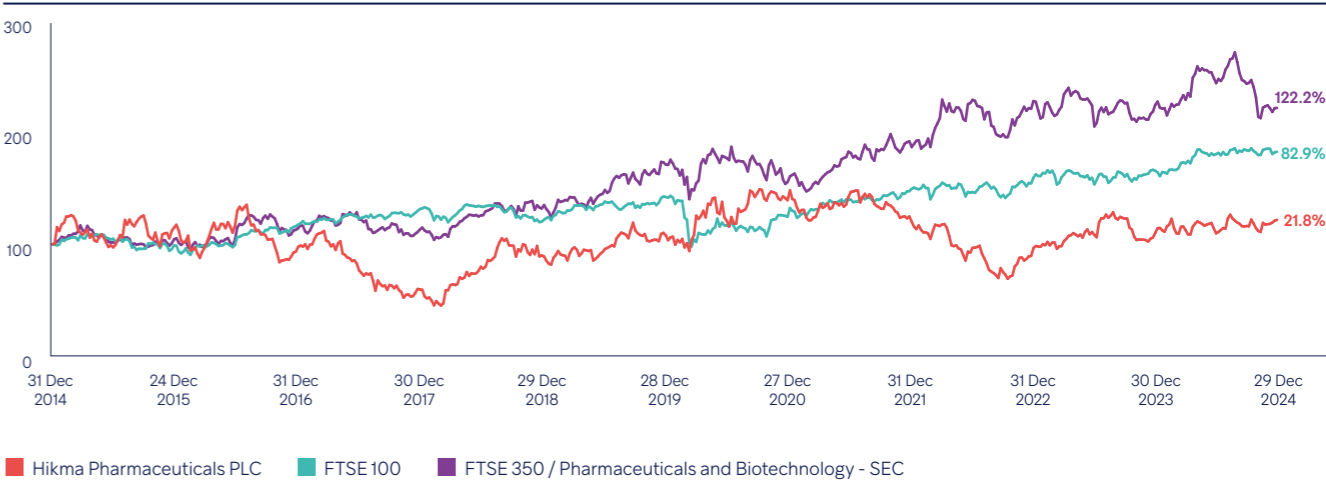
The following table sets out details of the 'scheme interests' of the Directors. Element B and C of the EIP have been included because they have service conditions in excess of one year.

Director	Type of interest		Share interests with performance measures	
	Shares	Share options	Yes	No
Said Darwazah	367,319	–	294,254	73,065
Riad Mishlawi <sup>1</sup>	312,687	–	251,470	61,217
Mazen Darwazah	308,687	–	244,267	64,420
All other directors	–	–	–	–

1. Riad Mishlawi was appointed CEO with effect from 1 September 2023

Total shareholder return

During the last ten years, Hikma's performance has been below the FTSE 100 and FTSE 350 Pharmaceuticals & Biotechnology segment, a relatively small group of companies that are mainly focused on developing new drugs. During the last 12 months, Hikma has outperformed these peer groups (see table on page 116). The Remuneration Committee has chosen these comparators because it uses executive compensation benchmarking data from the FTSE 100 and the pharmaceutical industry when considering compensation for the Executive Directors.



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Remuneration table

The following table sets out the total remuneration, including amounts vesting under short-term and long-term incentive plans, for each financial period in respect of the Directors holding the positions of Executive Chairman and CEO. The total figures for the financial years 2017 and 2016 are higher than would otherwise be the case due to a change of incentive plan. In accordance with the Regulations, the 2017 and 2016 totals include LTIPs vesting during the relevant period (which were granted three years before) and Element C of the EIP which was granted in respect of the relevant period. The Regulations require Element C to be treated in a similar way to the annual bonus, although it is an award of shares that will vest three years after grant.

Year	Said Darwazah — Executive Chairman			Riad Mishlawi— Chief Executive Officer		
	Total	Bonus as % max <sup>1</sup>	Deferred share awards as % max <sup>2</sup>	Total	Bonus as % max <sup>1</sup>	Deferred share awards as % max <sup>2</sup>
2024	\$3,537,622	73%	73%	\$3,506,667	74%	74%
2023	\$3,573,139	81%	81%	\$1,552,833	83%	83%
2022	\$3,402,078	37%	38%	N/A	N/A	N/A
2021	\$4,586,119	62%	67%	N/A	N/A	N/A
2020	\$4,059,653	73%	77%	N/A	N/A	N/A
2019	\$4,448,934	74%	78%	N/A	N/A	N/A
2018	\$4,501,217	88%	90%	N/A	N/A	N/A
2017	\$3,538,646	0%	0%	N/A	N/A	N/A
2016	\$6,308,238	71%	68%	N/A	N/A	N/A
2015	\$7,316,042	98%	98%	N/A	N/A	N/A

1. For the years 2014-2022 the 'Bonus as % max' column comprises cash under Element A of the EIP paid immediately and shares under Element C of the EIP that are released three years after grant. For the years 2023-2024 the figure comprises the cash element of the annual bonus
2. For the years 2014-2022 the 'deferred share award as % max' column includes Element B of the EIP, shares that vest in two years from the date of grant provided that the Executive remains in employment and forfeiture events have not occurred. For the years 2023-2024 the figure comprises the shares element of the annual bonus deferred for 3 years

Non-Executive Directors (audited)

In December 2022, the Executive Directors reviewed the fees paid to Non-Executive Directors and made a number of changes that came into effect from 1 January 2023, the full details of which can be found on page 121 of the Annual Report 2022. No subsequent changes have been made.

Name	Board position	Fee (all elements) \$		Taxable benefits <sup>1</sup> \$		Total \$	
		2024	2023	2024	2023	2024	2023
Patrick Butler <sup>2</sup>	Non-Executive Director	21,401	136,234	1,082	973	22,483	137,207
Ali Al-Husry	Non-Executive Director	115,632	112,546	1,329	4,170	116,961	116,716
John Castellani	Independent Director and CRE Committee Chair	147,574	143,636	17,573	16,056	165,147	159,692
Nina Henderson	Independent Director, Remuneration Committee Chair and Workforce Engagement Lead	166,740	162,290	10,930	14,085	177,670	176,375
Cynthia Flowers	Independent Director	128,409	124,982	2,816	9,697	131,225	134,679
Douglas Hurt	Independent Director and Audit Committee Chair	153,963	149,854	–	–	153,963	149,854
Laura Balan	Independent Director	128,409	124,982	–	–	128,409	124,982
Victoria Hull	Senior Independent Director and Nomination and Governance Committee Chair	166,740	149,196	420	77	167,160	149,273
Deneen Vojta	Independent Director	128,409	124,982	15,776	2,072	144,185	127,054

1. 'Taxable benefits' includes certain accommodation expenses for Non-Executive Directors that are wholly related to their attendance at Board meetings and are in accordance with normal Hikma expense policy
2. Patrick Butler was Senior Independent Director and Nomination and Governance Committee Chair until April 2023 and retired from the Board on 29 February 2024

Payments to past Directors (audited)

There were no payments made to past Directors during 2024.

Payments for loss of office (audited)

There were no payments for loss of office during the financial year.

Terms of appointment and service

Service contracts

The details of the service contracts of the Executive Directors of Hikma in force at the end of the year under review are available for inspection at Hikma's registered office at 1 New Burlington Place, London W1S 2HR, were:

Executive Director	Notice period	Contract date	Unexpired term of contract	Potential termination payment
Said Darwazah	12 months	1 July 2007	Rolling contract	12 months' salary and benefits
Riad Mishlawi	12 months	11 April 2023	Rolling contract	12 months' salary and benefits
Mazen Darwazah	12 months	25 May 2006	Rolling contract	12 months' salary and benefits

The Executive Directors are not appointed for a specified term and, therefore, do not have an outstanding term that requires disclosure.

Letters of appointment

The Non-Executive Directors have letters of appointment with Hikma, not service contracts, which are available for inspection at Hikma's registered office at 1 New Burlington Place, London W1S 2HR. Appointments are made for a period of 36 months and then reviewed.

Non-Executive Director	Date of appointment	Notice period
Ali Al-Husry	14 October 2005	1 month
Pat Butler	1 April 2014	1 month
John Castellani	1 March 2016	1 month
Nina Henderson	1 October 2016	1 month
Cynthia Flowers	1 June 2019	1 month
Douglas Hurt	1 May 2020	1 month
Laura Balan	1 October 2022	1 month
Victoria Hull	1 November 2022	1 month
Deneen Vojta	1 November 2022	1 month

Hikma complies with the 2018 Code requirement that all Directors be subject to election or annual re-election by shareholders.

External appointments

Hikma recognises that Executive Directors may be invited to take up non-executive directorships or public sector and not-for-profit appointments, and that these can broaden the experience, network and knowledge of the Director, from which Hikma can benefit. Executive Directors may accept external appointments as long as they do not lead to a conflict of interest and are allowed to retain any fees. During the year under review, Said Darwazah received fees of \$4,100 (2023: \$4,100), There were no other fees paid to Executive Directors relating to external appointments. External appointments are detailed in their Director profiles on pages 98 and 99.

Implementation of Policy

In February 2025, the Remuneration Committee reviewed the base salaries for Executive Directors and agreed an increase of 2% for the Executive Chairman, 3% for the Executive Vice Chairman and 20% for the CEO with effect from 1 January 2025.

Annual report on remuneration  
continued

Annual bonus design for year ending 31 December 2025

The measures and targets for the annual bonus plan will be reviewed annually by the Committee and those agreed for 2025 are:

Area	Description	Rationale	Weighting <sup>1</sup>		CEO
			Executive Chairman	Executive Vice Chairman	
Financial	Group/Division Revenue	Historically, the pricing of generic pharmaceutical products has decreased with time. The Committee recognises that this could lead to declining revenue over the longer term, which could ultimately result in a declining business overall. By ensuring that a significant proportion of performance remuneration is based on revenue, the Committee is able to ensure that the Executive Directors are focused on mitigating pricing declines by maximising the potential of the in-market portfolio, launching new products, and developing the pipeline. Please see page 16 of the Strategic report for the detail on this target	30%	30%	30%
	Group Core/ Divisional EBIT	Ultimately, core operating profit is a key measure of value to Hikma's shareholders. Given the highly competitive business environment in which Hikma operates, the Executive Directors must focus continuously on optimising Hikma's cost base.	50%	50%	50%
Strategic	Enhance strategy execution	The effective execution of the Group's strategy is critical to creating long-term value for shareholders. The Executive Chairman will drive delivery of the strategy to optimise performance and value creation	10%		10%
	Sustainability	Drive cost effective near-term renewable energy projects, research medium-term renewable capacity and set the long-term strategic direction for carbon reduction.	10%	5%	5%
	Strategic execution	To continue Hikma's growth the CEO and Executive Vice Chairman have been set a number of targets regarding commercial development and business plans. These will be disclosed in the 2025 Annual Report		15%	5%

1. The financial weightings for the Executive Vice Chairman are 12% Group Revenue,18% Core EBIT, 20% MENA Revenue and 30% MENA Core EBIT

The Committee has discretion to adjust the pay out to reflect the underlying business performance and any other relevant factors. Details of the financial and strategic targets for the year ended 31 December 2025 will be disclosed retrospectively in next year's Annual Report on remuneration, by which time the Board will no longer deem them commercially sensitive.

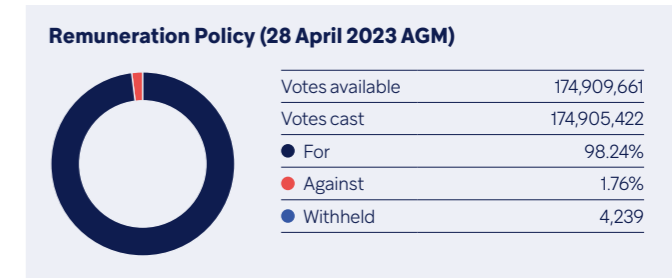
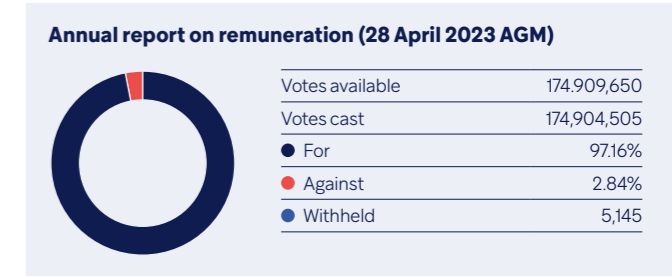
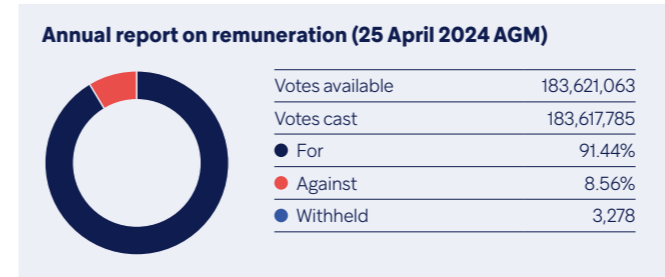
Long term incentive awards to be made in year ending 31 December 2025

The Committee intends to issue a Performance Share Plan (PSP) award to the Executive Directors. Under the Policy long-term incentive measures will be reviewed annually by the Committee and will be designed to drive Hikma business strategy and align with the delivery of value to shareholders. It is proposed that the following targets will be set for the 2025 award and measure over the period 1 January 2025 to 31 December 2027:

Measure	Rationale	Weighting	Threshold	Target	Maximum
Core compound EPS growth for 1 January 2025 to 31 December 2027 <sup>1</sup>	Alignment with shareholders' return	35%	5%	8%	11%
Percentage of revenue from new business over 3 years	Developing revenue from new business is a key element of Hikma's business plan	35%	13%	16%	20%
Relative TSR performance compared to FTSE 50-150 (excluding investment trusts)	Alignment with shareholder's return	20%	Median	–	Upper quartile
Sustainability	To establish a global culture and framework for good water stewardship	10%	Progress against key aspects of the ISO 46001 Water Efficiency Management System in high water-extracting MENA sites		

It is proposed that a PSP share award of 300% is made to the Executive Directors subject to the measures in the above table.

Shareholder approval



Annual report on remuneration

continued

Director and average employee compensation change

The table below shows the percentage change in the Executive Directors and Non-Executive Directors , benefits and bonus for the five years between 2020 and 2024 compared with the percentage change in the average of each of those components of pay for employees (excluding the Executive Directors).

Director and average employee compensation change – salary <sup>1</sup>	Salary					Benefits					Bonus				
	Average percentage change					Average percentage change					Average percentage change				
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Said Darwazah	0%	0%	0%	0%	0%	-16%	-21%	-3%	40%	10%	-1%	-17%	-40%	73%	-9%
Riad Mishlawi <sup>2</sup>	N/A	N/A	N/A	N/A	200%	N/A	N/A	N/A	N/A	99%	N/A	N/A	N/A	N/A	168%
Mazen Darwazah	0%	5%	4%	3%	0%	1%	-30%	-52%	113%	45%	-1%	-6%	-15%	30%	-8%
Patrick Butler <sup>5</sup>	2%	-3%	-8%	2%	-84%	0%	0%	0%	22%	11%	N/A	N/A	N/A	N/A	N/A
Ali Al-Husry <sup>3</sup>	3%	5%	-8%	3%	3%	-40%	-64%	-100%	0%	-69%	N/A	N/A	N/A	N/A	N/A
John Castellani <sup>3</sup>	3%	5%	-8%	7%	3%	-24%	-30%	135%	-11%	5%	N/A	N/A	N/A	N/A	N/A
Nina Henderson <sup>3</sup>	3%	5%	-3%	13%	3%	-18%	-30%	-41%	96%	-26%	N/A	N/A	N/A	N/A	N/A
Cynthia Flowers <sup>3</sup>	77%	5%	-8%	3%	3%	0%	-29%	-24%	45%	-72%	N/A	N/A	N/A	N/A	N/A
Douglas Hurt <sup>3</sup>	0%	86%	-8%	3%	3%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A
Laura Balan <sup>3,4</sup>	0%	0%	0%	76%	3%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A
Victoria Hull <sup>3,4</sup>	0%	0%	0%	86%	12%	0%	0%	0%	0%	422%	N/A	N/A	N/A	N/A	N/A
Deneen Vojta <sup>3,4</sup>	0%	0%	0%	84%	3%	0%	0%	0%	-16%	629%	N/A	N/A	N/A	N/A	N/A
Employees (\$m)	2%	4%	3%	1%	9%	1%	7%	3%	1%	11%	0%	9%	-10%	20%	-13%
Growth in number of Employees	1%	0%	1%	2%	4%	1%	0%	1%	2%	4%	1%	0%	1%	2%	4%
Average per Employee	1%	4%	2%	-1%	5%	0%	0%	8%	-1%	7%	-1%	0%	-3%	18%	-16%
Average per the listed parent Company Employee	1%	16%	11%	-29%	36%	35%	-54%	-39%	6%	58%	6%	18%	-16%	-18%	49%

1. The current Remuneration Policy was introduced on 28 April 2023. NED fees are paid in GBP and reported in USD so an element of changes will be as a result of exchange rate differences

2. Riad Mishlawi was appointed as CEO with effect from 1 September 2023 and therefore comparative figures are not provided

3. Non Executive Directors do not participate in the bonus plan

4. These NEDs were appointed during 2022

5. Patrick Butler stepped down on 29 February 2024

Hikma’s pay review, which took effect from 1 January 2024, awarded average percentage increases in wages and salaries of 4.5% (2023: 4%) for existing employees (with certain exceptions for jurisdictions experiencing very high inflation). The nature and level of benefits to employees in the year ended 31 December 2024 were broadly similar to those in the previous year (2023: unchanged).

UK gender and CEO pay ratios

Hikma has 30 employees employed in the UK and, as a result, is exempt from gender pay and average employee: CEO pay disclosure requirements. The small number of employees and significant diversity of roles and seniority in the UK makes meaningful gender pay comparisons in the UK difficult. The ratio of total CEO pay to the average Group employee is 19:1 using a simple average methodology. Hikma is committed to paying fairly and not discriminating on gender or other grounds.

Relative importance of spend on pay

The following table sets out the total amount spent in 2023 and 2024 on remuneration of Hikma's employees and major distributions to shareholders.

	2023	2024	% change from 2023 wto 2024
Distribution expense			
Employee	\$610 million	\$654 million	7.2%
Distributions to shareholders <sup>1</sup>	\$137 million	\$175 million	28.0%

1. The Group purchased 12,833,233 shares during 2020 at a cost of \$292 million, which is excluded from the distributions to shareholders in accordance with the regulations. Those shares are held in treasury and do not receive dividends

Committee membership and attendance

Members and attendance

Member	Meetings	Attendance
Nina Henderson (Chair)	6	6
John Castellani	6	5
Cynthia Flowers	6	6
Douglas Hurt	6	6
Laura Balan	6	6

Where a Director was unable to attend a meeting, their comments on the business of the meeting were shared with the Chair in advance of the meeting.

Advice and support

The Committee seeks the assistance of senior management (CEO, CPO, VP Total Reward and Company Secretary) on matters relating to policy, performance and remuneration but ensures that no Director takes part in discussions relating to their own remuneration or benefits.

Willis Towers Watson (WTW) continue to provide independent advice to the Committee in relation to market practice, UK corporate governance best practice, incentive plan review and target setting. The total fees for advice to the Committee during the year, including advice relating to the CEO compensation undertaken in 2024, were \$112,769 (2023: \$121,244). WTW was appointed by the Committee in 2016 following a competitive tender process. WTW adheres to the Remuneration Consultants Group Code of Conduct. They charge their fees on a time spent basis. They provide no other services to the Group other than Remuneration Committee advice and compensation benchmarking.

The Committee is satisfied that the WTW team providing remuneration advice do not have connections with Hikma that may impair their independence.

During the year the Committee instructed Mercer to conduct a MENA region specific benchmarking exercise on a fixed fee basis of \$6,000 (2023: \$6,000). Mercer are a recognised expert in the region in question.

Except as disclosed on page 101 Hikma has complied with all the relevant principles and provisions of the 2018 Code throughout the year.

Closing statement

We have continued to develop our approach to remuneration reporting this year and the Committee hopes that this has aided your understanding of our Remuneration Policy and practices. Please do not hesitate to contact me if you have any questions or observations.

For and on behalf of the Remuneration Committee.

Nina Henderson

Chair of the Remuneration Committee  
25 February 2025

# Other statutory disclosures

## Directors’ report and Strategic report

The Directors’ report and Strategic report for the year ended 31 December 2024 comprise pages 92 to 144 and pages 1 to 91. This report forms the management report for the purposes of the Disclosure and Transparency Rules. Readers are asked to cross refer to the other sections of the Annual Report to the extent necessary to meet Hikma’s reporting obligations as follows (statements that are not applicable have been excluded):

- Likely future developments of Hikma: Strategic report and the Business and financial review, pages 1 to 43
- Related party transactions: Note 37 to the Group financial statements, page 203
- Going concern statement: Risk management report, page 87
- Longer-term viability statement: Risk management report, page 88
- Greenhouse gas emissions: Sustainability report, pages 56 to 59
- Financial instruments and risk: Notes 2 and 29 to the Group financial statements, pages 165 to 166 and pages 190 to 195
- Stakeholder and S.172 Statement, pages 24 to 29

For the purposes of UK Listing Rule 6.6.1, shareholders are directed in accordance with the following table to notes in the consolidated financial statements:

Item	Reference
Interest capitalised and associated tax relief	See Notes 11 and 12 on pages 174 to 177
Publication of unaudited financial information	None
Details of long-term incentive schemes	See Note 36 on pages 199 to 202
Waiver of emoluments by Directors	None
Allotment of securities for cash, including by major subsidiaries	None
Controlling entities/parent undertakings of Hikma	None
Contracts of significance with a material interest of a Director or controlling shareholders	None
Services provided to Hikma by controlling shareholders	None
Arrangements by which shareholders have agreed to waive current or future dividends	See Note 31 on page 195
Controlling shareholder agreements and associated obligations	Hikma does not have any controlling shareholders within the meaning of the UK Listing Rules

## Principal activity

The principal activities of Hikma are the development, manufacture and marketing of a broad range of generic, branded and in-licensed pharmaceutical products. Hikma’s pharmaceutical operations are conducted through three business segments: Injectables, Branded and Generics. The majority of Hikma’s operations are in the MENA region, North America and Europe. The Company does not have overseas branches within the meaning of the Companies Act 2006 (the Act).

Hikma’s net sales, gross profit and segmental results are shown by business segment in Note 5 to the Group financial statements on pages 169 and 170.

## Results

The reported profit attributable to shareholders of Hikma Pharmaceuticals PLC for the year in 2024 was \$359 million (2023: \$190 million).

## Dividend

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

## Creditor payment policy

Hikma’s policy, which is also applied by all subsidiaries and will continue in respect of the 2025 financial year, is to settle terms of payment with all suppliers when agreeing the terms of each transaction and to ensure that we abide by those terms of payment. Trade creditors of Hikma at 31 December 2024 were equivalent to 76 days’ purchases (2023: 76 days), based on Group trade payables multiplied by 365, divided by trailing 12 months’ Group cost of goods sold.

## Political donations

Hikma’s policy prohibits the payment of political donations and expenditure within the meaning of the Act. No payments were made in 2024.

## Research and development

Hikma’s investment in research and development (R&D) during 2024 represented 4.5% of Group revenue (2023: 5.2%). Further details on Hikma’s R&D activities can be found on pages 12 to 42.

## Significant contracts

Due to the nature of Hikma’s business, members of Hikma are party to agreements that could alter or be terminated upon a change of control of Hikma following a takeover. However, none of these agreements is individually deemed to be significant in terms of its potential impact on the business of Hikma taken as a whole. The Directors are not aware of any agreements between Hikma and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid. There are no persons with whom Hikma has contractual or other arrangements, who are deemed to be essential to the business of Hikma.

## Directors

It is the Board’s policy that all Directors should seek election or re-election on an annual basis. Accordingly, Said Darwazah, Riad Mishlawi, Mazen Darwazah, Ali Al-Husry, Nina Henderson, Cynthia Flowers, Douglas Hurt, Laura Balan, Victoria Hull and Deneen Vojta will seek re-election at the 2025 AGM. John Castellani will retire from the Board at the conclusion of the 2025 AGM, having reached nine years of service in March 2025.

## Indemnities and insurance

Hikma maintains an appropriate level of Directors’ and Officers’ insurance. The Directors benefit from qualifying third-party indemnities made by Hikma that were in force during the year and as at the date of signing this report. These indemnities are uncapped in amount in relation to losses and liabilities that Directors may incur to third parties in the course of the performance of their duties.

## Auditors

Each person who was a Director of Hikma at the date when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which Hikma’s auditors are unaware
- the Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that Hikma’s auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Act.

## Workforce engagement

Nina Henderson is the designated Non-Executive Director to engage with the workforce under the UK Corporate Governance Code 2018 (the 2018 Code) and has undertaken various workforce engagement activities, as described on pages 26 and 95. Hikma continued to operate its existing workforce engagement mechanisms which include intra-Group communications, social networking, an open door policy for legitimate union representatives and the operation of share incentive arrangements. Hikma does not discriminate against a potential employee on grounds of disability and will make reasonable adjustments to employ and develop disabled people. Nina will reach nine years’ service at Hikma during 2025 and will be succeeded as the designated Non-Executive Director for workforce engagement by Laura Balan with effect from close of business at the AGM in 2025, as disclosed in our Board succession plan on page 94 of our 2023 Annual Report.

## Stakeholder engagement

Further information on the Board’s engagement with stakeholders is detailed in our Section 172 Statement on pages 24 to 29.

Other statutory disclosures  
continued

Diversity disclosures pursuant to UK Listing Rule 6.6.6R

The UK Listing Rules require listed companies to state whether they have met certain targets on board diversity and disclose in a prescribed format information on the diversity of their board and executive committee. The information in the table below is at 31 December 2024, which is the date selected as the reference date within Hikma’s accounting period. The targets set out in the UK Listing Rules are that:

- at least 40% of the individuals on its board of directors are women
- at least one of the following senior positions on its board of directors is held by a woman (the chair, SID, CEO or CFO)
- at least one individual on its board of directors is from a minority ethnic background

As at the reference date, the Board of Hikma meets all three targets above.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) <sup>1</sup>	Number in Executive Management	Percentage of Executive Management
Gender diversity					
Men	6	55%	2	6	67%
Women	5	45%	1	3	33%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) <sup>1</sup>	Number in Executive Management	Percentage of Executive Management
Ethnic background diversity					
White British or other White (including minority-white groups)	7	64%	1	5	56%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	4	36%	2	4	44%
Not specified/prefer not to say	–	–	–	–	–

Each member of the Board or Executive Management has confirmed their gender and ethnic background to the Company Secretary and the above data has been collated from those records.

1. The CFO is not appointed to the Board

Equity

Capital structure

Details of the issued share capital, together with movements in the issued share capital during the year, can be found in Note 31 to the Group financial statements on page 195. Hikma has one class of Ordinary Shares of 10 pence each (Shares) which carries no right to fixed income. Each share carries the right to one vote at general meetings of Hikma.

As at 31 December 2024:

Type	Nominal value	In issue	Issued during the year	Cancelled during the year
Shares	10 pence	234,719,686	805,082	–

During 2024, Hikma issued Shares solely pursuant to the exercise of awards made under the 2018 Management Incentive Plan and 2014 Executive Incentive Plan.

There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provision in Hikma’s Articles of Association (the Articles) and prevailing legislation.

The Directors are not aware of any agreements between holders of Hikma’s shares that may have resulted in restrictions on the transfer of securities or on voting rights. No person has any special rights with regard to the control of Hikma’s share capital and all issued shares are fully paid.

Share buyback

At the Annual General Meeting (AGM) on 25 April 2024, shareholders gave the Directors authority to purchase shares from the market up to a limit of 22,188,520 Ordinary Shares, being 10% of the Company’s issued Ordinary Share capital (excluding treasury shares) as at 15 March 2024. This authority expires at the earlier of 25 July 2025 or the 2025 AGM, which is scheduled for 24 April 2025. During 2024, no Ordinary Shares were purchased by the Company.

Below is a summary of share buyback activity undertaken by the Company prior to 2024.

During 2022, the Company purchased and cancelled 12,499,670 Ordinary Shares.

During 2020, the Company purchased 12,833,233 Ordinary Shares from Boehringer Ingelheim (the ‘Treasury Shares’). The Treasury Shares are held in treasury and, accordingly, do not receive dividends and do not exercise voting rights.

Share issuance

At the AGM on 25 April 2024, the Directors were authorised to issue relevant securities up to an aggregate nominal amount of £7,396,175 and to be empowered to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £4,437,704 at any time up to the earlier of the date of the 2025 AGM or 25 July 2025. The Directors propose to renew these authorities at the 2025 AGM for a further year. In the year ahead, other than in respect of Hikma’s obligations to satisfy rights granted to employees under its various share-based incentive arrangements, the Directors have no present intention of issuing any additional share capital of Hikma.

Details of the employee share schemes are set out in Note 36 to the Group financial statements on pages 199 to 202. As at 31 December 2024, the Hikma Pharmaceuticals Employee Benefit Trust (EBT) held 1,455,190 shares. The EBT has waived its entitlement to a dividend. Other than the EBT and the Treasury Shares, no other shareholder has waived the right to a dividend.

Pre-emptive issue of shares

During the year under review, and in the period since the date of Hikma’s Initial Public Offering on 1 November 2005, Hikma did not issue any shares pursuant to an authority given by shareholders at an AGM to issue shares for cash on a non-pre-emptive basis, other than in respect of the placing undertaken on 17 January 2008.

Powers of the Directors

The powers of the Directors are determined by the Articles, the 2018 Code and other relevant UK legislation. The Articles give the Directors the power to appoint and remove Directors. The power to buy back, issue and allot shares contained in the Articles is subject to shareholder approval at each AGM. The Articles, which are available on the website, may only be amended by special resolution of the shareholders.

Substantial shareholdings

As at 31 December 2024, Hikma had been notified pursuant to sections 89A to 89L of the Financial Services and Markets Act 2000 and Rule 5 of the Disclosure and Transparency Rules of the UKLA of the following interests in the voting rights attaching to the share capital of Hikma:

Name of shareholder	Number of Shares	Percentage held <sup>1</sup>
Darhold Limited <sup>2</sup>	60,000,000	27.04%
Wellington Management Group LLP	11,556,882	5.21%
BlackRock Group	10,003,617	4.51%

1. The percentages detailed relate to voting rights in the Company. Therefore, the Treasury Shares have been excluded from the denominator for this calculation
2. Said Darwazah, Mazen Darwazah and Ali Al-Husry, each being a Director and shareholder of Hikma, are shareholders and Non-Executive Directors of Darhold Limited. See page 132 for details of their interests in Darhold Limited

Between 31 December 2024 and 25 February 2025, being the date at which this report is signed, no changes in substantial shareholdings were notified to Hikma.

Annual General Meeting

The AGM of Hikma will be held at Sofitel St James, 6 Waterloo Place, London SW1Y 4AN on Thursday 24 April 2025, starting at 11.30 am. The Notice convening the meeting is given in a separate document accompanying this document, and includes a commentary on the business of the AGM, explains how shareholders can take part and includes notes to help shareholders exercise their rights at the meeting.

Hikma provides for the vote on each resolution to be by poll rather than by show of hands. This provides for greater transparency and allows the votes of all shareholders to be counted, including those cast by proxy. The level of proxies lodged for each resolution is projected onto a screen as each resolution is put to the meeting. A ‘vote withheld’ explanation is included in the Notice.

Electronic communications

Hikma’s preference is to communicate through Hikma’s website, rather than in paper form. Shareholders are encouraged to visit the website to access Hikma’s Annual Reports and half-year and final results presentations. Shareholders who wish to receive paper communications can elect to do so using our shareholder portal ([www.hikmashares.com](http://www.hikmashares.com)) or through Hikma’s Registrar, MUFG Corporate Markets.

Other statutory disclosures continued

Statement of directors’ responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law). In preparing the Group financial statements, the Directors have also elected to comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRSs as issued by IASB).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards and IFRSs issued by IASB have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors’ Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors’ confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s and Company’s position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors’ report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards and IFRSs issued by IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors’ report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group’s and Company’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group’s and Company’s auditors are aware of that information.

The Directors’ report was approved by the Board of Directors and signed on its behalf by:

Said Darwazah  
Executive Chairman  
25 February 2025

Riad Mishlawi  
Chief Executive Officer  
25 February 2025



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# Financial statements

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

## Report on the audit of the financial statements

### Opinion

In our opinion:

- Hikma Pharmaceuticals PLC’s Group financial statements and Company financial statements (the “financial statements”) give a true and fair view of the state of the Group’s and of the Company’s affairs as at 31 December 2024 and of the Group’s profit and the Group’s cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 “Reduced Disclosure Framework”, and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company balance sheets as at 31 December 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flow statement and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

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

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

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

### Basis for opinion

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

### Independence

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

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

Other than those disclosed in Note 7, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

### Our audit approach

#### Overview

Audit scope

- Our audit included full scope audits of four components, an audit of specific financial statement line items of one additional component and audit procedures performed centrally over certain specific material balances at locations around the Group and over central consolidation and adjustment entities. Full scope components account for 81% of revenue and in excess of 70% of core profit before tax.

Key audit matters

- Valuation and accuracy of gross to net rebates and returns adjustments in the US (Group)
- Determination of the recoverable amount of the Complex Respiratory and Generics Cash Generating Units (CGUs) (Group)
- Recoverability of the carrying amounts in respect of investments in subsidiaries (Company)
- Valuation of acquired intangible asset as part of the Xellia business combination (Group)

Materiality

- Overall Group materiality: \$31 million (2023: \$31 million) based on approximately 5% of core profit before tax.
- Overall Company materiality: \$38 million (2023: \$37.6 million) based on approximately 1% of total assets.
- Performance materiality: \$23 million (2023: \$23.2 million) (Group) and \$28.5 million (2023: \$28.2 million) (Company).

#### The scope of our audit

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

#### Key audit matters

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

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

Valuation of acquired intangible asset as part of the Xellia business combination is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<b>Valuation and accuracy of gross to net rebates and returns adjustments in the US (Group)</b>	
Management is required to make estimates in respect of revenue recognition, specifically the level of returns and rebates to be realised against the Group’s revenue. The Group recorded significant revenue deductions for the year ended 31 December 2024 and determined provisions for indirect customer rebates, indirect non-customer rebates and returns.	We considered the Group’s processes for making judgements in this area and performed the following procedures: <ul style="list-style-type: none"><li>– we assessed the revenue recognition policy and design and implementation of applicable controls in place around the rebates and returns process;</li><li>– we tested returns, rebates payments and credit memos throughout the year by agreeing selected transactions back to the underlying source documentation including customer claims and settlement information;</li><li>– we confirmed channel inventory with major wholesalers or performed alternative procedures where confirmations were not received;</li><li>– we developed an independent expectation or tested management’s process for the largest elements of the provisions at 31 December 2024 using assumptions and inputs based on contracted prices and rebate terms, historical rebates, discounts, channel inventory levels, and invoices received and/or payments made, as applicable, subsequent to year-end to validate provisions. We compared this expectation to the actual provision recognised by the Group; and</li><li>– we considered the historical accuracy of the Group’s estimates in previous years and the effect of any adjustments to prior years’ provision in the current year’s results.</li></ul>
In aggregate, these estimates are complex, material to the financial statements and require significant estimation by the directors to establish an appropriate provision and accordingly this was determined to be a key audit matter.	Based on the procedures performed, we did not identify any material differences between our independent expectations and the provision recorded. We also evaluated the disclosures in note 2, note 3, note 21 and note 27 which we consider to be appropriate.
Refer to the Audit Committee review of areas of significant judgement, accounting policies (note 2), critical accounting judgements and key sources of estimation uncertainty (note 3), trade and other receivables (note 21) and other current liabilities (note 27) in the Group financial statements.	
<b>Determination of the recoverable amount of the Complex Respiratory and Generics Cash Generating Units (CGUs) (Group)</b>	
The Group has property, plant and equipment (“PPE”) of \$1,278 million (2023: \$1,096 million) and intangible assets of \$1,156 million (2023: \$1,100 million).	We performed the following audit procedures in order to evaluate the reasonableness of management’s impairment and impairment reversal assessment and its conclusions: <ul style="list-style-type: none"><li>– we reconciled the carrying values of the CGUs to underlying financial records and understood the CGUs constituents;</li><li>– we obtained management’s five-year business plan (5YBP), reconciled the cash flows used in management’s assessments to this plan, and verified that the plan was approved by the Board;</li><li>– we evaluated the current year performance of the respective CGUs against prior year forecasts, compared the previous 5YBP to the current year 5YBP and challenged management to understand the reasons for changes in the performance of both CGUs;</li><li>– we analysed the changes to forecasts for key contributor products to assess whether these changes have a material impact on the recoverable amounts of the CGUs. In relation to the Complex Respiratory CGU, we have evaluated whether these changes represent “sustained change” under the requirements of IAS36 for impairment reversal. We also challenged management on the non-reversal of impairment in the Generics CGU and whether the conditions that gave rise to the historical impairment in this CGU had reversed;</li><li>– we made enquiries of management including the commercial, regulatory and legal teams to further understand the key inputs and assumptions underpinning the forecasts for the overall CGU and in respect of key contributor products. We corroborated and challenged these key inputs and assumptions from these enquiries with available third party data (e.g. IQVIA market intelligence, analyst reports), by inspecting correspondence with the regulator and agreeing key information to contracts; and</li><li>– we utilised our internal valuation experts to independently determine the reasonableness of management’s discount rate for these CGUs.</li></ul>
Management conducted its annual impairment assessment process which included: <ul style="list-style-type: none"><li>– assessing whether indicators of impairment and/or impairment reversal existed in relation to PPE and intangible assets as at 31 December 2024, performed at the CGU level, being the lowest level at which largely independent cash inflows are generated; and</li><li>– performing impairment testing for goodwill and indefinite lived or unamortised assets at the CGU level or higher, as appropriate.</li></ul>	Based on our procedures we consider management’s conclusions to be reasonable.
The Generics CGU has a material amount of unamortised assets. Management performed a full impairment assessment on this CGU and did not identify any impairment or conclude it is sensitive to reasonably possible changes in key assumptions. Also, management concluded that the conditions that gave rise to the previous impairment had not reversed.	We also evaluated the disclosures in note 2, note 3, note 15 and note 16 and consider these to be appropriate.
In the current year, management conducted an impairment reversal assessment for the Complex Respiratory CGU given the improved performance and sustained changes in the conditions that gave rise to previous impairment in this CGU. An impairment reversal of approximately \$60 million was recorded as a result, with approximately \$44 million allocated to intangible assets and \$16 million allocated to property, plant and equipment.	
The determination of the recoverable amount of a CGU requires the exercise of judgement and involves significant estimation of certain key assumptions. The assessment of whether there has been a sustained improvement in the conditions that gave rise to a previous impairment, to support an impairment reversal, also involves a significant degree of judgement and careful consideration.	
This includes, but is not limited to, consideration of actual performance in the year and management’s view of future cash flow forecasts. These forecasts are based on management’s expectations of external factors such as market competition, likelihood of regulatory product approvals and changes to regulations in addition to management’s own intentions. These impact key assumptions like market share, pricing, revenue growth and profit margins.	
Accordingly, the determination of the recoverable amount as part of the impairment / impairment reversal assessment of the Complex Respiratory and Generics CGUs was determined to be a key audit matter.	
Refer to the Audit Committee review of areas of significant judgement, accounting policies (note 2), critical accounting judgements and key sources of estimation uncertainty (note 3), goodwill and other intangible assets (note 15) and property, plant and equipment (note 16) in the Group financial statements.	

Independent auditors’ report to the members of Hikma Pharmaceuticals PLC continued

Key audit matter	How our audit addressed the key audit matter
<b>Valuation of acquired intangible asset as part of the Xellia business combination (Group)</b>	
<p>During the year, the Group completed the acquisition of Xellia Pharmaceuticals’ US finished dosage form (FDF) business, related assets and 100% of the issued share capital of Xellia Croatia (R&amp;D centre) for total consideration of \$202 million. This comprises a cash payment of \$153 million, a contingent consideration of up to \$50 million (subject to the achievement of certain regulatory and commercial milestones) minus working capital adjustment of \$1 million. The acquisition has been accounted for as a business combination in accordance with IFRS 3 ‘Business Combinations’.</p> <p>IFRS 3 ‘Business Combinations’ requires assets and liabilities acquired in business combinations to be recognised at their fair value, with the difference between the consideration paid and the fair value of net assets acquired recognised as goodwill. A purchase price allocation exercise to value the net assets acquired has been performed by management assisted by an external expert.</p> <p>Product related intangible assets acquired were valued at \$73 million. \$53 million of this relates to one specific marketed asset. The valuation of the asset involves estimation in respect of key assumptions like future sales growth, margins and market share assumptions. Also, there is judgement involved in assessing whether synergies included in the valuation are buyer specific or whether they were available to other market participants.</p> <p>Refer to the Audit Committee review of areas of significant judgement, accounting policies (note 2), Business combinations (note 34) in the Group financial statements.</p>	<p>We performed the following audit procedures in relation to the valuation of the acquired intangible:</p> <ul style="list-style-type: none"><li>– obtained and reviewed the sale and purchase agreement (SPA) to gain an understanding of the key terms of the acquisition;</li><li>– deployed our valuations experts and engaged with management and with management’s third-party experts to assess the methodology employed for calculating the fair value of the product related intangible asset and the appropriateness of the key assumptions used, including the discount rate assumption;</li><li>– evaluated management’s treatment of synergies within the cash flows to assess whether the cash flows represented market participant assumptions;</li><li>– challenged management’s key future cash flow projections including, but not limited to, sales growth, margins, and market share by comparing to historical information and trends and third-party evidence in respect forecasted size of the market; and</li><li>– verified that the fair value adjustment was consistent with the accounting standard requirements.</li></ul> <p>Based on the evidence obtained, we did not identify any material issues with the valuation and considered the fair value of the acquired intangible asset to be appropriate.</p> <p>We also evaluated the disclosures in note 2 and note 34 and consider these to be appropriate.</p>
<b>Recoverability of the carrying amounts in respect of investments in subsidiaries (Company)</b>	
<p>The investments in subsidiaries of \$3,291 million (2023: \$3,303 million) are held at cost less accumulated impairment in the Company balance sheet at 31 December 2024. An impairment charge of \$12 million was recognised this year.</p> <p>Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the income statement.</p> <p>The impairment assessment was identified as a key audit matter due to the size of the underlying investment carrying values at 31 December 2024. Impairment indicators were identified in connection with certain investments in subsidiaries due to the carrying value of investments exceeding the net assets of the underlying subsidiaries. As a result, the recoverable amount of the investments was determined, being the higher of fair value less cost of disposal or the value in use, in order to determine the headroom over carrying values, if any. The determination of the recoverable amount requires the application of management judgement and involves estimation, particularly in determining the key assumptions to be applied in preparing cash flow projections. Refer to accounting policies (note 2) and Investment in subsidiaries (note 3) in the Company financial statements.</p>	<p>We performed the following audit procedures in relation to the carrying amounts of investments in subsidiaries:</p> <ul style="list-style-type: none"><li>– we evaluated management’s assessment of whether any indicators of impairment existed by comparing the carrying values of investments in subsidiaries with the net assets of the underlying subsidiaries at 31 December 2024;</li><li>– for investments where the net assets were lower than the carrying values, we assessed the recoverable amounts by reference to the value in use of the investments compared to carrying values at 31 December 2024;</li><li>– where applicable, we verified that the recoverable amounts of investments were consistent with the recoverable amounts of the related CGUs tested for goodwill impairment purposes, leveraging the work undertaken as part of the Group audit; and</li><li>– we separately evaluated the difference between the carrying value of the Company’s investments in subsidiaries and the Group’s market capitalisation.</li></ul> <p>Based on the procedures performed, we noted no material issues arising from our work. We also evaluated the disclosures in note 2 and note 3 and consider these to be appropriate.</p>

How we tailored the audit scope

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

As at 31 December 2024, Hikma Pharmaceuticals PLC had 59 subsidiaries and one joint venture as part of the Group. These entities may operate solely in one segment but more commonly operate across two. Each component submits a Group reporting package to Hikma’s central accounting team including its income statement and balance sheet prepared under Group accounting policies which are in accordance with the accounting standards.

As a consequence of implementing ISA (UK) 600 Revised in this year’s audit, we have refined our process for identifying components. In selecting the components that are in scope this year and establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or component auditors in other PwC network firms operating under our instruction, to ensure that we had sufficient coverage from our audit work over each relevant line of the Group financial statements. Where the work was performed by our component auditors, we determined the level of involvement we needed to have in their audit work in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

We instructed component teams in the US, Jordan, Saudi Arabia and Algeria to audit reporting packages of certain entities in these territories and report to us the results of their work. Certain individual balances for the US were audited by our component team based in Jordan. We also engaged our component team in Portugal to perform an audit over specific balances. In addition to instructing and reviewing the reporting from our component audit teams, we conducted file reviews and participated in key meetings with local management both remotely and in person. We had regular dialogue with component teams throughout the year and performed site visits to the US, Jordan and Algeria.

In addition to the work performed by our component teams, central audit procedures were performed by the Group engagement team in relation to specific material balances not covered by component auditors. The Group consolidation and related central consolidation and other adjustments, financial statement disclosures and corporate functions were also audited by the Group engagement team. This included our work over central taxation adjustments, valuation of goodwill and intangible assets and major transactions.

Taken together, audit work over the full scope components and central procedures performed covered approximately 81% of the Group’s revenue and in excess of 70% of the Group’s core profit before tax. In addition to the audit procedures noted above, we also performed disaggregated analytical review procedures over certain of the Group’s smaller and lower risk components that were not directly included in our Group audit scope. We also performed a full scope audit of the Company to a separate Company standalone materiality. This provided the evidence we needed for our opinion on the consolidated financial statements taken as a whole.

The impact of climate risk on our audit

As explained in the Sustainability Report, the Group is mindful of its impact on the environment and is focussed on ways to reduce climate related impacts. In planning and executing our audit we have considered the Group’s risk assessment process to identify and model the potential impact of climate change on the financial statements and further engaged with our own sustainability experts. Based on this, we understand that the key impact to the Group could be a potential increase in input costs for energy intensive supplies such as active pharmaceutical ingredients and packaging materials due to carbon pricing. This would impact the financial statement line items and estimates associated with future cash flows since the impact of climate change is expected to become more notable in the medium to long term. The key areas impacted include recoverability of goodwill, intangible assets and deferred tax assets. We note that management’s assessment is that the impact on Hikma is currently not financially material, nevertheless, we have continued to assess managements forecasts to ensure it reflects the impact of climate change and any climate change related commitments in the cash flows particularly in the context of the Group’s target to reduce Scope 1 and 2 GHG emissions by 25% by 2030. We have not identified any matters as part of this work which contradict the disclosures in the Annual Report or lead to any material adjustments to the financial statements.

Independent auditors’ report to the members  
of Hikma Pharmaceuticals PLC  
continued

Materiality

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

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

	Financial statements – Group	Financial statements – Company
Overall materiality	\$31 million (2023: \$31 million).	\$38 million (2023: \$37.6 million).
How we determined it	Based on approximately 5% of core profit before tax	Based on approximately 1% of total assets
Rationale for benchmark applied	The Group’s principal measure of earnings is core results. Management believes that it reflects the underlying performance of the Group and is a meaningful measure of the Group’s performance to stakeholders.	Total assets is used as the benchmark as the Company’s principal activity is to hold the Group’s investments and perform treasury functions on behalf of the Group.

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

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to \$23 million (2023: \$23.2 million) for the Group financial statements and \$28.5 million (2023: \$28.2 million) for the Company financial statements.

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1.5 million (Group audit) (2023: \$1.5 million) and \$1.9 million (Company audit) (2023: \$1.8 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

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

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

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors’ report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors’ report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Directors’ Remuneration

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

Corporate governance statement

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

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

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

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

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

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

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

Independent auditors’ report to the members  
of Hikma Pharmaceuticals PLC  
continued

Responsibilities for the financial statements  
and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to patent protection, product safety (including but not limited to the United States Food and Drug Administration regulations), competition and antitrust laws, pricing practices and legislation, and anti-bribery and corruption legislation (including but not limited to the Foreign Corrupt Practices Act), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as applicable tax legislation, the Companies Act 2006 and Listing Rules of the Financial Conduct Authority (FCA). We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the

principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- making enquiries of management and the Group’s legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- assessment of matters reported on the Group’s whistleblowing hotline and results of management’s investigation of such matters;
- challenging assumptions made by management in its significant accounting estimates particularly in relation to the estimation of rebate and returns provisions and the determination of the recoverable amount of the Complex Respiratory and Generics CGUs (see related key audit matters above); and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 12 May 2016 to audit the financial statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement is nine years, covering the years ended 31 December 2016 to 31 December 2024.

Other matter

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

Nigel Comello

(Senior Statutory Auditor)

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

London  
25 February 2025

# Consolidated income statement

For the year ended 31 December 2024

		2024		2023			
		2024 Core results \$m	Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
	Note						
Revenue	4	3,156	(29)	3,127	2,875	–	2,875
Cost of sales		(1,708)	(4)	(1,712)	(1,468)	(17)	(1,485)
Gross profit/(loss)		1,448	(33)	1,415	1,407	(17)	1,390
Selling, general and administrative expenses		(568)	(103)	(671)	(544)	(223)	(767)
Impairment loss on financial assets, net		(2)	–	(2)	(3)	(29)	(32)
Research and development expenses		(141)	–	(141)	(149)	–	(149)
Other operating expenses	9	(21)	(31)	(52)	(9)	(71)	(80)
Other operating income	9	3	60	63	5	–	5
Total operating expenses		(729)	(74)	(803)	(700)	(323)	(1,023)
Operating profit/(loss)	5	719	(107)	612	707	(340)	367
Finance income	10	8	–	8	7	–	7
Finance expense	11	(93)	(74)	(167)	(90)	(5)	(95)
Gain from investment at fair value through profit or loss (FVTPL)		1	–	1	2	–	2
Group's share of profit of joint venture	18	1	–	1	–	–	–
Profit/(loss) before tax		636	(181)	455	626	(345)	281
Tax	12	(138)	45	(93)	(131)	42	(89)
Profit/(loss) for the year		498	(136)	362	495	(303)	192
Attributable to:							
Non-controlling interests		3	–	3	3	(1)	2
Equity holders of the parent		495	(136)	359	492	(302)	190
Earnings per share (cents)							
Basic	14	224		162	223		86
Diluted	14	221		161	221		85

# Consolidated statement of comprehensive income

For the year ended 31 December 2024

		2024	2023		2023	
		Exceptional items and other adjustments (Note 6) \$m	Exceptional items and other adjustments (Note 6) \$m		Exceptional items and other adjustments (Note 6) \$m	
	Note	2024 Core results \$m	2024 Reported results \$m		2023 Core results \$m	2023 Reported results \$m
Profit/(loss) for the year		498	(136)	362	495	(303)
Other comprehensive income/(expense)						
Items that may subsequently be reclassified to the consolidated income statement:						
Currency translation and hyperinflation movement		(55)	–	(55)	(3)	–
Deferred tax on currency translation		–	–	–	1	–
Items that will not subsequently be reclassified to the consolidated income statement:						
Change in investments at fair value through other comprehensive income (FVTOCI)	19	(6)	–	(6)	(13)	–
Remeasurement of post-employment benefit obligations	26	(1)	–	(1)	–	–
Total other comprehensive expense for the year		(62)	–	(62)	(15)	–
Total comprehensive income/(expense) for the year		436	(136)	300	480	(303)
Attributable to:						
Non-controlling interests		3	–	3	2	–
Equity holders of the parent		433	(136)	297	478	(303)
		436	(136)	300	480	(303)

Consolidated balance sheet

At 31 December 2024

	Note	2024 \$m	2023 \$m
<b>Non-current assets</b>			
Goodwill	15	382	388
Other intangible assets	15	774	712
Property, plant and equipment	16	1,278	1,096
Right-of-use assets	17	48	45
Investment in joint venture	18	11	10
Deferred tax assets	12	293	226
Financial and other non-current assets	19	84	103
		2,870	2,580
<b>Current assets</b>			
Inventories	20	986	891
Income tax recoverable		24	49
Trade and other receivables	21	949	824
Cash and cash equivalents	22	188	205
Other current assets	23	116	120
Assets classified as held for sale		–	11
		2,263	2,100
<b>Total assets</b>		<b>5,133</b>	<b>4,680</b>
<b>Current liabilities</b>			
Short-term financial debts	24	642	150
Lease liabilities	17	11	11
Trade and other payables	25	650	568
Income tax payable		78	74
Provisions	26	122	152
Other current liabilities	27	475	384
		1,978	1,339
<b>Net current assets</b>		<b>285</b>	<b>761</b>
<b>Non-current liabilities</b>			
Long-term financial debts	28	607	975
Lease liabilities	17	46	55
Deferred tax liabilities	12	18	25
Provisions	26	36	7
Other non-current liabilities	30	127	70
		834	1,132
<b>Total liabilities</b>		<b>2,812</b>	<b>2,471</b>
<b>Net assets</b>		<b>2,321</b>	<b>2,209</b>
<b>Equity</b>			
Share capital	31	40	40
Share premium		282	282
Other reserves		(374)	(282)
Retained earnings		2,362	2,158
<b>Equity attributable to equity holders of the parent</b>		<b>2,310</b>	<b>2,198</b>
Non-controlling interests		11	11
<b>Total equity</b>		<b>2,321</b>	<b>2,209</b>

The consolidated financial statements of Hikma Pharmaceuticals PLC, registered number 5557934, on pages 156 to 206 were approved by the Board of Directors on 25 February 2025 and signed on its behalf by:

Said Darwazah

Riad Mishlawi

Executive Chairman

Chief Executive Officer

25 February 2025

Consolidated statement of changes in equity

For the year ended 31 December 2024

		Other reserves				Employee benefit trust (EBT) reserve (Note 31)		Total other reserves	Translation reserve related to assets classified as held for distribution	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Note	Share capital (Note 31)	Share premium	Merger and revaluation reserves	Translation reserve	Capital redemption reserve							
<b>Balance at 1 January 2023</b>		40	282	35	(302)	2	–	(265)	(14)	2,092	2,135	13	2,148
Profit for the year		–	–	–	–	–	–	–	–	190	190	2	192
Change in investments at fair value through other comprehensive income (FVTOCI)	19	–	–	–	–	–	–	–	–	(13)	(13)	–	(13)
Currency translation and hyperinflation movement		–	–	–	(3)	–	–	(3)	–	–	(3)	–	(3)
Deferred tax on currency translation		–	–	–	–	–	–	–	–	1	1	–	1
<b>Total comprehensive income for the year</b>		–	–	–	(3)	–	–	(3)	–	178	175	2	177
Cost of equity-settled employee share scheme	36	–	–	–	–	–	–	–	–	25	25	–	25
Dividends paid	13	–	–	–	–	–	–	–	–	(137)	(137)	(4)	(141)
Other comprehensive income accumulated in equity related to assets classified as held for distribution		–	–	–	(14)	–	–	(14)	14	–	–	–	–
<b>Balance at 31 December 2023 and 1 January 2024</b>		40	282	35	(319)	2	–	(282)	–	2,158	2,198	11	2,209
Profit for the year		–	–	–	–	–	–	–	–	359	359	3	362
Change in investments at fair value through other comprehensive income (FVTOCI)	19	–	–	–	–	–	–	–	–	(6)	(6)	–	(6)
Remeasurement of post-employment benefit obligations	26	–	–	–	–	–	–	–	–	(1)	(1)	–	(1)
Currency translation and hyperinflation movement		–	–	–	(55)	–	–	(55)	–	–	(55)	–	(55)
<b>Total comprehensive income for the year</b>		–	–	–	(55)	–	–	(55)	–	352	297	3	300
Cost of equity-settled employee share scheme	36	–	–	–	–	–	–	–	–	27	27	–	27
Deferred tax on equity-settled employee share scheme		–	–	–	–	–	–	–	–	1	1	–	1
Purchase of shares held in employee benefit trust (EBT)							(38)	(38)	–	–	(38)	–	(38)
Exercise of equity-settled employee share scheme		–	–	–	–	–	1	1	–	(1)	–	–	–
Dividends paid	13	–	–	–	–	–	–	–	–	(175)	(175)	(3)	(178)
<b>Balance at 31 December 2024</b>		<b>40</b>	<b>282</b>	<b>35</b>	<b>(374)</b>	<b>2</b>	<b>(37)</b>	<b>(374)</b>	<b>–</b>	<b>2,362</b>	<b>2,310</b>	<b>11</b>	<b>2,321</b>

# Consolidated cash flow statement

For the year ended 31 December 2024

	Note	2024 \$m	2023 \$m
<b>Cash flow from operating activities</b>			
Cash generated from operations	32	689	737
Income taxes paid		(125)	(131)
Income taxes received		–	2
<b>Net cash inflow from operating activities</b>		<b>564</b>	<b>608</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(165)	(169)
Proceeds from disposal of property, plant and equipment		–	18
Purchase of intangible assets		(70)	(35)
Additions to investments at FVTOCI		(2)	(27)
Proceeds from sale of investment at FVTOCI		–	1
Acquisition of businesses, net of cash acquired	34	(150)	(98)
Cash receipt related to assets held for sale		10	–
Advance payment related to non-financial assets		–	(23)
Payments of contingent consideration liability		(12)	(7)
Interest income received		8	7
<b>Net cash outflow from investing activities</b>		<b>(381)</b>	<b>(333)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of long-term financial debts		684	778
Repayment of long-term financial debts		(536)	(841)
Proceeds from short-term financial debts		387	437
Repayment of short-term financial debts		(411)	(467)
Repayment of lease liabilities		(21)	(10)
Dividends paid	13	(175)	(137)
Distributions to non-controlling interests		(3)	(4)
Interest and bank charges paid		(84)	(82)
Purchase of shares held in employee benefit trust (EBT)		(38)	–
Decrease (increase) in restricted cash	19	10	(10)
Payments of co-development and earnout payment agreement		(1)	(1)
<b>Net cash outflow from financing activities</b>		<b>(188)</b>	<b>(337)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5)</b>	<b>(62)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>205</b>	<b>270</b>
Foreign exchange translation movements		(12)	(3)
<b>Cash and cash equivalents at end of year</b>	22	<b>188</b>	<b>205</b>

# Notes to the consolidated financial statements

## 1. Adoption of new and revised standards

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

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

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

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

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

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

## 2. Accounting policies

### General information

Hikma Pharmaceuticals PLC is a public limited liability company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is stated on page 215.

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

### Basis of preparation

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

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

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

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

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

### Going concern

The Directors believe that the Group is well diversified due to its geographic spread, product diversity and large customer and supplier base. Taking into account the Group's current position and its principal risks for a period longer than 12 months from the date of signing the consolidated financial statements, a going concern analysis has been prepared using realistic scenarios, applying a severe but plausible downside which demonstrates that the Group would maintain sufficient liquidity headroom. Therefore, the Directors believe that the Group and its subsidiaries are adequately placed to manage their business and financing risks successfully, despite the current uncertain economic outlook. Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. (see page 87).

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

### Basis of consolidation

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

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

### Business combinations

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

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

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

# Notes to the consolidated financial statements continued

## 2. Accounting policies continued

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

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

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

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

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

### Revenue recognition

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

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

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

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

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

### Variable consideration

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

### Chargebacks

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

### Returns

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

The Group estimates its provision for returns based on historical experience, representing management's best estimate. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future returns. The Group continually monitors the provisions for returns and makes adjustments when it believes that actual product returns may differ from established reserves (see Note 27 for return sensitivity analysis).

### Rebates

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

The Group estimates its provision for rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future rebate liabilities. The Group continually monitors the provisions for rebates and makes adjustments when it believes that actual rebates may differ from established reserves. (see Notes 21 and 27 for rebates sensitivity analysis).

### Performance obligation

#### Free goods

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

## 2. Accounting policies continued

### Contract manufacturing services

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

### Share-based payments (Note 36)

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

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

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

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

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

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

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

### Taxes (Note 12)

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

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

### Current Income Tax

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

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

### Deferred tax

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

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

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

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

### Mandatory temporary exception

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

### Uncertain tax position

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

Notes to the consolidated financial statements  
continued

2. Accounting policies continued

Exceptional items and other adjustments (Note 6)

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

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

Core results

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

Core results mainly exclude:

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

Our core results exclude the exceptional items and other adjustments set out in Note 6.

Intangible assets (Note 15)

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

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

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

Expenditures on research and development activities are charged to the consolidated income statement, except only when the criteria for recognising an internally generated intangible asset is met, which is usually when approval from the relevant regulatory authority is considered probable.

Also, the Group engages with third-party research and development companies to develop products on its behalf. Substantial payments made to such third parties to fund research and development efforts are recognised as intangible assets if the capitalisation criteria for an intangible asset are met, typically when licences are acquired and certain milestones are met. All other expenditures are charged to the consolidated income statement.

Principal intangible assets are:

(a) Goodwill

(b) Product-related intangibles:

- (i) Product files and in-licensed products recognised through acquisitions and partnerships are amortised over their useful economic lives once the asset is ready for use
- (ii) In-process product files recognised on acquisition are amortised over the useful economic life once the asset is ready for use

(c) Purchased software: is amortised over the useful economic life when the asset is ready for use

Other identified intangibles are:

(d) Customer relationships: represent the value attributed to the long-term relationships held with existing customers that the Group acquired on business combinations. Customer relationships are amortised over their useful economic lives

(e) Trade names: are amortised over their useful lives from the date of acquisition

(f) Marketing rights: are amortised over their useful lives commencing in the year in which the rights first generate sales

Details of the intangible assets useful lives are included in Note 15.

Property, plant and equipment (Note 16)

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

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

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

A unit of production method of depreciation is applied to operations in their start-up phase, as this reflects the expected pattern of consumption of the future economic benefits embodied in the assets. When these assets are fully utilised, a straight-line method of depreciation is applied.

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

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

2. Accounting policies continued

Impairment of intangible assets and property, plant and equipment

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

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

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

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

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

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

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

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

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

Leases (Note 17)

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

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

Inventories (Note 20)

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

Provisions (Note 26)

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

Financial instruments

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

# Notes to the consolidated financial statements continued

## 2. Accounting policies continued

### Financial assets

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

#### (i) Financial assets at FVTPL (Note 23)

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

#### (ii) Financial assets at FVTOCI (Note 19)

The Group irrevocably chooses to designate certain investments as financial assets at FVTOCI as they are mainly venture capital investments and are not held for trading. Investments in unlisted shares are measured using a level 3 fair value which is based on cost and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds. For investments in listed shares, fair value is readily determinable under level 1 valuation. (see Note 29)

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

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

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

### Financial liabilities

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

#### (i) Financial liabilities at FVTPL (Notes 27 and 30)

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

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

#### (ii) Financial debts

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

### Cash dividend

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

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

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

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

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

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

The Group's revenue recognition policies require Directors to make estimates of the net selling price, which is complicated due to chargebacks, product returns and rebates, which together are considered to be a critical estimate that might result in a material adjustment.

These arrangements vary by product arrangement and buying group. Refer to Notes 21 and 27 for sensitivity analysis.

### Chargebacks

#### Critical estimates

The key inputs and assumptions included in calculating this provision are estimations of 'in channel' inventory at the wholesalers (including processing lag), estimated chargeback rates as informed by average historical chargeback credits adjusted for expected chargeback levels for new products, changes to pricing and estimated future sales trends (including customer mix). Refer to Note 21 for sensitivity analysis.

### Returns

#### Critical estimates

The key assumptions included in calculating this provision are estimations of the product shelf life, returns rate for revenue subject to returns, as informed by both historical return rates and consideration of specific factors like product dating and expiration, new product launches, entrance of new competitors and changes to contractual terms. Refer to Note 27 for sensitivity analysis.

### Rebates

#### Critical estimates

The key inputs and assumptions included in estimating this provision are the historical relationship between contractual rebate payments to revenue, past payment experience, changes to pricing and sales levels, estimation of 'in channel' inventory at the wholesalers and retail pharmacies and estimated future sales trends (including customer mix). Refer to Notes 21 and 27 for sensitivity analysis.

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

### Intangible assets – impairment testing (Note 15)

#### Critical judgement

- Determining whether an impairment indication has occurred for individual intangible assets or group of assets. In such case, the Group assesses the qualitative factors to determine whether it is more likely than not that the recoverable value of the intangible asset or group of assets is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative impairment test
- For previously impaired assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. if such indication exists, the Group estimates the asset's or CGU's recoverable amount

#### Critical estimates

- Estimating revenue and cash flow forecasts (including market size, estimated expected market share, number of competitors and net selling prices)
- Estimating a discount rate and specific risk premiums
- Estimating an appropriate growth rate beyond the forecast period
- Estimating the expected economic useful life

As a result of the annual impairment trigger assessment and impairment testing for intangible assets, an impairment reversal of \$44 million and an impairment charge of \$22 million have been identified in relation to intangible assets (Notes 6 and 15).

### Taxation (Note 12)

#### Tax and transfer pricing audit risk

#### Critical judgement

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

As at 31 December 2024, the Group's uncertain tax positions, excluding advanced payments, amounted to \$54 million (2023: \$59 million) (Note 12). While it is not practical to provide a sensitivity analysis due to the number of uncertain tax positions held and the number of jurisdictions to which these relate, the Group reviews material uncertain tax positions on an individual basis and believes that it has accounted for an adequate provision for the liabilities likely to arise from open assessments and audits and continues to re-evaluate existing uncertain positions to determine if a change in facts and circumstances has occurred that would make it necessary to adjust.

## Contingent liabilities

### Critical judgement

The promotion, marketing and sale of pharmaceutical products and medical devices are highly regulated and the operations of market participants, such as the Group, are closely supervised by regulatory authorities and law enforcement agencies, including the FDA and the US Department of Justice. As a result, the Group is subject to certain investigations by governmental agencies, as well as other various legal proceedings considered typical to its business relating to employment, product liability and commercial disputes which may result in a possible obligation depending on whether some uncertain future event occurs in relation to legal proceedings and/or governmental agencies' investigations.

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

A contingent liability is not provided for but is disclosed in Note 35 if:

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

Notes to the consolidated financial statements

continued

4. Revenue

Business and geographical markets

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

	Injectables \$m	Generics \$m	Branded \$m	Others \$m	Total \$m
<b>Year ended 31 December 2024</b>					
North America	877	1,026	–	8	1,911
Middle East and North Africa	214	–	759	12	985
Europe and rest of the world	202	–	10	6	218
United Kingdom	13	–	–	–	13
	1,306	1,026	769	26	3,127
	Injectables \$m	Generics \$m	Branded \$m	Others \$m	Total \$m
<b>Year ended 31 December 2023</b>					
North America	808	937	–	4	1,749
Middle East and North Africa	195	–	703	11	909
Europe and rest of the world	189	–	11	6	206
United Kingdom	11	–	–	–	11
	1,203	937	714	21	2,875

The top selling markets are shown below:

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

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

The following table provides contract balances related to revenue:

	2024 \$m	2023 \$m
Net trade receivables (Note 21)	896	789
Deferred income (Notes 27 and 30)	58	21
Refund liability (Note 27)	151	158
Indirect rebates and other allowances (Note 27)	173	145

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

5. Business segments

For management reporting purposes, the Group is organised into three principal operating divisions – Injectables, Branded and Generics. These divisions are the basis on which the Group reports its segmental information. (See business and financial review section on page 30 for more details on the business segments performance).

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

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

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
<b>Injectables</b>						
Revenue	1,324	(18)	1,306	1,203	–	1,203
Cost of sales	(634)	(4)	(638)	(546)	(2)	(548)
<b>Gross profit</b>	690	(22)	668	657	(2)	655
Total operating expenses	(222)	(75)	(297)	(213)	(84)	(297)
<b>Segment result</b>	468	(97)	371	444	(86)	358

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
<b>Branded</b>						
Revenue	769	–	769	714	–	714
Cost of sales	(367)	–	(367)	(348)	(15)	(363)
<b>Gross profit</b>	402	–	402	366	(15)	351
Total operating expenses	(213)	(7)	(220)	(196)	(60)	(256)
<b>Segment result</b>	189	(7)	182	170	(75)	95

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
<b>Generics</b>						
Revenue	1,037	(11)	1,026	937	–	937
Cost of sales	(680)	–	(680)	(550)	–	(550)
<b>Gross profit</b>	357	(11)	346	387	–	387
Total operating expenses	(187)	8	(179)	(195)	(45)	(240)
<b>Segment result</b>	170	(3)	167	192	(45)	147

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
<b>Others<sup>1</sup></b>						
Revenue	26	–	26	21	–	21
Cost of sales	(27)	–	(27)	(24)	–	(24)
<b>Gross profit</b>	(1)	–	(1)	(3)	–	(3)
Total operating expenses	(8)	–	(8)	(6)	–	(6)
<b>Segment result</b>	(9)	–	(9)	(9)	–	(9)

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

Notes to the consolidated financial statements  
continued

5. Business segments continued

Group	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
Segments' results	818	(107)	711	797	(206)	591
Unallocated expenses <sup>1</sup>	(99)	–	(99)	(90)	(134)	(224)
Operating profit/(loss)	719	(107)	612	707	(340)	367
Finance income	8	–	8	7	–	7
Finance expense	(93)	(74)	(167)	(90)	(5)	(95)
Gain from investment at fair value through profit–or loss (FVTPL)	1	–	1	2	–	2
Group's share of profit of joint venture	1	–	1	–	–	–
Profit/(loss) before tax	636	(181)	455	626	(345)	281
Tax	(138)	45	(93)	(131)	42	(89)
Profit/(loss) for the year	498	(136)	362	495	(303)	192
Attributable to:						
Non-controlling interests	3	–	3	3	(1)	2
Equity holders of the parent	495	(136)	359	492	(302)	190

1. Reported unallocated expenses primarily comprise employee costs, professional fees, IT and legal expenses. The decrease compared to the prior year is mainly attributable to provisions for legal settlements recognised in 2023 (Notes 6 and 26)

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

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

2. Non-current assets exclude deferred tax assets (Note 12), investments at FVTOCI, restricted cash and other financial assets (Note 19)

6. Exceptional items and other adjustments

Exceptional items and other adjustments are disclosed separately in the consolidated income statement to assist in the understanding of the Group's core performance. Exceptional items and other adjustments have been recognised in accordance with our accounting policy outlined in Note 2; the details are presented below:

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

- Intangible assets amortisation other than software of \$92 million (Note 15)
- Impairment reversals: \$60 million related to complex respiratory CGU, primarily driven by improved performance and sustained forecasted profitability. Of this amount, \$44 million was allocated to intangible assets and \$16 million to property, plant and equipment (Notes 9, 15 and 16)
- Impairment charges: \$22 million impairment on intangible assets mainly comprises \$14 million related to marketing rights following the termination of business development contracts and \$8 million related to a product-related intangible asset due to the discontinuation of a pipeline product (Notes 9 and 15). Additionally, there were impairment charges on property, plant and equipment of \$9 million mainly related to machinery and equipment associated with discontinued projects (Notes 9 and 16)
- Remeasurement of contingent consideration and other financial liability: \$71 million represents the finance expense resulting from the valuation of the liabilities associated with the future contingent payments in respect of contingent consideration recognised through business combinations (Notes 11, 27, 29 and 30)
- Unwinding of contingent consideration and other financial liability: \$3 million represents the finance expense resulting from the unwinding of contingent consideration recognised through business combinations (Notes 11, 27, 29 and 30)
- Provision for rebates adjustment: \$29 million represents a change in historical estimates in relation to prior years rebates
- Reorganisation costs: \$11 million of reorganisation costs related to a global restructuring program. Completion of these activities is projected in 2025, with an estimated additional cost of approximately \$5 million. This program will improve efficiencies across various Group functions, including R&D activities benefitting from the integration of Xellia Croatia (R&D centre)
- Pre-production setup costs: \$4 million related to the manufacturing plant acquired through the Xellia business combination (Note 34). These costs are incurred during the pre-operational phase where commissioning and refurbishment of the plant is taking place. Completion of these activities is projected for early 2027, with the estimated additional expenses of approximately \$25 million to be incurred in 2025 and 2026

Tax effect

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

Notes to the consolidated financial statements  
continued

6. Exceptional items and other adjustments continued

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

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

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

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

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

- Provision for legal settlements: On 1 February 2024, the Group reached an agreement in principle to resolve the vast majority of the opioid-related cases brought against Hikma Pharmaceuticals USA Inc. by US states, their subdivisions, and tribal nations. The agreed-upon settlement is not an admission of wrongdoing or legal liability. The Group booked a total provision of \$129 million to cover the expected settlement amount for all related cases in North America (Note 26)
- Intangible assets amortisation other than software of \$88 million (Note 15)
- Impairment charge on intangible assets: \$32 million mainly comprises \$11 million in relation to product-related intangible assets as a result of the decline in performance and forecasted profitability and \$16 million marketing rights due to the termination of business development contracts. Additionally, \$5 million of impairment charge relates to software (Notes 9 and 15)
- Impairment charge on property, plant and equipment and right-of-use assets: \$8 million of impairment charge mainly relates to a leased property with no future plans of utilisation (Notes 9, 16 and 17)
- Remeasurement of contingent consideration and other financial liability: \$2 million represents the finance expense resulting from the valuation of the liabilities associated with the future contingent payments in respect of contingent consideration recognised through business combinations and the financial liability in relation to the co-development earnout payment agreement (Notes 11, 27, 29 and 30)
- Unwinding of contingent consideration and other financial liability: \$3 million represents the finance expense resulting from the unwinding of contingent consideration recognised through business combinations and the financial liability in relation to the co-development earnout payment agreement (Notes 11, 27, 29 and 30)

7. Audit remuneration

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

	2024 \$m	2023 (restated) <sup>1</sup> \$m
Fees to the company's auditor and its associates for the audit of the parent company and consolidated financial statements	<b>2.7</b>	3.1
Fees to the company's auditor and its associates for the audit of the financial statements of the Group's subsidiaries	<b>0.7</b>	0.6
<b>Total audit fees</b>	<b>3.4</b>	3.7
Audit-related assurance services	<b>0.3</b>	0.3
Other non-audit fees	<b>0.2</b>	0.2
<b>Total audit and non-audit fees</b>	<b>3.9</b>	4.2

1. 2023 figures have been restated to reflect final amounts billed

Audit-related assurance services relate to review procedures in respect of the interim financial information.

A description of the work of the Audit Committee is set out in the Audit Committee report on pages 109 to 113 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

8. Staff costs

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

	2024 Number	2023 Number
Production	<b>5,545</b>	5,257
Sales, general and administration	<b>3,224</b>	3,200
Research and development	<b>539</b>	510
	<b>9,308</b>	8,967

	2024 \$m	2023 \$m
Aggregate remuneration comprised:		
Wages, salaries and bonuses	<b>452</b>	431
Health insurance	<b>47</b>	38
Social security costs	<b>45</b>	41
Share-based payments (Note 36)	<b>27</b>	25
Car and housing allowances	<b>24</b>	23
End of service indemnity	<b>18</b>	8
Post-employment benefits	<b>16</b>	15
Other costs and employee benefits	<b>25</b>	29
	<b>654</b>	610

## Notes to the consolidated financial statements

### continued

#### 9. Other operating expenses/income

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
<b>Other operating expenses</b>						
Impairment charges (Notes 15, 16 and 17)	–	31	31	–	70	70
Forex losses, net	16	–	16	5	1	6
Others	5	–	5	4	–	4
	21	31	52	9	71	80
	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
<b>Other operating income</b>						
Impairment reversals (Notes 15 and 16)	–	60	60	–	–	–
Others	3	–	3	5	–	5
	3	60	63	5	–	5

#### 10. Finance income

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
Interest income	8	–	8	7	–	7
	8	–	8	7	–	7

#### 11. Finance expense

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
Interest on bank overdrafts and loans	54	–	54	51	–	51
Interest on Eurobond	18	–	18	18	–	18
Unwinding and remeasurement of contingent consideration and other financial liabilities (Notes 6, 27, 29 and 30)	–	74	74	–	5	5
Other bank charges	13	–	13	14	–	14
Lease accretion of interest (Note 17)	3	–	3	4	–	4
Net foreign exchange loss	5	–	5	3	–	3
	93	74	167	90	5	95

#### 12. Tax

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
Current tax						
Current year	142	(2)	140	117	(2)	115
Adjustment to prior years	18	–	18	(1)	–	(1)
Deferred tax						
Current year	1	(43)	(42)	11	(40)	(29)
Adjustment to prior year	(23)	–	(23)	4	–	4
	138	(45)	93	131	(42)	89

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements  
continued

12. Tax continued

Tax contingent liabilities

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

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

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

Publication of tax strategy

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

Global minimum tax – Pillar Two

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

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

Deferred tax

Recognition of deferred tax assets

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

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

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

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

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

The table below represents the deferred tax movement in 2024:

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

1. During the current year, the Group reclassified the deferred tax asset arising from Research and Development expenditures, previously included in “Others”, given its materiality, in accordance with IAS 12  
2. This category also includes the deferred tax related to elimination of unrealised profit

12. Tax continued

The table below represents the deferred tax movement in 2023:

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

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

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

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

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

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

Mandatory temporary exception

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

Notes to the consolidated financial statements  
continued

13. Dividends

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

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

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

14. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Ordinary Shares in free issue during the year after deducting Treasury shares and shares held in employee benefit trust (EBT) (Note 31). Treasury shares have no right to receive dividends, and the employee benefit trust (EBT) has waived its entitlement to dividends. However, while the voting rights attached to treasury shares are not exercisable, shares in the EBT retain their voting rights.

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

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

	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 6) \$m	2024 Reported results \$m	2023 Core results \$m	2023 Exceptional items and other adjustments (Note 6) \$m	2023 Reported results \$m
Profit attributable to equity holders of the parent	495	(136)	359	492	(302)	190

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

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

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

15. Goodwill and other intangible assets

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

	Goodwill \$m	Other intangible assets			Total \$m
		Product-related intangibles \$m	Software \$m	Other identified intangibles \$m	
Cost					
Balance at 1 January 2023	797	1,350	141	285	2,573
Additions	–	10	1	33	44
Disposals	–	–	(4)	(3)	(7)
Translation adjustments	(1)	(1)	–	2	–
Business combination	–	63	–	–	63
Balance at 31 December 2023 and 1 January 2024	796	1,422	138	317	2,673
Additions	–	24	–	49	73
Disposals	–	–	–	–	–
Translation adjustments	(8)	(7)	(1)	(2)	(18)
Business combination (Note 34)	2	73	–	–	75
Balance at 31 December 2024	790	1,512	137	364	2,803

Accumulated Amortisation and Impairment

Balance at 1 January 2023	(408)	(793)	(98)	(150)	(1,449)
Charge for the year	–	(73)	(8)	(15)	(96)
Disposals	–	–	4	3	7
Impairment charge	–	(13)	(5)	(17)	(35)
Translation adjustments	–	1	–	(1)	–
Balance at 31 December 2023 and 1 January 2024	(408)	(878)	(107)	(180)	(1,573)
Charge for the year	–	(72)	(8)	(20)	(100)
Disposals	–	–	–	–	–
Impairment reversal	–	44	–	–	44
Impairment charge	–	(8)	–	(14)	(22)
Translation adjustments	–	2	–	2	4
Balance at 31 December 2024	(408)	(912)	(115)	(212)	(1,647)

Carrying amount

At 31 December 2024	382	600	22	152	1,156
At 31 December 2023	388	544	31	137	1,100

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

Goodwill

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

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

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

Notes to the consolidated financial statements  
continued

15. Goodwill and other intangible assets continued

CGUs impairment testing

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

Valuation basis, terminal growth rate and discount rate		Terminal growth rate (perpetuity)		Discount rate		
		Valuation basis				
			2024	2023	2024	2023
	Injectables	VIU	2.5%	2.5%	12.6%	12.6%
	Branded	VIU	2.4%	2.5%	14.3%	17.4%
	Generics	VIU	1.0%	n/a	10.7%	n/a
	Complex respiratory	FVLCD	– <sup>1</sup>	n/a	8.1%	n/a
Key assumptions	Projected cash flows based on: <ul style="list-style-type: none"><li>– Sales growth rates, informed by pricing and volume assumptions</li><li>– Profit margins and profit margin growth rates for marketed and pipeline products</li><li>– Expected launch dates for pipeline products</li></ul> Terminal growth rates Discount rates					
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information, informed by historical experience and management’s best estimates of the future Margins reflect past experience, adjusted for expected changes in the future Establishing the launch date and probability of a successful product approval for pipeline products Terminal growth rates are based on the Group’s experience in its markets Discount rates for each CGU are derived from specific regions/countries					
Period of specific projected cash flows	5 years					

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

Complex respiratory CGU

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

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

Injectables CGU

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

Branded CGU

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

Generics CGU

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

The Group monitors the development of climate-related risks and assessed the qualitative and quantitative impact which is not expected to have a material impact on the consolidated financial statements nor the recoverable amount of the CGUs (See pages 62 to 77).

15. Goodwill and other intangible assets continued

Product-related intangible assets

Product rights not yet available for use

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

Product rights

Product rights consist of marketed products of \$516 million (2023: \$469 million) which include two products in the injectables CGU valued at \$118 million (2023: \$129 million) and \$52 million (2023: \$nil) with a remaining useful life of eleven years (2023: twelve years) and fifteen years, respectively. Additionally, a product in the Complex respiratory CGU is valued at \$120 million (2023: \$87 million) following a \$44 million impairment reversal allocated as part of the CGU overall reversal (see page 180). This product has a remaining useful life of seven years (2023: eight years).

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

Software

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

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

Other identified intangibles

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

Marketing rights

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

Customer relationships

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

Trade names

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

Notes to the consolidated financial statements  
continued

16. Property, plant and equipment

	Land and buildings \$m	Machinery and equipment \$m	Vehicles, fixtures and equipment \$m	Projects under construction \$m	Total \$m
<b>Cost</b>					
Balance at 1 January 2023	725	819	145	262	1,951
Additions	31	20	7	112	170
Disposals	(15)	(10)	(9)	–	(34)
Transfers	43	63	6	(112)	–
Business combination	25	3	–	8	36
Transfer to assets classified as held for sale	(11)	–	–	–	(11)
Translation adjustment	(1)	(1)	(1)	2	(1)
Balance at 31 December 2023 and 1 January 2024	797	894	148	272	2,111
Additions	6	21	10	133	170
Disposals	(1)	(16)	(5)	–	(22)
Transfers	12	31	10	(53)	–
Business combination (Note 34)	52	1	–	62	115
Translation adjustment	(15)	(21)	(6)	(5)	(47)
Balance at 31 December 2024	851	910	157	409	2,327
<b>Accumulated depreciation and impairment</b>					
Balance at 1 January 2023	(243)	(499)	(121)	(64)	(927)
Charge for the year	(23)	(49)	(12)	–	(84)
Disposals	–	7	9	–	16
Impairment charge	(14)	(8)	(1)	(3)	(26)
Translation adjustment	2	3	1	–	6
Balance at 31 December 2023 and 1 January 2024	(278)	(546)	(124)	(67)	(1,015)
Charge for the year	(24)	(48)	(15)	–	(87)
Disposals	1	16	5	–	22
Impairment reversal	1	15	–	–	16
Impairment charge	(1)	(3)	–	(5)	(9)
Translation adjustment	7	13	4	–	24
Balance at 31 December 2024	(294)	(553)	(130)	(72)	(1,049)
<b>Carrying amount</b>					
At 31 December 2024	557	357	27	337	1,278
At 31 December 2023	519	348	24	205	1,096

Land is not subject to depreciation.

None of the Group's property, plant and equipment are pledged as collateral for long-term loans as at 31 December 2024 (2023: \$nil).

As at 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to \$79 million (2023: \$52 million).

During the year ended 31 December 2024, \$3 million of borrowing costs have been capitalised (2023: \$2 million).

As at 31 December 2024, the Group recognised an impairment charge of \$9 million mainly in relation to machinery and equipment associated with discontinued projects and an impairment reversal of \$16 million mainly related to machinery and equipment within the Complex respiratory CGU (Notes 6, 9 and 15). In 2023, the Group recognised an impairment charge of \$26 million mainly in relation to Sudan (Notes 6 and 9).

17. Right-of-use assets and lease liabilities

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

	Buildings \$m	Vehicles \$m	Total \$m
At 1 January 2023	51	6	57
Additions	3	3	6
Impairment	(7)	–	(7)
Depreciation expense	(7)	(4)	(11)
Balance at 31 December 2023 and 1 January 2024	40	5	45
Additions	3	8	11
Business combination (Note 34)	2	–	2
Depreciation expense	(6)	(4)	(10)
Balance at 31 December 2024	39	9	48

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

	2024 \$m	2023 \$m
At 1 January	66	70
Additions	11	6
Business combination (Note 34)	2	–
Accretion of interest (Note 11)	3	4
Adjustments	(1)	–
Repayments	(24)	(14)
Balance at 31 December	57	66
Current	11	11
Non-current	46	55

The following is the maturity analysis of lease liabilities:

	2024 \$m	2023 \$m
Breakdown by maturity:		
Within one year	11	11
In the second year	7	8
In the third year	5	5
In the fourth year	4	4
In the fifth year	3	3
In the sixth year	2	3
Thereafter	25	32
	57	66

At 31 December 2024, lease liabilities included optional extension periods amounting to \$19 million on a discounted basis (2023: \$19 million).

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

	2024 \$m	2023 \$m
Depreciation expense of right-of-use assets	(10)	(11)
Impairment of right-of-use assets	–	(7)
Interest expense on lease liabilities	(3)	(4)
Expense relating to short-term leases	(4)	(2)
Total amount recognised in the consolidated income statement	(17)	(24)

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18. Investments in joint venture

The Group's share in Hubei Haosun Pharmaceutical Co., Ltd. was 49% at 31 December 2024 (31 December 2023: 49%) with an investment balance of \$11 million at 31 December 2024 (31 December 2023: \$10 million) and share of the profit for the year ended 31 December 2024 of \$1 million (2023: \$nil).

The table below represents investment in joint venture movement during the year:

	2024 \$m	2023 \$m
Balance at 1 January	10	10
Group's share of profit of joint venture	1	–
Balance at 31 December	11	10

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

	As at 31 December	
	2024 \$m	2023 \$m
Total assets	25	23
Total liabilities	(5)	(5)
Net assets	20	18
Group's share of net assets of joint venture	10	9

	For the year ended 31 December 2024 \$m	For the year ended 31 December 2023 \$m
Total revenue	8	7
Net profit	2	1
Group's share of profit of joint venture	1	–

19. Financial and other non-current assets

	As at 31 December	
	2024 \$m	2023 \$m
Investments at FVTOCI	51	55
Advance payment related to non-financial assets	19	20
Restricted cash	–	10
Other financial assets	14	18
	84	103

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

During the year, the Group increased its investment in two existing ventures by \$2 million.

The total portfolio as at 31 December 2024 includes two investments in listed companies with a readily determinable fair value that falls under level 1 valuation (Note 29), 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 (Note 29). The fair value is estimated by management based on the cost of investment and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds.

During the year, the total change in fair value was a net loss of \$6 million (2023: \$13 million net loss) recognised in other comprehensive income.

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

**Restricted cash** balance as at 31 December 2023 represents the cash margin on a long-term loan.

**Other financial assets** mainly represented long-term receivables and upfront fees on a syndicated revolving credit facility. At 31 December 2023, the balance mainly represented long-term receivables, upfront fees on a syndicated revolving credit facility and a sublease arrangement.

20. Inventories

	As at 31 December	
	2024 \$m	2023 \$m
Finished goods	409	351
Work-in-progress	113	125
Raw and packing materials	490	455
Goods in transit	36	24
Spare parts	52	47
Provisions against inventory	(114)	(111)
	986	891

The movements in the provisions against inventory are as follows:

	As at 1 January \$m	Additions \$m	Utilisation \$m	Translation adjustments \$m	As at 31 December \$m
Provisions against inventory in 2024	111	51	(41)	(7)	114
Provisions against inventory in 2023	90	81	(53)	(7)	111

The cost of inventory recognised as an expense within cost of sales in the consolidated income statement was \$1,671 million, including the cost of an inventory-related provision of \$51 million (2023: \$1,442 million, including the cost of an inventory-related provision of \$81 million).

21. Trade and other receivables

	As at 31 December	
	2024 \$m	2023 \$m
Gross trade receivables	1,362	1,222
Chargebacks and other allowances	(391)	(352)
Expected credit loss allowance	(75)	(81)
Net trade receivables	896	789
VAT and sales tax recoverable	44	35
Other receivables	9	–
Net trade and other receivables	949	824

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

The movements in the provisions for chargebacks, other allowances and expected credit loss allowance are as follows:

	As at 31 December 2023 and 1 January 2024 \$m	Additions, net \$m	Utilisation \$m	Translation adjustments \$m	As at 31 December 2024 \$m
Chargebacks and other allowances	352	2,758	(2,719)	–	391
Expected credit loss allowance	81	2	–	(8)	75
	433	2,760	(2,719)	(8)	466

	As at 31 December 2022 and 1 January 2023 \$m	Additions, net \$m	Utilisation \$m	Translation adjustments \$m	As at 31 December 2023 \$m
Chargebacks and other allowances	298	2,560	(2,505)	(1)	352
Expected credit loss allowance	53	32	(4)	–	81
	351	2,592	(2,509)	(1)	433

More details on the Group's policy for credit and concentration risk are provided in Note 29.

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21. Trade and other receivables continued

At 31 December 2024, the provision balance relating to chargebacks was \$273 million (2023: \$236 million). The key inputs and assumptions included in calculating this provision are estimations of ‘in channel’ inventory at the wholesalers (including processing lag) of 42 days (2023: 39 days), estimated chargeback rates as informed by average historical chargeback credits adjusted for expected chargeback levels for new products, changes to pricing and estimated future sales trends (including customer mix). Based on the conditions existing at the balance sheet date, an increase/decrease in the estimate of in channel inventory by 1 day increases/decreases the provision by \$6 million (2023: \$6 million), and if the overall chargeback rate of 57% (2023: 57%) increases/decreases by one percentage point, the provision would increase/decrease by \$5 million (2023: \$4 million).

At 31 December 2024, the provision balance relating to customer rebates was \$45 million (2023: \$49 million). The key inputs and assumptions included in calculating this provision are the historical relationship between contractual rebate payments to revenue, past payment experience, changes to pricing and sales levels, estimation of ‘in channel’ inventory at the wholesalers and retail pharmacies and estimated future sales trends (including customer mix). Based on the conditions existing at the balance sheet date, a ten-basis point increase/decrease in the rebates rate of 4.4% (2023: 4.9%) would increase/decrease this provision by approximately \$1 million (2023: approximately \$1 million).

22. Cash and cash equivalents

	As at 31 December	
	2024 \$m	2023 \$m
Cash at banks and on hand <sup>1</sup>	127	118
Time deposits	59	86
Money market deposits	2	1
	188	205

1. In 2024, cash at banks includes \$24 million placed in interest-bearing accounts (2023: \$68 million)

Cash and cash equivalents include highly liquid investments with maturities of three months or less which are convertible to known amounts of cash and are subject to insignificant risk of changes in value.

23. Other current assets

	As at 31 December	
	2024 \$m	2023 \$m
Prepayments	73	72
Investment at FVTPL	25	24
Others	18	24
	116	120

**Investment at FVTPL** comprise a portfolio of debt instruments that are managed by an asset manager and which the Group designated as measured at fair value through profit or loss. These assets are classified as level 1 as they are based on quoted prices in active markets (Note 29).

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

24. Short-term financial debts

	As at 31 December	
	2024 \$m	2023 \$m
Bank overdrafts	4	2
Import and export financing <sup>2</sup>	14	44
Short-term loans	3	–
Current portion of long-term loans (Note 28)	621	104
	642	150

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

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

24. Short-term financial debts continued

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

25. Trade and other payables

	As at 31 December	
	2024 \$m	2023 \$m
Trade payables	358	309
Accrued expenses	266	243
Other payables	26	16
	650	568

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

26. Provisions

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

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

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

Legal provision is related to the expected settlement amount for legal matters, of which \$7 million is expected to be settled after more than one year (Note 6).

Notes to the consolidated financial statements  
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27. Other current liabilities

	As at 31 December	
	2024 \$m	2023 \$m
Deferred income (Note 30)	28	21
Refund liability	151	158
Contingent consideration (Notes 29 and 30)	85	25
Co-development and earnout payment (Note 29)	–	1
Acquired contingent liability (Note 30)	20	13
Indirect rebates and other allowances	173	145
Others	18	21
	475	384

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

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

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

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

**Indirect rebates and other allowances:** mainly represent rebates granted to healthcare authorities and certain indirect customers under contractual arrangements. This includes provision for rebates adjustment of \$29 million, reflecting a change in historical estimates related to prior years' rebates (Note 6).

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

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

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

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

28. Long-term financial debts

	As at 31 December	
	2024 \$m	2023 \$m
Long-term loans	729	582
Long-term borrowings (Eurobond)	499	497
	1,228	1,079
Less: current portion (Note 24)	(621)	(104)
Non-current financial loans	607	975
Breakdown by maturity:		
Within one year	621	104
In the second year	118	604
In the third year	129	100
In the fourth year	117	208
In the fifth year	242	59
In the sixth year	1	4
	1,228	1,079
Breakdown by currency:		
US dollar	1,156	1,002
Euro	9	21
Jordanian dinar	7	13
Algerian dinar	31	29
Moroccan dirham	23	11
Tunisian dinar	2	3
	1,228	1,079

The financial debts are held at amortised cost.

Major financial debt arrangements include:

- a) \$1,150 million syndicated revolving credit facility that matures on 4 January 2029. At 31 December 2024, the facility had an outstanding balance of \$240 million (2023: \$nil) and a fair value of \$240 million (2023: \$nil) and an unutilised amount of \$910 million (2023: \$1,150 million). The facility can be used for general corporate purposes.
- b) A \$500 million 3.25%, five-year Eurobond with a rating of BBB- (S&P & Fitch) that matures on 9 July 2025. At 31 December 2024, the facility had an outstanding balance of \$499 million (2023: \$497 million) and a fair value of \$493 million (2023: \$481 million). The proceeds were used for general corporate purposes. At 31 December 2024, the balance was classified as short-term financial debts (Note 24).
- c) A \$400 million five-year syndicated loan facility that matures on 13 October 2027. At 31 December 2024, the facility had an outstanding balance of \$162 million (2023: \$315 million) and a fair value of \$162 million (2023: \$315 million). The proceeds were used for general corporate purposes.
- d) A \$200 million eight-year loan facility from the International Finance Corporation and Managed Co-lending Portfolio program that matures on 15 September 2028. At 31 December 2024, the facility had an outstanding balance of \$185 million (2023: \$100 million) and a fair value of \$185 million (2023: \$100 million). The proceeds were used for general corporate purposes.
- e) A \$150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 31 December 2024, the facility had an outstanding balance of \$63 million (2023: \$86 million) and a fair value of \$61 million (2023: \$80 million). The proceeds were used for general corporate purposes.

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

	2024 %	2023 %
The weighted average interest rates incurred are as follows:		
Bank loans (including the current bank loans)	6.18	5.76
Eurobond <sup>1</sup>	3.68	3.68

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

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29. Financial policies for risk management and their objectives

Credit and concentration of risk

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

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

During the year ended 31 December 2024, the Group's largest two customers in the MENA region represented 6.5% of Group revenue (2023: 6.8%), 5.0% from one customer in Saudi Arabia (2023: 5.1%), and 1.5% from one customer in Algeria (2023: 1.7%). At 31 December 2024, the amount of receivables due from all customers based in Saudi Arabia was \$79 million (2023: \$106 million) and the amount of receivables due from all customers based in Algeria was \$63 million (2023: \$57 million).

During the year ended 31 December 2024, three key US wholesalers represented 35% of Group revenue (2023: 36%). The amount of receivables due from all US customers at 31 December 2024 was \$522 million (2023: \$379 million).

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

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

The following table provides a summary of the age of trade receivables (Note 21):

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

	Not past due on the reporting date \$m	Past due				Total \$m
		Less than 90 days \$m	Between 91 and 180 days \$m	Between 181 and 360 days \$m	Over one year \$m	
At 31 December 2023						
Expected credit loss rate	–	0.2%	57.5%	36.9%	70.1%	6.6%
Gross trade receivables as at 31 December 2023	1,024	71	22	16	89	1,222
Expected credit loss allowance	–	–	(13)	(6)	(62)	(81)
Chargebacks and other allowances	(352)	–	–	–	–	(352)
Net trade receivables	672	71	9	10	27	789

Market risk

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

Capital risk management

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

The Group defines capital as equity plus net debt which includes long and short-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19). Group net debt excludes co-development and earnout payments, acquired contingent liabilities and contingent consideration (Notes 27 and 30).

29. Financial policies for risk management and their objectives continued

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

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

At 31 December 2024, the Group's gearing ratio (total debt/equity) was 56% (2023: 54%).

Cash management

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

Foreign exchange risk and currency risk

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

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

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

	Year-end rates		Average rates	
	2024	2023	2024	2023
US dollar /Euro	0.965	0.906	0.924	0.925
US dollar /Algerian dinar	135.743	134.378	134.037	135.844
US dollar /Saudi riyal	3.750	3.750	3.750	3.750
US dollar /Pound sterling	0.799	0.786	0.783	0.804
US dollar /Jordanian dinar	0.709	0.709	0.709	0.709
US dollar /Egyptian pound	50.771	30.828	45.309	30.624
US dollar /Japanese yen	157.360	141.060	151.532	140.553
US dollar /Moroccan dirham	10.111	9.893	9.940	10.136
US dollar /Tunisian dinar	3.185	3.066	3.117	3.106

The net foreign currency exposures for the years ended 31 December 2024 and 2023 were as follows:

	Financial assets/(liabilities)			
	US dollar \$m	Euro \$m	Japanese yen \$m	Others¹ \$m
2024				
Functional currency of entity:				
– Jordanian dinar	141	7	(2)	5
– Euro	24	–	–	–
– Algerian dinar	(15)	–	–	–
– Saudi riyal	15	(9)	–	–
– Egyptian pound	(32)	(8)	–	–
– Tunisian dinar	–	2	–	–
– Moroccan dirham	(15)	(6)	–	–
– US Dollar	–	1	–	13
	118	(13)	(2)	18

1. Others include Saudi riyal, Jordanian dinar, Pound sterling and UAE dirham

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29. Financial policies for risk management and their objectives continued

2023	Financial assets/(liabilities)			
	US dollar \$m	Euro \$m	Japanese yen \$m	Others¹ \$m
Functional currency of entity:				
– Jordanian dinar	99	19	(5)	13
– Euro	29	–	–	–
– Algerian dinar	(3)	–	–	–
– Saudi riyal	10	(15)	–	–
– Sudanese pound	(1)	–	–	–
– Egyptian pound	(47)	(1)	–	–
– Tunisian dinar	1	2	–	–
– Moroccan dirham	(16)	(8)	–	–
– US Dollar	–	(23)	–	4
	72	(26)	(5)	17

1. Others include Saudi riyal, Jordanian dinar, Pound sterling and UAE dirham

A sensitivity analysis based on a 10% movement in foreign exchange rates would result in a \$12 million (2023: \$6 million) movement in foreign exchange loss/gain on the Group results.

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

Interest rate risk

	As at 31 December 2024			As at 31 December 2023		
	Fixed rate \$m	Floating rate \$m	Total \$m	Fixed rate \$m	Floating rate \$m	Total \$m
<b>Financial liabilities</b>						
Interest-bearing loans and borrowings (Notes 24 and 28)	597	652	1,249	618	507	1,125
Lease liabilities (Note 17)	57	–	57	66	–	66
<b>Financial assets</b>						
Interest-bearing cash and cash equivalents (Note 22)	–	85	85	–	155	155
Restricted cash (Note 19)	–	–	–	–	10	10

An interest rate sensitivity analysis assumes an instantaneous one percentage point change in interest rates in all currencies from their levels at 31 December 2024, with all other variables held constant. Based on the composition of the Group’s net debt portfolio as at 31 December 2024, a one percentage point increase/decrease in interest rates would result in a \$6 million increase/decrease in net finance cost per year (2023: \$3 million increase/decrease).

Fair value of financial assets and liabilities

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

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

- Cash at banks and on hand and time deposits – due to the short-term maturities of these financial instruments and given that generally they have negligible credit risk, management considers the carrying amounts not to be significantly different from their fair values
- Restricted cash (Note 19) – the fair value of restricted cash is not considered to be significantly different from the carrying value
- Other financial assets (Note 19) – mainly represent 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 not to be significantly different from the respective carrying amounts
- Short-term loans and overdrafts approximate to their fair value because of the short maturity of these instruments
- Long-term loans – loans with variable rates are re-priced in response to any changes in market rates and so management considers their carrying values not to be significantly different from their fair values

29. Financial policies for risk management and their objectives continued

Loans with fixed rates relate mainly to:

- \$500 million 3.25%, five-year Eurobond with a carrying value of \$499 million at 31 December 2024 and fair value of \$493 million, accounted for at amortised cost. The fair value is determined with reference to a quoted price in an active market as at the balance sheet date (a level 1 fair value) (Note 28)
- A ten-year \$150 million loan from the International Finance Corporation with outstanding balance of \$63 million at 31 December 2024 and a fair value of \$61 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 At 31 December 2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Financial assets</b>				
Investments at FVTPL (Note 23)	25	–	–	25
Money market deposit (Note 22)	2	–	–	2
Investments in listed shares at FVTOCI (Note 19)	1	–	–	1
Investments in unlisted shares at FVTOCI (Note 19)	–	–	50	50
<b>Total financial assets</b>	<b>28</b>	<b>–</b>	<b>50</b>	<b>78</b>
<b>Financial liabilities</b>				
Contingent consideration liability (Notes 27 and 30)	–	–	153	153
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>153</b>	<b>153</b>

Fair value measurements At 31 December 2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Financial assets</b>				
Investments at FVTPL (Note 23)	24	–	–	24
Money market deposits (Note 22)	1	–	–	1
Investments in listed shares at FVTOCI (Note 19)	2	–	–	2
Investments in unlisted shares at FVTOCI (Note 19)	–	–	53	53
<b>Total financial assets</b>	<b>27</b>	<b>–</b>	<b>53</b>	<b>80</b>
<b>Financial liabilities</b>				
Co-development and earnout payment liabilities (Note 27)	–	–	1	1
Contingent consideration liability (Notes 27 and 30)	–	–	41	41
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>42</b>	<b>42</b>

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29. Financial policies for risk management and their objectives continued

The following table presents the changes in Level 3 items for the years ended 31 December 2024 and 2023:

	Financial assets \$m	Financial liabilities \$m
<b>At 1 January 2023</b>	<b>38</b>	<b>45</b>
Settled	–	(8)
Remeasurement of contingent consideration and other financial liability recognised in finance expense	–	2
Unwinding of contingent consideration and other financial liability recognised in finance expense	–	3
Change in fair value of investments at FVTOCI	(10)	–
Additions of investments at FVTOCI	27	–
Sale of investment at FVTOCI	(2)	–
<b>Balance at 31 December 2023 and 1 January 2024</b>	<b>53</b>	<b>42</b>
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 (Note 34)	–	50
Change in fair value of investments at FVTOCI	(5)	–
Additions of investments at FVTOCI	2	–
<b>Balance at 31 December 2024</b>	<b>50</b>	<b>153</b>

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

**Contingent consideration liability** represents a contractual liability arising from business combinations to make payments to third parties in the form of milestone payments that depend on the achievement of certain regulatory approvals; and payments based on future sales of certain products.

The valuation for the payments that are based on future sales is based on a discounted cash flow model applied to projected future sales for a period of six years (2023: seven years). The key assumption used for this valuation is the sales projections informed by pricing and volume assumptions which were determined using a probability weighted average of different possibilities on sales growth rates, discounted using a post-tax rate of 8.1% (2023: 9.3%). The valuation for milestone payments is based on 100% probability of success. As of 31 December 2024, the milestone payments were classified as a current liability and therefore were not impacted by the time value of money (2023: discounted using a rate of 6%).

Liquidity risk

	Less than one year \$m	One to five years \$m	More than five years \$m	Total \$m
<b>Undiscounted cash flows for financial liabilities 2024</b>				
Interest-bearing long-term loans and borrowings (Note 28)	(677)	(683)	(2)	(1,362)
Interest-bearing short-term loans and borrowings (Note 24)	(3)	–	–	(3)
Interest-bearing overdrafts (Note 24)	(5)	–	–	(5)
Interest-bearing import and export loans (Note 24)	(14)	–	–	(14)
Interest-bearing lease liabilities (Note 17)	(14)	(26)	(38)	(78)
Trade and other payables (Note 25)	(650)	–	–	(650)
Contingent consideration (Notes 27 and 30)	(86)	(82)	(8)	(176)
	(1,449)	(791)	(48)	(2,288)

29. Financial policies for risk management and their objectives continued

	Less than one year \$m	One to five years \$m	More than five years \$m	Total \$m
<b>Undiscounted cash flows for financial liabilities 2023</b>				
Interest-bearing long-term loans and borrowings (Note 28)	(157)	(1,060)	(5)	(1,222)
Interest-bearing short-term loans and borrowings (Note 24)	–	–	–	–
Interest-bearing overdrafts (Note 24)	(2)	–	–	(2)
Interest-bearing import and export loans (Note 24)	(46)	–	–	(46)
Interest-bearing lease liabilities (Note 17)	(14)	(29)	(48)	(91)
Trade and other payables (Note 25)	(568)	–	–	(568)
Co-development and earnout payment (Notes 27 and 30)	(2)	–	–	(2)
Contingent consideration (Notes 27 and 30)	(28)	(24)	(4)	(56)
	(817)	(1,113)	(57)	(1,987)

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

At 31 December 2024, the Group had undrawn facilities of \$1,297 million (2023: \$1,613 million). Of these facilities, \$924 million (2023: \$1,284 million) were committed long-term facilities.

30. Other non-current liabilities

	As at 31 December	
	2024 \$m	2023 \$m
Contingent consideration (Notes 27 and 29)	68	16
Acquired contingent liability (Note 27)	29	54
Deferred income (Note 27)	30	–
	127	70

**Contingent consideration liability** represents a contractual liability arising from business combinations to make payments to third parties in the form of milestone payments that depend on the achievement of certain regulatory approvals; and payments based on future sales of certain products. The current portion of these liabilities are recognised in other current liabilities (Note 27).

The contingent consideration liability is accounted for as a financial liability at fair value under IFRS 9 (Note 29).

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

31. Share capital

Issued and fully paid – included in shareholders’ equity:

	Number	\$m
<b>At 31 December 2022 and 1 January 2023</b>	<b>233,069,085</b>	<b>40</b>
Shares issued for employees share scheme	845,519	–
<b>At 31 December 2023 and 1 January 2024</b>	<b>233,914,604</b>	<b>40</b>
Shares issued for employees share scheme	805,082	–
<b>At 31 December 2024</b>	<b>234,719,686</b>	<b>40</b>

As at 31 December 2024, 12,833,233 of the issued share capital were held as treasury shares (2023: 12,833,233), and 1,455,190 shares were held in the employee benefit trust (EBT) (2023: nil). Treasury shares have no right to receive dividends, and the employee benefit trust (EBT) has waived its entitlement to dividends. While the voting rights attached to treasury shares are not exercisable, shares held in the EBT retain their voting rights. A total of 220,431,263 shares were in free issue (2023: 221,081,371).

In 2024, share capital increased by 805,082 shares issued to satisfy exercised share grants under the share-based compensation schemes (2023: 845,519). Of these, 186 shares were allocated to the EBT and retained within the trust.

Shares held in the EBT were acquired using funds provided by the Group to fulfil its obligation to deliver shares when employees exercise their awards. These shares are deducted from other reserves, with a corresponding transfer to retained earnings when utilised for the exercise of share awards. During the year, the Group acquired 1,500,000 shares for a total consideration of \$38 million, and 44,996 shares were utilised for the exercise of awards.

Notes to the consolidated financial statements

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32. Cash generated from operating activities

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

33. Reconciliation of movement in net debt

	2024 \$m	2023 \$m
<i>Interest-bearing loans and borrowings (Notes 24 and 28)</i>		
<b>Balance at 1 January</b>	<b>1,125</b>	1,213
Proceeds from issue of long-term financial debts	<b>684</b>	778
Proceeds from issue of short-term financial debts	<b>387</b>	437
Repayment of long-term financial debts	<b>(536)</b>	(841)
Repayment of short-term financial debts	<b>(411)</b>	(467)
Amortisation of upfront fees	<b>3</b>	2
Foreign exchange translation movements	<b>(3)</b>	3
<b>Balance at 31 December</b>	<b>1,249</b>	1,125
<i>Lease liabilities (Note 17)</i>		
<b>Balance at 1 January</b>	<b>66</b>	70
Additions	<b>11</b>	6
Business combination (Note 34)	<b>2</b>	–
Adjustments	<b>(1)</b>	–
Repayment of lease liabilities	<b>(21)</b>	(10)
<b>Balance at 31 December</b>	<b>57</b>	66
<b>Total Debt</b>	<b>1,306</b>	1,191
Cash and cash equivalents (Note 22)	<b>(188)</b>	(205)
Restricted cash (Note 19)	<b>–</b>	(10)
<b>Net debt<sup>1</sup></b>	<b>1,118</b>	976

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

34. Business combination

Xellia Pharmaceuticals (Xellia)

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

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

	\$m
Property, plant and equipment (Note 16)	115
Product-related intangible assets (Note 15)	73
Inventories	14
Cash and cash equivalents	3
Right-of-use assets (Note 17)	2
Lease liabilities (Note 17)	(2)
Other payables	(5)
Net identifiable assets acquired	200
Add: Goodwill (Note 15)	2
<b>Total consideration</b>	<b>202</b>
Satisfied by:	
Cash consideration	153
Contingent consideration (Note 27)	50
Working capital adjustments	(1)
	<b>202</b>
Cash consideration	153
Less: cash and cash equivalents acquired	(3)
<b>Net cash outflow arising from acquisition</b>	<b>150</b>

## Notes to the consolidated financial statements continued

### 34. Business combination continued

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

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

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

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

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

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

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

### 35. Contingent liabilities

#### Standby letters of credit and letters of guarantees

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

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

#### Legal proceedings

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

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

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

- *In Re Generic Pharmaceuticals Pricing Antitrust Litigation.* Starting in 2016, more than 30 complaints have been filed against Group entities in the United States on behalf of putative classes of direct and indirect purchasers of generic drug products, as well as several individual direct action retailer and third party payor plaintiffs. These complaints allege that more than forty generic pharmaceutical defendants, including the Group entities, engaged in conspiracies to fix, increase, maintain and/or stabilise the prices and market shares of certain generic drug products during the periods of approximately 2010 to 2016. The plaintiffs seek unspecified treble monetary damages, which can be significantly higher than the profits Hikma made on the alleged drug products, and equitable injunctive relief under federal and state antitrust and consumer protection laws. The lawsuits have been consolidated in a multidistrict litigation (MDL) in the United States District Court for the Eastern District of Pennsylvania (In re Generic Pharmaceuticals Pricing Antitrust Litigation, No. 2724, (E.D. Pa.)). At this point in the proceedings, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.
- *Xyrem® (Sodium Oxybate) Antitrust Litigation.* Starting in June 2020, more than 20 complaints have been filed in the United States on behalf of both individual plaintiffs and putative classes of direct and indirect purchasers, as well as third party payors, of Xyrem® against certain Group entities, Jazz Pharmaceuticals PLC, and other defendants. These complaints allege that Jazz and its subsidiaries entered into unlawful “pay-for-delay” anticompetitive reverse payment agreements with Hikma in settling patent infringement lawsuits over Xyrem® and delaying generic competition to Xyrem®. The plaintiffs in these lawsuits seek treble monetary damages, which can be significantly higher than the profits Hikma makes from selling sodium oxybate, and equitable injunctive relief under federal and state antitrust and consumer protection laws.

### 35. Contingent liabilities continued

- Currently, most of these cases have been consolidated for pretrial purposes in multidistrict litigation (“MDL”) in the United States District Court for the Northern District of California (In re: Xyrem (Sodium Oxybate) Antitrust Litigation, No.2966, (N.D. Cal.)). A jury trial involving most of the MDL plaintiffs has been scheduled to start May 19, 2025. Hikma was also named as a defendant in a substantially similar action filed by Aetna Inc. in California state court (Aetna Inc. v. Jazz Pharms., Inc. et al, No. 22 CV 010951 (Cal. Super. Ct.)). The Aetna matter does not yet have a trial date. At this point, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.
- *Amarin Pharma Inc. v. Hikma Pharmaceuticals PLC.* In November 2020, Amarin Pharmaceuticals filed a patent infringement lawsuit against certain Group entities in the United States District Court for the District of Delaware (No. 20-cv-1630) alleging that Hikma’s sales, distribution and marketing of its generic icosapent ethyl product infringe three Amarin patents that describe certain methods of using icosapent ethyl. Amarin sought an injunction barring Hikma from selling its generic product as well as unspecified damages. Hikma’s product is not approved for the alleged patented methods but rather is approved only for a different indication not covered by any valid patents. In January 2022 the district court dismissed the lawsuit, and Amarin appealed the court’s ruling to the United States Court of Appeals for the Federal Circuit. On June 25, 2024, the Federal Circuit reversed the district court’s decision, held that Amarin has plausibly pleaded a potential claim for induced infringement, and remanded the case for further proceedings at the district court. A trial is scheduled to begin September 8, 2026. Meanwhile, Hikma has petitioned the United States Supreme Court to review the appeals court decision. At this point, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.

### 36. Share-based payments

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

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

#### Three-year LTIP performance awards

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

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

The cost is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period after the grant date. The cost for the year was \$7 million (2023: \$4 million) and has been recorded in the consolidated income statement as part of selling, general and administrative expenses.

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

	2024 grants 9 April	2023 grants 31 August	2023 grants 30 May	Total Number
<b>Year 2024</b>				
Beginning balance	–	27,829	608,514	636,343
Granted during the year	788,967	–	–	788,967
Dividends equivalent during the year	8,661	888	18,220	27,769
Forfeited during the year	(52,080)	–	(38,023)	(90,103)
<b>Outstanding at 31 December</b>	<b>745,548</b>	<b>28,717</b>	<b>588,711</b>	<b>1,362,976</b>
Exercisable at 31 December	–	–	–	–
Weighted average remaining contractual life (years)	2.27	1.67	1.41	1.89
<b>Year 2023</b>				
Beginning balance		–	–	–
Granted during the year		27,829	648,724	676,553
Dividends equivalent during the year		–	6,350	6,350
Forfeited during the year		–	(46,560)	(46,560)
<b>Outstanding at 31 December</b>		<b>27,829</b>	<b>608,514</b>	<b>636,343</b>
Exercisable at 31 December		–	–	–
Weighted average remaining contractual life (years)		2.67	2.41	2.42
Fair value of each share at grant date \$	20.62	27.06	21.13	
The share price at grant date \$	22.96	27.74	22.32	

Notes to the consolidated financial statements

continued

36. Share-based payments continued

LTIP deferred bonus awards

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

The cost of share-based payments for these share awards is measured by reference to the fair value at the date at which the awards are granted. Fair value is determined based on the share price as at the date of grant. No discounting for dividend yield is applied as participants will receive the benefit of dividends paid during the vesting period in the form of additional shares.

The cost is recognised together with a corresponding increase in equity, on a straight-line basis over the year of performance and the vesting period after the grant date.

The cost of the deferred bonus awards of \$0.7 million (2023: \$0.5 million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses.

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

	2024 grants 9 April	Total Number
Year 2024		
Granted during the year	75,587	75,587
Dividends equivalent during the year	963	963
Outstanding at 31 December	76,550	76,550
Exercisable at 31 December	–	–
Weighted average remaining contractual life (years)	2.27	2.27
Fair value of each share at grant date \$	22.96	
The share price at grant date \$	22.96	

Two-year LTIP restricted awards

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

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

The cost of the two-year LTIP awards of \$11 million (2023: \$nil million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses.

The weighted average exercise share price for 2024 is \$25.45.

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

	2024 grants 9 April	Total Number
Year 2024		
Granted during the year	922,023	922,023
Exercised during the year	(1,633)	(1,633)
Forfeited during the year	(66,541)	(66,541)
Outstanding at 31 December	853,849	853,849
Exercisable at 31 December	–	–
Weighted average remaining contractual life (years)	1.27	1.27
Fair value of each share at grant date \$	21.75	
The share price at grant date \$	22.96	
Expected dividend yield %	2.74%	

36. Share-based payments continued

Executive incentive plan

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

Under the EIP, the Company made grants of conditional awards under element B to the senior management level of the Group. Awards were dependent on the achievement of individual and Group KPIs over one year prior to grant and a two-year vesting period, and are then subject to a two-year holding period during which they are subject to forfeiture conditions.

The cost of the EIP of \$6 million (2023: \$11 million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses and research and development expenses.

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

The weighted average exercise share price for 2024 is \$25.29.

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

	2023 grants 30 May	2023 grants 30 May	2022 grants 25 Feb	2022 grants 25 Feb	2021 grants 25 Feb	2021 grants 25 Feb	2020 grants 27 Feb	2020 grants 27 Feb	2019 grants 12 March	2018 grants 16 May	2017 grants 13 Apr	2016 grants 11 May	2016 grants 17 March	2015 grants 10 April	Total Number
Year 2024															
Beginning balance	153,847	583,295	115,361	399,252	100,442	–	–	–	–	14,257	27,508	–	38,350	–	1,432,312
Exercised during the year	(2,558)	(15,218)	(9,013)	(391,377)	(100,442)	–	–	–	–	–	–	–	–	–	(518,608)
Forfeited during the year	(5,744)	(12,638)	(3,392)	(7,875)	–	–	–	–	–	–	–	–	–	–	(29,649)
Outstanding at 31 December	145,545	555,439	102,956	–	–	–	–	–	–	14,257	27,508	–	38,350	–	884,055
Exercisable at 31 December	–	–	–	–	–	–	–	–	–	14,257	27,508	–	38,350	–	80,115
Weighted average remaining contractual life (years)	1.41	0.41	0.15	–	–	–	–	–	–	3.38	2.36		1.21	–	0.69
Year 2023															
Beginning balance	–	–	126,139	421,948	109,104	334,084	134,038	–	–	14,257	27,508	–	51,350	12,012	1,230,440
Granted during the year	167,643	602,131	–	–	–	–	–	–	–	–	–	–	–	–	769,774
Exercised during the year	(13,796)	(18,836)	(10,778)	(20,547)	(8,662)	(323,926)	(134,038)	–	–	–	–	–	(13,000)	(12,012)	(555,595)
Forfeited during the year	–	–	–	(2,149)	–	(10,158)	–	–	–	–	–	–	–	–	(12,307)
Outstanding at 31 December	153,847	583,295	115,361	399,252	100,442	–	–	–	–	14,257	27,508	–	38,350	–	1,432,312
Exercisable at 31 December	–	–	–	–	–	–	–	–	–	14,257	27,508	–	38,350	–	80,115
Weighted average remaining contractual life (years)	2.41	1.41	1.16	0.15	0.15	–	–	–	–	4.38	3.36	–	2.21	–	1.15
Fair value of each share at grant date \$	21.30	21.30	25.00	25.38	31.71	32.17	23.70	24.10	20.63	18.45	23.52	31.69	26.21	32.78	
The share price at grant date \$	22.32	22.32	26.14	26.14	33.09	33.09	24.91	24.91	21.75	19.09	23.98	32.15	26.98	33.24	
Expected dividend yield %	2.36%	2.36%	1.50%	1.50%	1.43%	1.43%	1.67%	1.67%	1.79%	1.71%	0.97%	0.73%	0.71%	0.81%	

Notes to the consolidated financial statements  
continued

36. Share-based payments continued

Management incentive plan

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

The cost of the MIP of \$3 million (2023: \$10 million) has been recorded in the consolidated income statement as part of selling, general and administrative expenses, cost of sales and research and development expenses.

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

The weighted average exercise share price for 2024 is \$25.27.

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

	2023 grants 30 May	2022 grants 25 Feb	2021 grants 25 Feb	2020 grants 27 Feb	2018 grants 16 May	2017 grants 19 May	2016 grants 11 May	2015 grants 14 May	2014 grants 11 June	2013 grants 17 May	Total Number
Year 2024											
Beginning balance	545,683	327,434	–	–	707	–	–	–	–	–	873,824
Exercised during the year	(16,550)	(313,101)	–	–	–	–	–	–	–	–	(329,651)
Forfeited during the year	(58,739)	(12,405)	–	–	–	–	–	–	–	–	(71,144)
Outstanding at 31 December	470,394	1,928	–	–	707	–	–	–	–	–	473,029
Exercisable at 31 December	1,958	1,928			707						4,593
Weighted average remaining contractual life (years)	0.41	0.08	–	–	3.38	–	–	–	–	–	0.41
Year 2023											
Beginning balance	–	347,795	290,650	920	707	1,877	1,799	931	1,290	1,679	647,648
Granted during the year	559,930	–	–	–	–	–	–	–	–	–	559,930
Exercised during the year	(73)	(4,998)	(276,357)	(920)	–	(1,877)	(1,799)	(931)	(1,290)	(1,679)	(289,924)
Forfeited during the year	(14,174)	(15,363)	(14,293)	–	–	–	–	–	–	–	(43,830)
Outstanding at 31 December	545,683	327,434	–	–	707	–	–	–	–	–	873,824
Exercisable at 31 December	114	2,502	–	–	707	–	–	–	–	–	3,323
Weighted average remaining contractual life (years)	1.41	0.15	–	–	4.38	–	–	–	–	–	0.94
Fair value of each share at grant date \$	21.3	25.38	32.17	24.10	18.45	22.09	31.73	32.17	27.73	14.61	
The share price at grant date \$	22.32	26.14	33.09	24.91	19.09	22.54	32.20	32.63	28.33	14.93	
Expected dividend yield %	2.36%	1.50%	1.43%	1.67%	1.71%	1.01%	0.73%	0.71%	0.71%	1.10%	

37. Related parties

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

Trading transactions:

During the year ended 31 December 2024, the Group entered into the following transactions with related parties:

**Darhold Limited (Darhold):** is a related party of Hikma because three Directors of Hikma jointly constitute the majority of directors and shareholders (with immediate family members) in Darhold and because Darhold owns 25.56% (2023: 25.65%) of the share capital and 27.04% (2023: 27.14%) of the voting capital of Hikma. Other than dividends (as paid to all shareholders), there were no transactions between the Group and Darhold Limited during the year.

**Hubei Haosun Pharmaceutical Co., Ltd.:** is a related party of Hikma because the Group holds an interest of 49% in the joint venture (JV) with Haosun (2023: 49%). During the year, total direct purchases from Haosun were \$3.2 million (2023: \$1.2 million). In addition, in certain countries the Group purchases from Haosun indirectly. During the year total indirect purchases from Haosun were \$0.7 million (2023: \$0.7 million).

**Labatec Pharma (Labatec):** is a related party of the Group because Labatec is owned by the family of two Directors of Hikma. During the year, total Group sales to Labatec amounted to \$2.9 million (2023: \$2.4 million), and total Group purchases amounted to \$1.7 million (2023: \$1.3 million). At 31 December 2024, the net amount owed by Labatec to the Group was \$0.8 million (2023: \$0.6 million).

Remuneration of key management personnel

The remuneration of the key management personnel (comprising the Executive Directors, Non-Executive Directors and the senior management as set out in the corporate governance report) of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of the individual Directors is provided in the audited part of the Remuneration Committee report on pages 116 to 139.

	2024 \$m	2023 \$m
Short-term employee benefits	15.2	15.6
Share-based payments	10.7	9.5
Other benefits	1.7	0.6
	27.6	25.7

Notes to the consolidated financial statements  
continued

38. Subsidiaries and joint venture

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

Company's name	Incorporated in	Address of the registered office	Owned by the Group	
			Ownership % Ordinary Shares At 31 December 2024	Ownership% Ordinary Shares At 31 December 2023
Al Jazeera Pharmaceutical Industry S.A.R.L	Algeria	Zone d'Activité, Propriété N° 379 Section N° 04 Staoueli, Algeria	99%	99%
Algerie Industrie Mediterraneene Du Medicament S.A.R.L.	Algeria	Zone d'Activité 16/15 Staoueli, Algeria	97%	97%
Hikma Pharma Algeria S.A.R.L.	Algeria	Zone d'Activité 16/15 Staoueli, Algeria	100%	100%
SPA Al Dar Al Arabia pour la Fabrication de Médicaments	Algeria	Zone d'Activité El Boustane N° 78, Sidi Abdellah, Al Rahmania, Algeria	100%	100%
Hikma Canada Limited	Canada	5995 Avebury Rd, Suite 804, Mississauga, ON L5R 3P9, Canada	100%	100%
Hubei Haosun Pharmaceutical Co., Ltd. <sup>1</sup>	China	No 20 Juxian Road, Gedian Economic and Technology Development Area, Hubei, China	49%	49%
Hikma d.o.o.	Croatia	Slavonska avenija 24/6 Zagreb (Grad Zagreb), Croatia	100%	–
Hikma Pharma S.A.E	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	100%	100%
Hikma Pharmaceuticals Industries S.A.E	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	100%	100%
Hikma Specialised Pharmaceuticals (S.A.E)	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	98%	98%
Hikma for Importation Co. LLC	Egypt	6th of October City, 2 <sup>nd</sup> Industrial Zone, Plot No.(1), Giza – Egypt	99%	99%
Hikma France	France	105 Rue Marcel Dassault, 92100 – Boulogne Billancourt – France	100%	100%
Hikma Pharma GmbH	Germany	Lochhamer Strasse 13, 82152, Martinsried, Germany	100%	100%
Thymoorgan Pharmazie GmbH	Germany	Schiffgraben 23, DE-38690, Goslar, OT Vienenburg, Germany	100%	100%
Hikma Services India Private Limited	India	503, Matharu Arcade, Subhash Road	100%	100%
Hikma Italia S.p.A	Italy	Vile Parle East, Mumbai-400057, India	100%	100%
Hikma Pharma Limited* <sup>2</sup>	Jersey	Viale Certosa 10, 27100, Pavia, Italy	100%	100%
Arab Medical Containers LLC	Jordan	47 Esplanade, St Helier, JE1 OBD, Jersey	100%	100%
Arab Pharmaceutical Manufacturing PSC	Jordan	P.O. Box 80, Sahab Industrial Estate, 11512, Jordan	100%	100%
Hikma International Pharmaceuticals LLC (Exempt)	Jordan	Al Buhaira – Salt, P.O. Box 42, Jordan	100%	100%
Hikma International Ventures and Development LLC (Exempt)	Jordan	122 Queen Zain AlSharaf Street, Bayader Wadi Al-Seer, Amman, Jordan	100%	100%
Hikma Investment LLC*	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Hikma Pharmaceuticals LLC	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Hikma Pharmaceuticals LLC (Jordan) (FREE ZONE)	Jordan	Al-Mushatta – Al Qastal Free Zone P.O. Box 182400 11118 Amman	100%	100%
International Pharmaceutical Research Centre LLC	Jordan	JORDAN P.O. Box 963166, Amman, 11196, Jordan	51%	51%
Sofia Travel and Tourism	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Specialised for Pharmaceutical Industries LLC	Jordan	Bayader Wadi Al-Seer, Industrial Area, Saleem Bin Al-Hareth Street, Building 21, P.O. Box 182400, Amman, 11118, Jordan	100%	100%
Al Jazeera Pharmaceutical Industries Ltd	KSA	Riyadh Gallery, Olaya Street, P.O. Box 106229, Riyadh, 11666, Saudi Arabia	100%	100%
Hikma Pharmaceuticals for Foreign Companies Headquarters Co. <sup>2</sup>	KSA	3005, Imam Saud bin Abdulaziz bin Mohammed Road, 7815 Riyadh 12262, Saudi Arabia	100%	100%
Hikma Pharma Industry	KSA	7709, Al Munisf, 3637 Riyadh, Saudi Arabia	100%	–

38. Subsidiaries and joint venture continued

Company's name	Incorporated in	Address of the registered office	Owned by the Group	
			Ownership % Ordinary Shares At 31 December 2024	Ownership % Ordinary Shares At 31 December 2023
Société de Promotion Pharmaceutique du Maghreb (Promopharm S.A.)	Morocco	Zone Industrielle du Sahel, Rue N. 7, Had Soualem, Province de Settât, Morocco	94%	94%
Hikma Pharma Benelux B.V	Netherlands	Atoomweg 12, 1627 LE Hoor, Netherlands	100%	100%
Hikma Farmaceutica, (Portugal) S.A	Portugal	Estrada Rio Da Mo no.8, 8º, 8B-Fervenca, 2705-906, Terrugem SNT, Portugal	100%	100%
Lifotec Farmaceutica S.G.P.S S.A*	Portugal	Estrada Nacional 9, Fervença, São João das Lampas e Terrugem, Sintra, Portugal	100%	100%
Hikma Care for Medicines and Medical Supplies Company	Palestine	Mahatma Ghandi Street, Betunia Ramallah, Palestine	51%	51%
Hikma Pharmaceuticals	Palestine	West Bank Al Birah, Ramallah	100%	100%
Hikma Espana S.L	Spain	Calle Anabel Segura no.11, Edificio A, planta 1a, oficina 2, 28108 – Alcobendas, Madrid, Spain	100%	100%
Pharma Ixir Co. Ltd	Sudan	Khartoum State, Buri Al Lamab Area, Block (9), Building No. (98), Sudan	51%	51%
Savannah Pharmaceutical Industries Co. Ltd	Sudan	Sudan, Port Sudan, Egyptian Consulate Street, Building No. (5) – Block No. (3), Hay AlMatar	100%	100%
Eurohealth International S.A.R.L. <sup>2</sup>	Switzerland	Rue des Battoirs 7, 1205 Genève, Switzerland	100%	100%
APM Tunisie S.A.R.L.	Tunisia	14 Rue 8609 – Zone Industrielle Chargaia I – Tunis Carthage 2035	100%	100%
STE D'Industrie Pharmaceutique Ibn Al Baytar*	Tunisia	11 Rue 8610 Chargaia 1-2035 Tunis-Carthage, Tunisia	100%	100%
STE Medicef	Tunisia	Avenue Habib Bourguiba, Sidi Thabet, 2020 Ariana, Tunisia	100%	100%
Hikma Emerging Markets and Asia Pacific FZ-LLC <sup>2</sup>	United Arab Emirates	Premises 202-204, Floor 2, Building 26, Dubai Health Care City, United Arab Emirates	100%	100%
Hikma International Trading Limited <sup>2</sup>	United Arab Emirates	The Oberoi Centre, Level 15, Business Bay, P.O. Box 36282, Dubai, United Arab Emirates	100%	100%
Hikma MENA FZE* <sup>2</sup>	United Arab Emirates	Office No. FZJOB1020 Jebel Ali Free Zone, Dubai United Arab Emirates	100%	100%
Hikma UK Limited* <sup>2</sup>	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
Hikma Ventures Limited <sup>2</sup>	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
West-Ward Holdings Limited*	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
Hikma Pharmaceuticals International Limited*	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	100%	100%
Hikma Intelligence Limited	United Kingdom	1 New Burlington Place, London, W1S 2HR, United Kingdom	–	100%
Eurohealth (U.S.A.) Inc	United States	200 Connell Drive, 4 <sup>th</sup> Floor Berkeley Heights, NJ 07922	100%	100%
Hikma Speciality USA, Inc.	United States	1900 Arlingate Lane, Columbus, Ohio 43228	100%	100%
Hikma Labs Inc.	United States	1809 Wilson Road, Columbus, Ohio 43228	100%	100%
West-Ward Columbus Inc.	United States	1809 Wilson Road, Columbus, Ohio 43228	100%	100%
Hikma Injectables USA, Inc.	United States	1809 Wilson Road, Columbus, Ohio 43228	100%	100%
Hikma Pharmaceuticals USA Inc.	United States	36 Stults Road, Dayton, New Jersey 08810	100%	100%
Hikma Finance USA LLC	United States	200 Connell Drive, 4 <sup>th</sup> Floor Berkeley Heights, NJ 07922	100%	100%
TACCA, LLC	United States	200 Connell Drive, 4 <sup>th</sup> Floor Berkeley Heights, NJ 07922	100%	100%
Pytrione LLC	United States	703 Palomar Airport Road, Suite 280, Carlsbad, CA 92011	90%	90%
	United States	703 Palomar Airport Road, Suite 280, Carlsbad, CA 92011	84%	84%

1. The investments in joint venture are accounted for using the equity method (Note 18)  
2. Owned by Hikma Pharmaceuticals PLC (‘the Company’)

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

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

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

39. Defined contribution retirement benefit plan

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

Hikma Pharmaceuticals PLC

Hikma Pharmaceuticals PLC has a defined contribution pension plan available for staff working in the United Kingdom whereby Hikma Pharmaceuticals PLC contributes 10% of basic salary. Employees are immediately entitled to 100% of the contributions, accessible only upon retirement. Hikma Pharmaceuticals PLC contributions for the year ended 31 December 2024 were \$0.3 million (2023: \$0.2 million).

Hikma Pharmaceuticals LLC

Hikma Pharmaceuticals LLC has an employee savings plan whereby Hikma Pharmaceuticals LLC fully matches employees’ contributions, which are fixed at 10% of basic salary. Employees are entitled to 100% of Hikma Pharmaceuticals LLC contributions after three years of employment with the Company. Hikma Pharmaceuticals LLC contributions for the year ended 31 December 2024 were \$3.7 million (2023: \$3.6 million).

Arab Pharmaceutical Manufacturing PSC

Arab Pharmaceuticals Manufacturing PSC has an employee savings plan whereby Arab Pharmaceuticals Manufacturing PSC fully matches employees’ contributions, which are fixed at 10% of basic salary. Employees are entitled to 100% of Arab Pharmaceuticals Manufacturing PSC contributions after three years of employment with the Company. Arab Pharmaceuticals Manufacturing PSC contributions for the year ended 31 December 2024 were \$0.6 million (2023: \$0.5 million).

Hikma Pharmaceuticals USA Inc.:

(401(k) Retirement Plan)

Hikma Pharmaceuticals USA Inc. has a 401(k)-defined contribution plan, which allows all eligible employees to defer a portion of their income through contributions to the plan. Eligible employees can begin contributing to the plan after being employed for 90 days. Employees can defer up to 95% of their eligible income into the plan, not to exceed \$23,000 (2023: \$22,500), not including catch-up contributions available to eligible employees as outlined by the Internal Revenue Service. The company matches the employees’ eligible contribution dollar-for-dollar on the first 6% of eligible pay contributed to the plan. Employer contributions vest 50% after two years of service and 100% after three years of service. Employees are considered to have completed one year of service for the purposes of vesting upon the completion of 1,000 hours of service at any time during a plan year. Employer contributions to the plan for the year ended 31 December 2024 were \$8 million (2023: \$8 million). The assets of this plan are held separately from those of the Group. The only obligation of the Group with respect to this plan is to make specified contributions.

Deferred Compensation Plan

Hikma Pharmaceuticals USA Inc. has a defined contribution pension plan available for senior management personnel working in the United States whereby Hikma Pharmaceuticals USA Inc. contributes up to 10% of basic salary and eligible employees can defer up to 50% of their base salary and 100% of their variable compensation. Eligible employees are entitled to 100% of the contributions after completing 5 years of service after they become eligible for the plan. Hikma Pharmaceuticals USA Inc. contributions for the year ended 31 December 2024 were \$0.7 million (2023: \$0.6 million).

Company balance sheet

At 31 December 2024

	Note	2024 \$m	2023 \$m
<b>Non-current assets</b>			
Investments in subsidiaries	3	3,291	3,303
Due from subsidiaries	4	39	32
Intangible assets		4	7
Right-of-use assets		2	3
Financial and other non-current assets		2	3
Property, plant and equipment		1	1
		3,339	3,349
<b>Current assets</b>			
Trade and other receivables	5	346	304
Due from subsidiaries	4	69	39
Cash and cash equivalents	6	40	46
Other current assets	7	31	31
		486	420
<b>Total assets</b>		3,825	3,769
<b>Current liabilities</b>			
Other payables		2	4
Due to subsidiaries	8	28	10
Short-term financial debts	9	84	61
Lease liabilities		2	2
Other current liabilities		22	19
		138	96
<b>Net current assets</b>		348	324
<b>Non-current liabilities</b>			
Long-term financial debts	9	288	325
Due to subsidiaries	8	75	–
Lease liabilities		1	3
		364	328
<b>Total liabilities</b>		502	424
<b>Net assets</b>		3,323	3,345
<b>Equity</b>			
Share capital	11	40	40
Share premium		282	282
Other reserves		(35)	2
Profit for the year	12	164	71
Retained earnings		2,872	2,950
<b>Total equity</b>		3,323	3,345

The financial statements of Hikma Pharmaceuticals PLC, registered number 5557934, on pages 207 to 213 were approved by the Board of Directors on 25 February 2025 and signed on its behalf by:

Said Darwazah  
Executive Chairman  
25 February 2025

Riad Mishlawi  
Chief Executive Officer

Company statement of changes in equity

For the year ended 31 December 2024

	Share capital \$m	Share premium \$m	Other reserves		Total other reserves \$m	Retained earnings \$m	Total \$m
			Capital redemption reserve \$m	Employee benefit trust (EBT) reserve (Note 11) \$m			
Balance at 1 January 2023	40	282	2	–	2	3,062	3,386
Profit for the year	–	–	–	–	–	71	71
Total comprehensive income for the year	–	–	–	–	–	71	71
Cost of equity settled employee share scheme	–	–	–	–	–	25	25
Dividends paid	–	–	–	–	–	(137)	(137)
Balance at 31 December 2023 and 1 January 2024	40	282	2	–	2	3,021	3,345
Profit for the year	–	–	–	–	–	164	164
Total comprehensive income for the year	–	–	–	–	–	164	164
Cost of equity settled employee share scheme	–	–	–	–	–	27	27
Purchase of shares held in employee benefit trust (EBT)	–	–	–	(38)	(38)	–	(38)
Exercise of equity-settled employee share scheme	–	–	–	1	1	(1)	–
Dividends paid	–	–	–	–	–	(175)	(175)
Balance at 31 December 2024	40	282	2	(37)	(35)	3,036	3,323

At 31 December 2024 and 2023, the Company had retained earnings available for distribution of \$1,998 million, which is determined with reference to the Companies Act 2006 and to the guidance issued by the Institute of Chartered Accountants in England and Wales in 2017.

For the proposed final dividend for the year ended 31 December 2024, see Note 13 to the Group consolidated financial statements.

Notes to the Company financial statements

For the year ended 31 December 2024

1. Adoption of new and revised standards

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

2. Significant accounting policies

Basis of accounting

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

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

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

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

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

Investment in subsidiaries

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

Financial assets at amortised cost

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

Share-based payments

Equity-settled employee share schemes are accounted for in accordance with IFRS 2 'Share based payment'. The current charge relating to the subsidiaries' employees is recharged to the respective subsidiary. The Company provides funding to the employee benefit trust (EBT) to acquire Company shares, fulfilling its obligation to deliver shares when employees, including those within the Company's subsidiaries, exercise their awards. Shares held by the EBT are deducted from other reserves, with a corresponding transfer to retained earnings upon the exercise of share awards.

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

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

Notes to the Company financial statements

continued

3. Investments in subsidiaries

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

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

	2024 \$m	2023 \$m
Beginning balance	3,303	3,296
Additions to subsidiaries	–	7
Impairment charges	(12)	–
Ending balance	3,291	3,303

The movement for the year reflects an impairment of the investment in Hikma Ventures Limited, driven by a decline in its net asset value.

4. Due from subsidiaries

Non-current

	As at 31 December	
	2024 \$m	2023 \$m
Hikma UK Limited	19	12
Hikma Pharma Industry	20	–
Al Jazeera Pharmaceuticals Industries Ltd	–	20
Hikma Emerging Markets and Asia Pacific FZ-LLC	4	4
Less: provision for expected credit loss	(4)	(4)
	39	32

Current

	As at 31 December	
	2024 \$m	2023 \$m
Hikma Pharmaceuticals USA Inc.	49	13
Al Jazeera Pharmaceuticals Industries Ltd	2	5
Hikma Emerging Markets and Asia Pacific FZ-LLC	7	7
Hikma MENA FZE	–	7
Arab Pharmaceutical Manufacturing PSC	4	1
Hikma Pharma S.A.E	2	3
Others	12	10
Less: provision for expected credit loss	(7)	(7)
	69	39

5. Trade and other receivables

	As at 31 December	
	2024 \$m	2023 \$m
Trade and other receivables	346	304

The credit risk associated with these factored receivables is similar to that of the Group's US receivables since it relates to the same credit portfolio and customers.

6. Cash and cash equivalents

	As at 31 December	
	2024 \$m	2023 \$m
Cash at banks and on hand	8	12
Time deposits	32	34
	40	46

Cash and cash equivalents include highly liquid investments with maturities of three months or less which are convertible to known amounts of cash and are subject to insignificant risk of changes in value.

7. Other current assets

	As at 31 December	
	2024 \$m	2023 \$m
Investments at FVTPL	25	24
Prepayments	5	6
Others	1	1
	31	31

**Investment at FVTPL** comprises a portfolio of debt instruments that are managed by an asset manager and which the Company has designated as measured at fair value through profit or loss. These assets are classified as level 1 as they are based on quoted prices in active markets (See Note 29 to the Group consolidated financial statements).

8. Due to subsidiaries

Non-current

	As at 31 December	
	2024 \$m	2023 \$m
Al Jazeera Pharmaceuticals Industries Ltd	45	–
Hikma Pharmaceuticals LLC	30	–
	75	–

The balances above relate to intercompany revolving credit facilities executed in the last quarter of the year used for cash management purposes.

Current

	As at 31 December	
	2024 \$m	2023 \$m
Hikma Pharmaceuticals LLC	20	8
Hikma Farmaceutica, (Portugal) S.A	4	1
Hikma Pharmaceuticals for Foreign Companies Headquarters Co.	2	–
Others	2	1
	28	10

Notes to the Company financial statements

continued

9. Financial debts

	As at 31 December	
	2024 \$m	2023 \$m
Long-term loans	375	391
Less: current portion of long-term loans	(84)	(61)
Less: upfront fees	(3)	(5)
Non-current financial debts	288	325

Financial debts include:

- a) \$1,150 million syndicated revolving credit facility that matures on 4 January 2029. At 31 December 2024, the facility had an outstanding balance of \$240 million (2023: \$nil) and a fair value of \$240 million (2023: \$nil) and an unutilised amount of \$910 million (2023: \$1,150 million). This facility is available in two tranches: one tranche of \$760 million for Hikma Pharmaceuticals PLC, of which \$55 million was utilised (2023: \$nil), and a second tranche of \$390 million for Hikma Finance USA LLC, of which \$185 million was utilised (2023: \$nil). This facility can be used for general corporate purposes
- b) A \$400 million five-year syndicated loan facility that matures on 13 October 2027. At 31 December 2024, the facility had an outstanding balance of \$162 million (2023: \$315 million) and a fair value of \$162 million (2023: \$315 million). This facility was granted in two tranches: one tranche of \$250 million for Hikma Pharmaceuticals PLC, of which the outstanding balance at 31 December 2024 was \$72 million (2023: \$205 million), and a second tranche of \$150 million for Hikma Finance USA LLC with an outstanding balance of \$90 million (2023: \$110 million). The proceeds were used for general corporate purposes
- c) A \$200 million eight-year loan facility from the International Finance Corporation and Managed Co-lending Portfolio program that matures on 15 September 2028. At 31 December 2024, the facility had an outstanding balance of \$185 million (2023: \$100 million) and a fair value of \$185 million (2023: \$100 million)
- d) A \$150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 31 December 2024, the facility had an outstanding balance of \$63 million (2023: \$86 million) and a fair value of \$61 million (2023: \$80 million). The proceeds were used for general corporate purposes

The weighted average interest rates incurred by the Group are disclosed in Notes 24 and 28 to the of the Group consolidated financial statements.

10. Staff costs

Hikma Pharmaceuticals PLC has an average of 30 employees (2023: 26 employees) (excluding Executive Directors); with a total compensation expense of \$8 million (2023: \$6 million), of which salaries and bonuses were \$6 million (2023: \$5 million), the remaining \$2 million (2023: \$1 million) mainly represents national insurance contributions and other employee benefits. Further information about the remuneration of the individual Directors is provided in the audited part of the Remuneration Committee report on pages 116 to 139.

11. Share capital

Issued and fully paid – included in shareholders’ equity:

	Number	\$m
As at 1 January 2023	233,069,085	40
Shares issued for employees share scheme	845,519	–
At 31 December 2023 and 1 January 2024	233,914,604	40
Shares issued for employees share scheme	805,082	–
As at 31 December 2024	234,719,686	40

As at 31 December 2024, 12,833,233 of the issued share capital were held as treasury shares (2023: 12,833,233), and 1,455,190 shares were held in the employee benefit trust (EBT) (2023: nil). Treasury shares have no right to receive dividends, and the employee benefit trust (EBT) has waived its entitlement to dividends. While the voting rights attached to treasury shares are not exercisable, shares held in the EBT retain their voting rights. A total of 220,431,263 shares were in free issue (2023: 221,081,371).

In 2024, share capital increased by 805,082 shares issued to satisfy exercised share grants under the share-based compensation schemes (2023: 845,519). Of these, 186 shares were allocated to the EBT and retained within the trust.

Shares held in the EBT were acquired using funds provided by the Company to fulfil its obligation to deliver shares when employees, including those within the Company’s subsidiaries, exercise their awards. These shares are deducted from other reserves, with a corresponding transfer to retained earnings when utilised for the exercise of share awards. During the year, the Company acquired 1,500,000 shares for a total consideration of \$38 million, and 44,996 shares were utilised for the exercise of awards.

12. Profit for the year

The net profit in the Company for the year is \$164 million (2023: \$71 million), this mainly includes dividend income of \$198 million (2023: \$70 million) in addition to factoring income from subsidiary, general and administrative expenses and net financing expenses. Audit fees for the Company are included within fees to the Company’s auditor and its associates for the audit of the parent company and consolidated financial statements as disclosed in Note 7 to the Group consolidated financial statements.

13. Contingent liabilities and financial guarantees

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

In addition, the Company guaranteed Hikma Finance USA LLC \$500 million, 3.25%, five-year Eurobond issued in July 2020 (Note 28 to the Group consolidated financial statements). The Company has also guaranteed Hikma Pharmaceuticals USA Inc. contingent consideration related to a business combination with a carrying value as of 31 December 2024 of \$103 million (2023: \$41 million) (Note 27 and 30 to the Group consolidated financial statements). Financial guarantees issued by the Company on behalf of subsidiaries are accounted for at fair value in accordance with IFRS 9. The fair value of these liabilities is immaterial given the low probability of default for any of the related subsidiaries.

# Shareholder information

## 2025 financial calendar

20 March	2024 final dividend ex-dividend date
21 March	2024 final dividend record date
24 April	Annual General Meeting
1 May	2024 final dividend paid to shareholders
7 August*	2025 interim results and interim dividend announced
14 August*	2025 interim dividend ex-dividend date
15 August*	2025 interim dividend record date
18 September*	2025 interim dividend paid to shareholders

\* Provisional dates

## Shareholding enquiries

Enquiries or information concerning existing shareholdings should be directed to Hikma’s Registrar, MUFG Corporate Markets, either:

- in writing to Shareholder Services, MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL
- by telephone on 0371 664 0300. Lines are open 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Calls to 0371 are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate
- by email to [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com)
- online at [www.hikmashares.com/welcome](http://www.hikmashares.com/welcome)

## Dividend payments – currency

Hikma declares dividends in US dollars. Unless you have elected otherwise, you will receive your dividend in US dollars. Shareholders can opt to receive the dividend in pound sterling or Jordanian dinar. The Registrar retains records of the dividend currency for each shareholder and only changes them at the shareholder’s request. If you wish to change the currency in which you receive your dividend please contact the Registrar.

## Dividend payments – bank transfer

Shareholders who currently receive their dividend by cheque can request a dividend mandate form from the Registrar and have their dividend paid direct into their bank account on the same day as the dividend is paid. The tax voucher is sent direct to the shareholder’s registered address.

## Dividend payments – international payment system

If you are an overseas shareholder, the Registrar is able to pay dividends in several foreign currencies for an administrative charge of £5.00, which is deducted from the payment. Contact the Registrar for further information.

## Website

Press releases, the share price and other information on the Group are available on Hikma’s website [www.hikma.com](http://www.hikma.com).

## Share listings

### London Stock Exchange

Hikma’s Ordinary Shares of 10 pence each (Shares) are admitted to the Official List of the London Stock Exchange. They are listed under EPIC: HIK, SEDOL: B0LCW08 GB and ISIN: GB00B0LCW083.

Further information on this market, its trading systems and current trading in Hikma’s shares can be found on the London Stock Exchange website [www.londonstockexchange.com](http://www.londonstockexchange.com).

### Global Depository Receipts (GDRs)

Hikma also has listed GDRs on Nasdaq Dubai for which Citibank acts as Depositary. They are listed under EPIC – HIK and ISIN – US4312882081. Further information on Nasdaq Dubai, its trading systems and current trading in Hikma’s GDRs can be found on the website [www.nasdaqdubai.com](http://www.nasdaqdubai.com).

### American Depository Receipts (ADRs)

Hikma has an ADR programme for which Bank of New York Mellon acts as Depositary. One ADR equates to two Hikma ordinary shares. ADRs are traded as a Level 1 (OTC) programme under the symbol HKMPY. Enquiries should be made to:

The Bank of New York Mellon  
Shareholder Correspondence  
PO Box 43078  
Providence RI 02940-3078

By Overnight Courier or Registered Insured Mail:  
The Bank of New York Mellon  
Shareholder Correspondence  
150 Royall St., Suite 101  
Canton, MA 02021

Tel: +201-680-6825 (for calls outside the USA)  
Tel: +1-888-269-2377 (for toll-free calls within the USA)  
E-mail: [shrrelations@cpushareownerservices.com](mailto:shrrelations@cpushareownerservices.com)  
Website: [www.mybnymdr.com](http://www.mybnymdr.com)

### Shareholder fraud

The Financial Conduct Authority has issued a number of warnings to shareholders regarding boiler room scams. Shareholders may have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as boiler rooms. These brokers can be very persistent and extremely persuasive. Shareholders are advised to be very cautious of unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- obtain the correct name of the person and organisations
- check they are authorised by the FCA by looking the firm up on [www.fca.org.uk/register](http://www.fca.org.uk/register)
- report the matter to the FCA either by calling 0800 111 6768 or visit [www.fca.org.uk/consumers](http://www.fca.org.uk/consumers)
- if the caller persists, hang up

Details of the share dealing facilities sponsored by Hikma are included in Hikma’s mailings and are on Hikma’s website.

Hikma’s website is [www.hikma.com](http://www.hikma.com) and the registered office is 1 New Burlington Place, London W1S 2HR. Telephone number + 44 (0)20 7399 2760.

## Hikma Pharmaceuticals PLC

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London W1S 2HR  
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Telephone: +44 (0)20 7399 2760  
E-mail: [uk-investors@hikma.com](mailto:uk-investors@hikma.com)

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US

Telephone: +1 908 673 1030

## Hikma Pharmaceuticals LLC

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Telephone: +351 21 9608410

## Advisers

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London WC2N 6RH  
UK

### Brokers

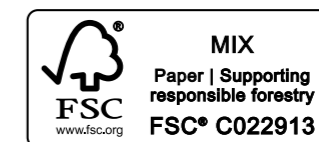
Citigroup Global Markets Ltd  
33 Canada Square  
Canary Wharf  
London E14 5LB  
UK

J.P. Morgan Cazenove  
25 Bank Street  
Canary Wharf  
London E14 5JP  
UK

## Registrars

MUFG Corporate Markets  
Central Square  
29 Wellington Street  
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**hikma.**