



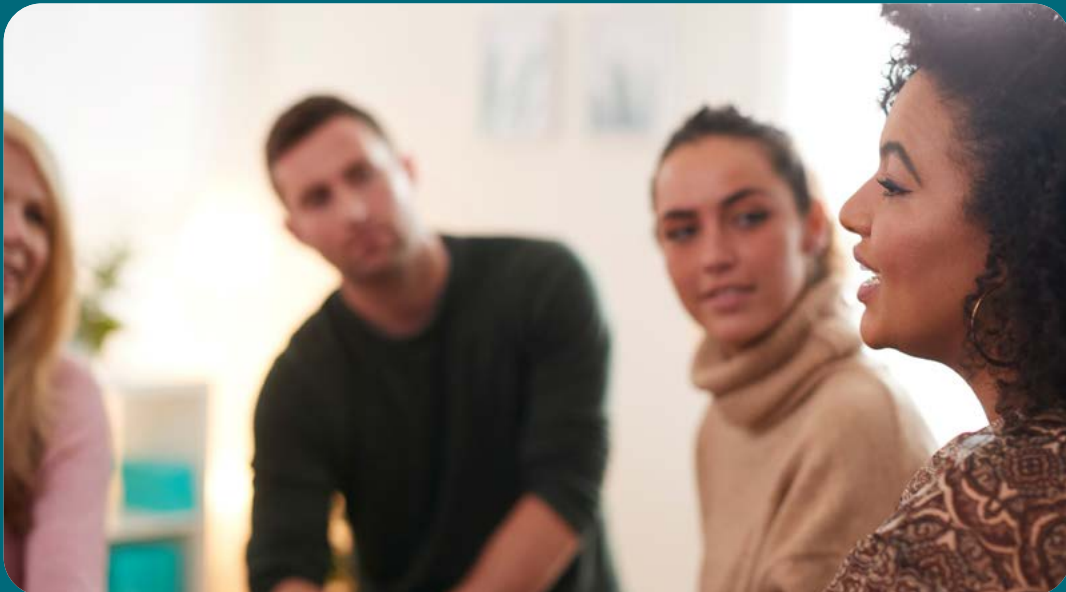
# Cosmo Pharmaceuticals

**Environmental, Social  
and Governance Report 2024**

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Some of the statements in this publication may be forward-looking statements or statements of future expectations based on currently available information. Such statements are naturally subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements. Cosmo does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such statements. Therefore, in no case whatsoever will Cosmo and its affiliate companies be liable to anyone for any decision made or action taken in conjunction with the information and/or statements in this press release or for any related damages.



# CEO's Statement

At Cosmo, we recognise that long-term success is deeply intertwined with our ability to create value for all stakeholders - employees, customers, investors, communities, and the planet. Our sustainability strategy is built on three key pillars: Environmental Stewardship, Social Responsibility, and Strong Governance. We are committed to sustainability and the implementation of sustainable business practices across our operations.

## Bord oversight and our commitment to Strong Governance

Our Board of Directors plays a crucial role in embedding ESG principles into our long-term strategy. Recognizing the growing importance of sustainability, the board, supported by an ESG committee, has established dedicated ESG oversight mechanisms, ensuring that environmental and social considerations are integrated into decision-making processes. In 2024, we actively engaged with stakeholders to identify material topics, reviewed ESG performance metrics, set aggressive GHG reduction targets and set diversity and gender pay targets. Through continuous learning and adaptation, we remain committed to aligning our corporate strategy with global sustainability goals.

Niall Donnelly has been appointed as our Chief Sustainability Officer, bringing his extensive experience and dedication to this crucial role. As a board member, Niall will ensure that our sustainability initiatives are integrated into our core strategies and operations.

## Environmental Stewardship

We are taking decisive steps to reduce our environmental footprint and have set ambitious targets to reduce our scope 1 & scope 2 emissions by 15% by 2025 and by 50% by 2030, with the ultimate goal of achieving net-zero emissions by 2035. This is guided by our comprehensive GHG Risk Management framework, which identifies and mitigates potential climate-related risks while capitalising on opportunities for sustainable growth.

## Social Responsibility

Our people are at the heart of our success. We have strengthened our commitment to diversity, equity, and inclusion, aiming for 35% women in management and 45% women in middle management by 2028. We have made a commitment to gender pay equality and set a target to halve our current gender pay gap by 2030.

Furthermore, we have enhanced workplace safety, invested in employee development programs, and supported community initiatives that drive positive social impact.

Our initiatives also include comprehensive waste management, responsible water usage, and the integration of renewable energy sources.

## Commitment to Strong Governance

Integrity and ethical business practices remain the foundation of our operations. Our board receives regular updates in relation to ESG matters and has set aggressive targets to reduce our own GHG emissions. Female representation was increased on the board during 2024, reinforcing our commitment to diversity and inclusion and a comprehensive Human Capital Development strategy was approved by the board.



**Giovanni Di Napoli**  
CEO

## CEO's Statement (continued)

### Business Update

2024 has been a pivotal year for Cosmo Pharmaceuticals, defined by disciplined capital allocation, strategic investments in high-growth opportunities, and significant advancements in AI and pharmaceuticals. Our commitment remains steadfast, deploying capital where we see the highest potential return and continuing to invest in our people.

Revenues were €266.8 million, of which project-based revenues were €190 million, driven by GI Genius and Winlevi milestones, and 2024 operating profit was €148.9 million. We continued to deliver strong cash flows, generating €162.2 million in cash from operating activities.

Cosmo's financial position has never been stronger with €170.4 million in cash, equivalents, and investments with no debt, providing financial flexibility and security. Our core business is profitable, with strong margins and top-line growth. Disciplined capital allocation, balancing growth investments, dividends, and share repurchases to maximize shareholder returns.

We are proposing to pay an increased dividend of €2.05 per share, subject to shareholder approval at our forthcoming AGM in May.

With no debt and cash of €170.4 million, we have the flexibility to aggressively invest in innovation while simultaneously returning value to shareholders.

AI is revolutionizing medicine, and Cosmo is at the forefront of this transformation. Our AI-powered GI Genius™ remains the world's first and only FDA-approved AI-assisted colonoscopy tool, with an expanding global installed base. The latest iteration of Cosmo's polyp detection SaMD (Software as a Medical Device) features significantly improved performance. For the first time, it includes postprocedural insights generated by advanced AI, further enhancing its value in clinical practice. Recognizing AI's vast potential in healthcare, we made a strategic decision to deepen our investment in AI, ensuring Cosmo remains the leading innovator in AI-driven endoscopy. This commitment was underscored by our landmark new agreement with Medtronic, which include \$100 million upfront payment, received in Q1 2024, a second \$100 million payment, received at the end of 2024 and double-digit royalties on Medtronic's net sales.

Beyond GI Genius™, our AI Innovation Centre has emerged as a global hub for AI-driven healthcare applications, offering an end-to-end development and validation platform for third-party AI solutions. This positions Cosmo as a central enabler of AI innovation in endoscopy and beyond.

### Clinical Trials Update

Our clinical trials are designed to the highest scientific and clinical standards. All clinical trial procedures follow a set of standards to protect the rights, dignity, safety, and well-being of clinical trial research participants. We have completed Phase III trial enrollment for our androgenetic alopecia treatment in men in the U.S. and Europe. The potential is enormous, as male androgenetic alopecia is the most common form of hair loss, affecting 30-50% of men by age 50, translating to millions of individuals globally. This represents a multi-billion-euro market opportunity with a significant unmet medical need. Cosmo is positioned to deliver the first major innovation in three decades.

Our CB-03-10 program is progressing through Phase Ia trials for advanced refractory solid tumors, with completion expected in H2 2025. After this phase, Cosmo will explore strategic partnership opportunities to further align its R&D portfolio with long-term priorities.

We have also started our Phase II proof-of-concept study for our new MMX formulation of colesevelam for Bile Acid Diarrhea (BAD) at the end of 2024. The study is currently active in the UK, with expansion planned across the EU13. BAD represents a significant market and unmet medical need, affecting an estimated 95 million people globally. Additionally, our Phase II study for Rifamycin 1% Enema for Distal Ulcerative Colitis is ongoing across 24 sites in 7 EU countries.

Cosmo Pharmaceuticals is actively contributing to Sustainable Development Goal 3 (SDG3), which aims to ensure healthy lives and promote well-being for all. Our existing products and those in development are designed to address significant health challenges and improve the quality of life for patients worldwide.

Cosmo Pharmaceuticals is set for continued success in 2025 with our AI-first strategy, disciplined capital use, and focus on high growth markets. By leveraging AI, pharmaceutical innovation, and strategic investments, we aim to lead the future of medicine. We remain resolute in our commitment to sustainability, innovation, and excellence. Our steadfast dedication to reaching our targets will guide us as we continue to create value and make a positive impact on the world around us. Together with our stakeholders, we will forge a path towards a brighter, healthier, and more sustainable future for all.

**Giovanni Di Napoli**  
CEO



# About this report

This Sustainability Report, includes clear and relevant information for the calendar year 2024 in relation to financial, strategic and sustainability topics which Cosmo has identified as material for both Cosmo and its stakeholders.

It provides a comprehensive and transparent overview of our commitment to sustainability, our strategic approach to sustainability and our measurable performance across key areas, providing stakeholders with an in-depth understanding of the progress made, challenges encountered, and future goals set in alignment with our sustainability vision.

This Report has been prepared using the GRI Sustainability Reporting Standards, published by the Global Reporting Initiative (GRI), as a reference as indicated in the GRI Content Index within this document. The international recommendations and guidelines of the OECD were also taken into account.

The general principles applied in preparing this report follow the criteria set out in the GRI Standard Foundation 2021:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

The selected performance indicators reflect the reporting standards adopted, represent the specific areas of sustainability analysed, and align with Cosmo's activities and related impacts. The choice of these indicators is based on a double materiality analysis, conducted by Cosmo. In each section of the Sustainability Report, estimated quantitative information is clearly indicated.

The reporting scope of both qualitative and quantitative data and information covers the performance of Cosmo for FY 2024 from the 1st of January 2024 to the 31st of December 2024. A sustainability report is prepared by Cosmo annually to enable comparative evaluation over time, data from the previous fiscal year is also provided.

The drafting process involved both internal and external stakeholders of various functions.

Certain indicators, including those concerning employees and procurement, are reported exclusively for our key operational locations in accordance with the relevant GRI disclosure requirements.

Where specific information applies only to certain parts of the Group, this is noted accordingly. Any deviations are also highlighted in the footnotes of the relevant tables and charts.

The Sustainability Report was approved by the Board of Directors of Cosmo Pharmaceuticals N.V. on the 20th of March 2025.

The Sustainability Report, as well as those from previous years, is available on the Company's website at: <https://www.cosmopharma.com/company/sustainability>.

# We are Cosmo

Cosmo Pharmaceuticals N.V. with its subsidiaries and associates, ('Cosmo' or 'Cosmo Pharmaceuticals' or the 'Company' or the 'Group') is registered in the Netherlands and with its seat of management at Riverside II, Sir John Rogerson's Quay, Dublin 2, Ireland, and has been listed on the SIX Swiss Exchange (SIX: COPN) since the 12th of March 2007. The Company has a Swiss branch located in Lugano, Switzerland and is registered at the Dutch trade register under number 65617738.

Cosmo has a focus on gastrointestinal diseases, dermatology and healthtech. We develop and manufacture products which are distributed globally by our partners.

Founded in 1997 in Lainate (Italy), we focused on quality and research, making strategic decisions that marked our path leading to an incredible growth. Over 25 years later we can confidently and proudly look at our future, relying on our achievements and expertise.

We faced every challenge as an opportunity to grow, to learn and to improve. This approach led us to becoming the strong, resilient and future-oriented company that we can proudly say Cosmo is today.

## Our strategy

Our strategy is built on innovation, meeting unmet medical needs, improving clinical outcomes and improving patient safety.

In healthtech we are developing cutting-edge intelligent medical devices to assist with clinical decision-making; our first device aids endoscopists in the detection of colonic mucosal lesions.

In gastroenterology our focus is to improve the safety profile and efficacy of molecules that are already on the market.

In dermatology we aim to develop new molecules which have minimal side-effects.

Cosmo develops pharmaceutical products based on its knowhow. The Company's proprietary MMX® technology allows the delivery of active pharmaceutical ingredients into the lumen of the colon, throughout the full length of the colon.

We have a risk-averse financial approach and adequate cash reserves to execute our strategy. Our overriding objective is to achieve superior long-term returns for shareholders while minimising risks.

Our business model is built on three key pillars: developing and manufacturing our own products, distributing them through selective partnerships, and providing drug development and manufacturing services for third parties.

We do not directly commercialize or distribute our products, instead, we license our products to commercial partners, typically after receiving marketing authorisation or before phase III clinical trials. We typically retain responsibility for manufacturing and supply, while our partners are responsible for marketing, selling and distribution. This approach allows us to maintain a lean cost structure and focus on R&D opportunities.

## Our therapeutic focus

Our therapeutic focus is on the treatment and prevention of gastrointestinal diseases, such as inflammatory bowel disease (IBD), colonic infections, and colorectal cancer (CRC). We also aim to enhance the effectiveness of endoscopic examinations and address persistent skin conditions, including acne and alopecia, which can have significant long-term effects on both physical health and emotional well-being, impacting self-esteem and quality of life.

We employ tailored strategies for each clinical focus, ensuring specialized approaches to address the unique needs and challenges of each therapeutic area.



## We are Cosmo (continued)

### Our products



#### GI Genius™: AI-Powered Colorectal Lesion Detection

GI Genius is a pioneering AI-driven system designed to enhance real-time detection of colorectal lesions, including polyps and adenomas, during endoscopy. Compatible with all major endoscopic processors, it integrates seamlessly into existing workflows.

Clinical studies proved that thanks to GI Genius™ the ADR (adenoma detection rate) improved significantly reaching 54,8% compared to 40,4% of standard high-definition white-light colonoscopy. Additionally, the first U.S. trial demonstrated a remarkable reduction in missed colorectal polyps, in this case the use of GI Genius™ registered a AMR (adenoma miss rate) of 15,5% and a reduction of 50% compared to traditional methods.

The device developed in Cosmo is a CE-marked medical device. In 2021 it was approved by the FDA, allowing the commercialization and the use of GI Genius™ in the United States territory. It is also approved in Australia, Canada, Switzerland, Singapore, Israel, UAE and United Kingdom.

The device is developed by Cosmo Intelligent Medical Devices, a fully owned subsidiary of Cosmo Pharmaceuticals, and it is marketed worldwide by Medtronic, the global leader in medical technology.

GI Genius™ won the category of “Best Deep Learning Platform” at the International Annual Awards Program Honors Standout AI and Machine Learning Solutions and Companies held in Los Angeles in 2023.



#### Winlevi®

Winlevi® (clascoterone) cream 1% is the first novel topical acne treatment in nearly 40 years, offering a unique mechanism of action. FDA-approved for patients 12 years and older, it is a first-in-class topical androgen receptor inhibitor that reduces acne by limiting the effects of androgens on sebum production and inflammation in both males and females.

The clinical efficacy proved during Phase 3, where trials registered significantly higher treatment success and reduced acne lesions, along with an excellent tolerance, the most common reaction was mild erythema, and the publicly available data, make Winlevi® an actual breakthrough in topical acne treatment.

Winlevi® received FDA approval in patients 12 years of age and older in 2020, in 2023 it received the Notice of Compliance from Health Canada making it available for commercialization in the State, in the same year Cosmo submitted the Marketing Authorisation Application to the European medicine Agency. Starting from June 2024 the cream is available in Australia.



#### Lialda®/ Mezavant®/ Mesavancol®

Lialda®/ Mezavant®/ Mesavancol® is a once-daily mesalamine tablet designed to induce and maintain remission in patients with mild to moderate ulcerative colitis. It belongs to the 5-ASA (aminosalicylate) class, which helps reduce inflammation in the colon.

Due to the use of Cosmo's MMX Proprietary technology, it enhances colonic absorption while minimizing systemic absorption, making it effective for both proximal and distal ulcerative colitis. MMX also assures efficacy reducing the number of tablets per day, reaching a maximum of three to four during acute episodes.

Lialda®/Mezavant® was out-licensed to Giuliani S.p.A./Takeda (formerly Shire plc) in 2001.

Lialda® was approved by the FDA in 2007 and in 2018 a generic was launched in the US market.



## We are Cosmo (continued)



### Uceris®/ Cortiment®

Uceris®, marketed as Cortiment® outside the US, is an oral corticosteroid tablet designed to induce remission in patients with mild to moderate ulcerative colitis by delivering budesonide directly to the colon.

Based on the MMX® technology, Uceris®/ Cortiment® represents a more effective treatment than 5-ASA therapies and is less toxic than traditional corticosteroids, additionally it helps control active ulcerative colitis and relieve inflammation in both proximal and distal parts of the colon.

It is commercially available in the US as Uceris®, in the EU and global markets as Cortiment®, in July 2018 FDA approved a generic version.



### Eleview®

Eleview® is a patented injectable composition designed to facilitate safer and more efficient endoscopic resection of polyps, adenomas, early-stage cancers and other gastrointestinal mucosal lesions. By creating a stable submucosal cushion, Eleview® allows endoscopists to perform faster, lower-risk excisions during endoscopic mucosal resection (EMR).

Eleview® provides an optimized submucosal lift up to 45 minutes, improving lesion visibility and, thus, reducing perforation risk. Visualization is also enhanced due to the use of Methylene Blue, substance that enables clear differentiation of tissues and precise lesion margin identification. These characteristics make Eleview® stand out, requiring less injection volume and higher complete resection rates, all shortening procedures' time.

It was first approved in 2015 by the FDA, it was then introduced in the European market in 2016, in Canada in 2019 and in Japan in 2020.



### Lumeblue® (Methylene Blue MMX®)

Methylene Blue MMX® is an innovative diagnostic drug designed to enhance colorectal lesion visualization during colonoscopy. Approved in the EU and China, where it is marketed as Lumeblue®, it improves adenoma detection rates (ADR) by highlighting lesions more effectively than standard white-light high-definition endoscopy.

During Phase 3 trial ADR increased from 47,8% to 56,3% enhancing adenoma detection, while lowering false positive rate by 5,3%.

Methylene Blue MMX® received European Commission approval in August 2020, it was approved by China's NMPA in June 2024 after two years of Phase 3 trial and starting from March 2023 the licensing agreement expanded to include additional Asian markets beyond Greater China. Discussions with the FDA are still ongoing.



### Aemcolo®/ Relafalk® (Rifamycin SV MMX®)

Aemcolo® (U.S.) and Relafalk® (Europe) are the first gastrointestinal antibiotics formulated with MMX® technology, designed for the targeted treatment of traveler's diarrhea. By delivering Rifamycin SV MMX® directly to the colon, these drugs minimize systemic absorption, reducing unwanted side effects and preserving healthy gut flora in the upper gastrointestinal tract.

Some of the key features and benefits of Aemcolo®/ Relafalk® are the localized antibiotic action that prevents systemic side effects and the resistance advantage, contrary to ciprofloxacin, rifamycin SV MMX® does not increase ESBL-producing E. coli colonization.

From Phase 3 trial results, specifically from Mexico and Guatemala study, it was registered a significantly faster recovery: Median Time to Last Unformed Stool (TLUS) was 46.0 hours vs. 68.0 hours (placebo) (p=0.0008). Full study results are described in DuPont et al. International Society of Travel Medicine, 1195-1982 Journal of Travel Medicine 2014; Volume 21 (Issue 6): 369–376.

Aemcolo® is commercialized in the US and Relafalk® in Europe. In 2023 Cosmo terminated its EU license with Dr. Falk Pharma and signed a new license agreement with Adalvo Ltd. This will lead approvals in Asia-Pacific (APAC), Middle East/North Africa (MENA), and Latin America (LATAM), notably expanding the product's reach.



## We are Cosmo (continued)

### Our ESG commitment

We are committed to making a positive impact on society through our products and minimising the impact of our operations on the environment. We recognise the responsibilities we have to our employees, partners, other stakeholders and the communities in which we operate.

At Cosmo we are committed to sustainability and the implementation of sustainable business practices across our operations.

Cosmo acts responsibly in its relationships with its employees, partners and communities. We are committed to the highest ethical standards when conducting business, to acting in an environmentally responsible manner, to integrating climate change related risks into our business strategy and to respecting the dignity of our employees, suppliers and partners. We maintain a safe and healthy work environment, and we have a Code of Conduct and an Anti-Bribery and Corruption Policy, a Whistle Blower Policy and a Human Capital Development Strategy all of which have been approved by the Board.

### Sustainable Development Goals

The Sustainable Development Goals (SDGs), adopted by the United Nations and effective from January 1, 2016, are a set of 17 global goals designed to achieve a better and more sustainable future for all. These goals address various global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice.

Cosmo integrates the SDGs into its strategic decisions, with a particular focus on SDG 3: Good Health and Well-being.



### SDG 3: Good Health and Well-being

Cosmo is actively contributing to Sustainable Development Goal 3 (SDG 3), which aims to ensure healthy lives and promote well-being.

- The development of innovative products: We focus on developing innovative products for gastrointestinal diseases and dermatological conditions. By addressing these health issues, we contribute towards improving the quality of life for patients worldwide ensuring that our efforts have a positive, long-lasting impact on the physical and mental health of individuals globally.
- The GI Genius™ intelligent endoscopy module is an AI-powered system that enhances real-time detection of colorectal lesions during endoscopy was developed by Cosmo. Clinical studies have shown that GI Genius™ significantly improves the adenoma detection rate (ADR) and reduces the adenoma miss rate (AMR), making it a groundbreaking tool in the fight against colorectal cancer.
- Another notable product developed by Cosmo is Winlevi®, the first novel topical acne treatment in nearly 40 years. It offers a unique mechanism of action by reducing acne through limiting the effects of androgens on sebum production and inflammation. Clinical trials have demonstrated its efficacy and excellent tolerance, making it a breakthrough in topical acne treatment.
- These are examples of products, developed by Cosmo which contribute to improving the lives of patients by addressing various health conditions with innovative and effective treatments.
- Product Quality and Safety: The company places a strong emphasis on product safety and quality. This ensures that their medications are effective and safe for patients, which is crucial for maintaining public health.
- Clinical Trials: Cosmo conducts rigorous clinical trials to test the efficacy and safety of their products. These trials are essential for bringing new, effective treatments to market and ensuring they meet high standards of safety.
- Employee Well-being: The company also focuses on the well-being of its employees, promoting a healthy work environment.
- Environmental Initiatives: While not directly related to SDG 3, Cosmo's efforts to reduce their carbon footprint and waste contribute to overall public health by promoting a cleaner environment.
- These efforts contribute to the broader goal of ensuring healthy lives and promoting well-being for all, aligning with the objectives of SDG 3.

## We are Cosmo (continued)



### SDG 5: Gender Equality

Cosmo emphasises gender balance across different levels of employment, including leadership positions. By fostering an inclusive work culture, the company ensures that women have access to equal career growth opportunities, training, and decision-making roles.



### SDG 6: Clean Water and Sanitation

Cosmo has implemented a comprehensive water measurement and management system at its Production Plant to optimize efficiency and reduce waste.



### SDG 7: Affordable and Clean Energy

Cosmo is transitioning to renewable energy sources, including the installation of a photovoltaic park at its Production Plant.



### SDG 9: Industry, Innovation, and Infrastructure

Cosmo is dedicated to adopting practices that mitigate environmental impact and promote awareness, contributing to the protection and restoration of the planet.



### SDG 12: Responsible Consumption and Production

Cosmo has a comprehensive process for monitoring and collecting production waste, ensuring that most of its packaging waste is directed toward recycling.



### SDG 13: Climate Action

Cosmo is committed to achieving net-zero emissions and has set clear, science-based targets to reduce greenhouse gas emissions across its operations and supply chain.



### SDG 15: Life on Land

Cosmo is dedicated to minimizing its environmental footprint through initiatives that focus on reducing emissions, optimizing energy and resource efficiency, and promoting responsible waste management.



## We are Cosmo (continued)

### Cosmo Group Structure

Cosmo Pharmaceuticals N.V. has the following subsidiaries:

(i) Cosmo S.p.A.; (ii) Aries Pharmaceuticals Ltd.; (iii) Cosmo Technologies Ltd. (which owns 100% of the shares in Cosmobiolabs, Inc.); (iv) Cosmo Artificial Intelligence – AI Ltd. (which owns 100% of Linkverse S.r.l.); and (v) Cassiopea S.p.A. The aforementioned companies form the Cosmo Group of companies of which Cosmo is the ultimate parent company (the ‘Cosmo Group’).

Cosmo is headquartered in Dublin, Ireland and has offices and facilities in Switzerland, Europe and the U.S. in the following locations:

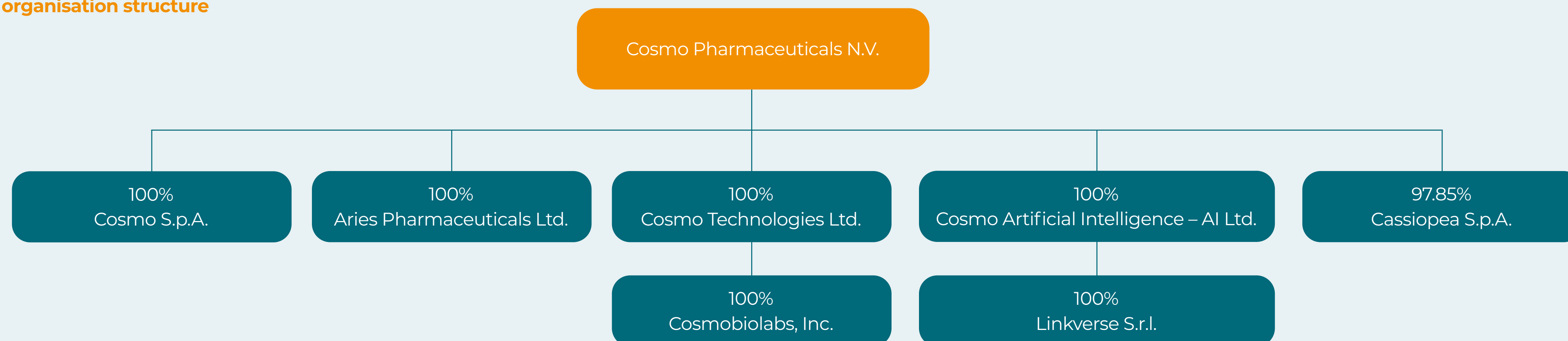
- Dublin, Ireland
- Lugano, Switzerland
- Lainate (MI), Italy
- Catania, Italy
- Roma, Italy
- San Diego (CA), United States

At our Lainate plant (“our Production Plant”) we produce both our own products and provide contract development and manufacturing services (CDMO) for third

parties, adhering to strict GMP standards. Raw materials and packaging are delivered directly to the plant, and finished products are collected by our partners, reducing our environmental impact by avoiding transportation logistics.

In 2006, our Production Plant underwent a significant renovation and expansion, increasing its size to 2,000 square meters. This upgrade enhanced our production capacity and allowed us to better meet the growing demand for high-quality pharmaceutical manufacturing, positioning the facility as a key asset in our operations.

The Cosmo Group is organised according to this organisation structure



# 2024 ESG Highlights

## Financial Highlights

### Revenue

€266.8m

#### Manufacturing, royalties and other revenues:

The increase in 2024 was primarily driven by:

- **Winlevi®:** Up by **34%**
- **CDMO:** Up by **4.1%**
- **Uceris®/Cortiment®** Up by **9.3%**

#### License fees, up-front fees and milestones:

Increase in 2024 primarily driven by **€186.3 million for GI Genius™** and **€3.9 million for Winlevi®** received in 2024

- Recurring
- Project Base

€266.8m



2024

€92.8m

2023

### Operating profit

€148.9m

2024

€148.9m

2023 €1.9m operating loss<sup>1</sup>

### Cash, equivalents and investments<sup>2</sup>

€170.4m

2024

€170.4m

2023

€50.3m

### Profit before tax

€153.4m

2024

€153.4m

2023 €6.5m Loss before tax<sup>1</sup>

### Treasury shares (at market value)

€103.4m

2024

€103.4m

2023

€81.9m

### Net cash inflow from operating activities

€162.4m

2024

€162.4m

2023 €22.7m<sup>1</sup>

### Equity attributable to owners of the Company

€498.3m

2024

€498.3m

2023

€396.8m<sup>1</sup>

<sup>1</sup> Restated to reflect the impact of change in accounting policy on internal development costs. See note 4 of the consolidated notes to the financial statements.

<sup>2</sup> Excluding investment in equity instruments



## 2024 ESG Highlights (continued)



## Employees

Number employees

**322**

Percentage of employees with permanent contracts

**96%**

Percentage of women in management

**29%**

Percentage of women in middle management

**41%**

Percentage of women in the workforce

**37%**

Hours of training

**2,533**

Percentage of employee covered by collective agreements

**94%**

## Environmental

Electricity consumption

**10,137,851 kWh**

2023: 9,612,571 kWh

Natural gas consumption

**2,806,558 scm**

2023: 2,604,012 scm

Water consumption

**83,329 m<sup>3</sup>**2023: 81,200 m<sup>3</sup>

Non-hazardous waste generated

**464 tonnes**

2023: 500 tonnes

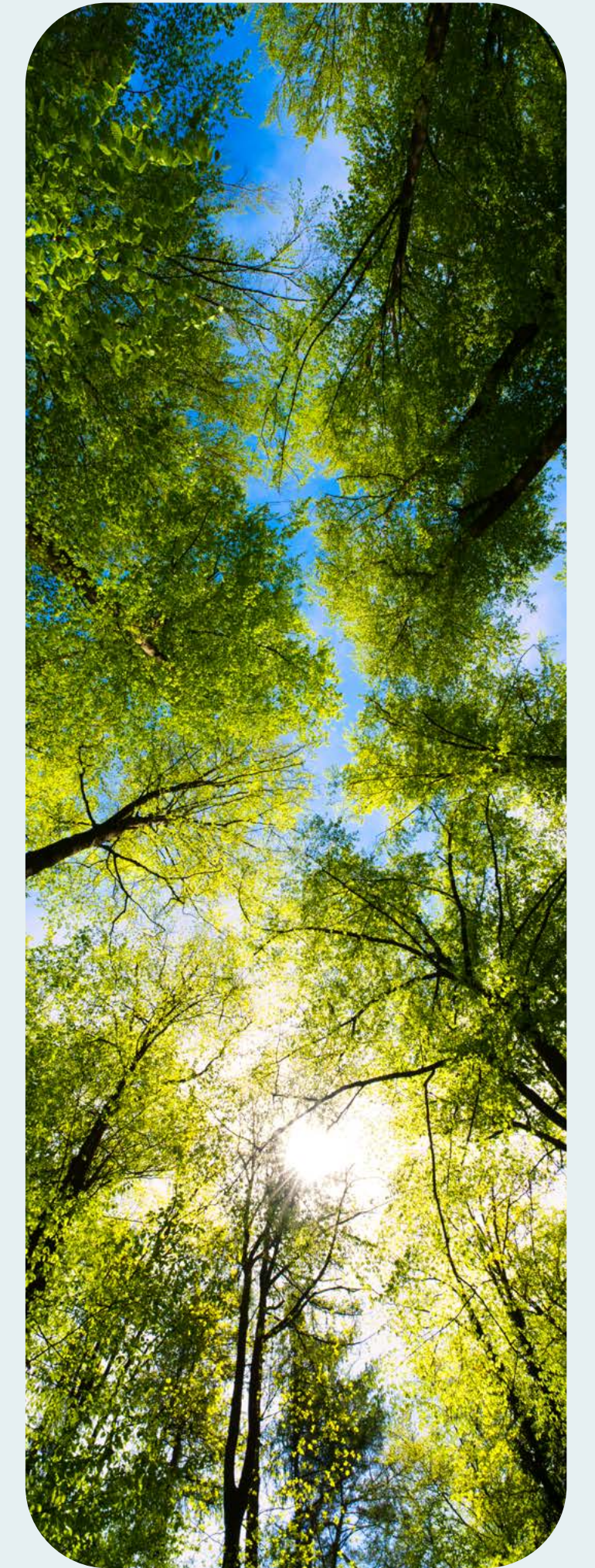
Hazardous waste generated

**68 tonnes**

2023: 70 tonnes

Scope 1 & 2 emissions CO<sub>2</sub>eq**5,714 tonnes**

2023: 5,329 tonnes

2025 target 15% reduction from 2023 baseline  
2030 target 50% reduction from 2023 baseline**Net zero by 2035**

## Suppliers

Number of suppliers

**6,706**

From

**44 Countries**

Percentage from EU

**84.4%**

Percentage from Italy

**73.9%**



## Sustainability at Cosmo

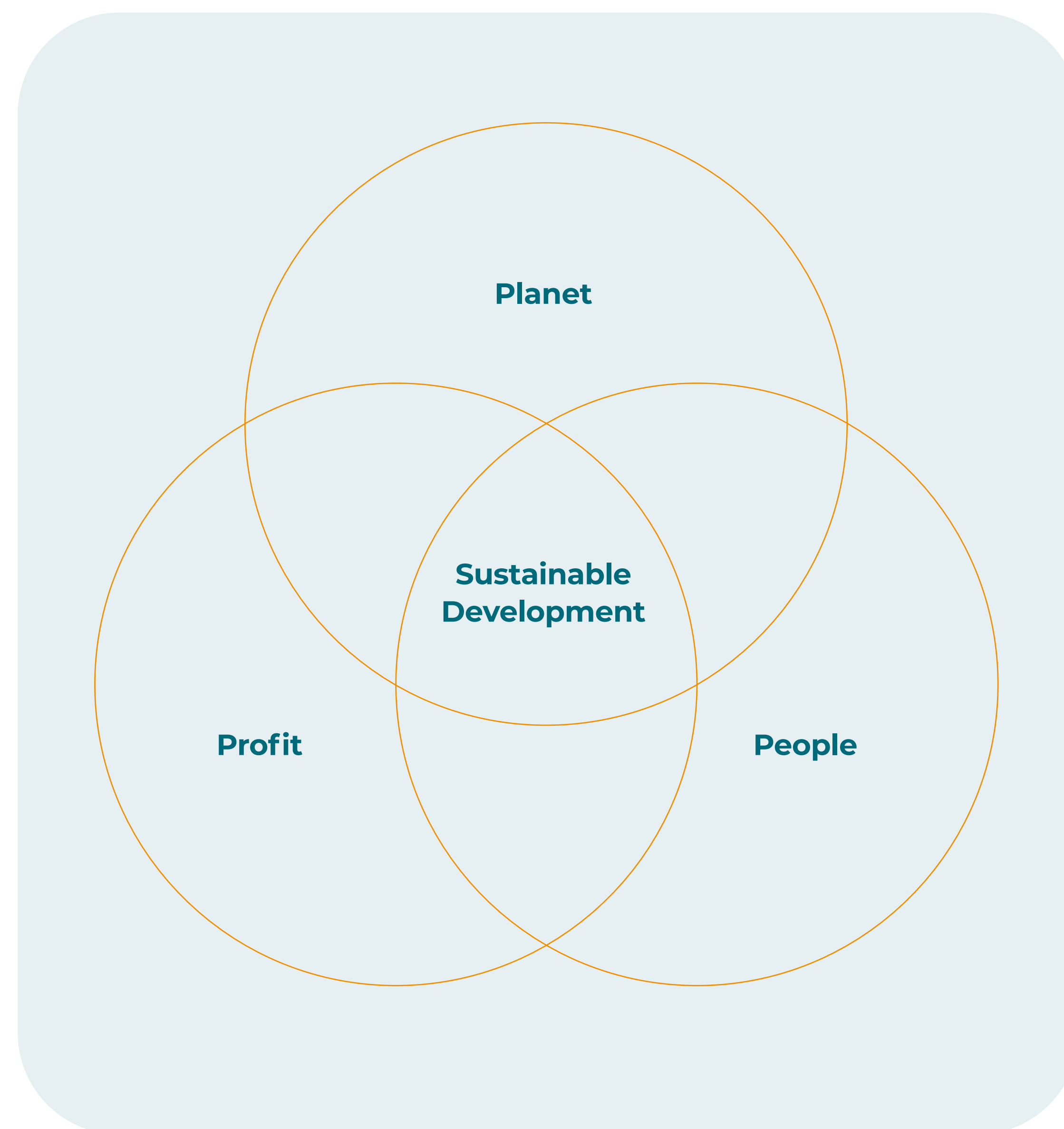
Cosmo is proud to say that our values and guiding principles are deeply rooted in sustainability. Guided by the fundamental pillars of sustainable development (environmental stewardship, social responsibility, and economic resilience) Cosmo has developed a comprehensive framework that addresses the challenges and opportunities of the modern business landscape. By placing equal emphasis on these three dimensions, the company works to create a balanced, sustainable model that benefits stakeholders, communities, and the planet alike.

To improve our environmental impacts, we have developed and implemented a broadminded approach to assess, quantify and manage our performance in terms of energy, emissions and waste. This approach goes beyond mere compliance, we actively seek to drive innovation and find the most suitable and environmental-friendly solutions for our reality.

Social responsibility is equally fundamental to Cosmo's strategy. Recognising that people are at the heart of any sustainable venture, the Company invests in employee wellbeing, community engagement. We believe in fair labour practices and fostering a supportive and inclusive culture.

On the economic front, over the years Cosmo has developed a resilient business model. This economic resilience is achieved by providing stable employment, supporting local economic development, and by ensuring business practices balance profitability with long-term goals and sustainability. Cosmo remains dedicated to maintaining a business model which will withstand and adapt to market fluctuations and global challenges.

By blending our experience with a forward-looking mindset, Cosmo has developed an impactful approach which aligns with sustainable development goals. This long-term vision reinforces the Company's commitment to fostering a sustainable future where environmental, social, and economic goals thrive in harmony.





# Stakeholder engagement & materiality analysis

We have conducted a Double Materiality Assessment ('DMA') to evaluate the financial and impact materiality of sustainability topics. This assessment considers both how sustainability factors affect our business (financial materiality) and how our activities impact the environment and society (impact materiality). The findings of the DMA guide our sustainability strategy, risk management, and disclosures.

## Stakeholder engagement

Stakeholder engagement is an important aspect of DMA, as relevant stakeholders can help assess and validate the list of material topics.

In this year's DMA, we engaged with a large group of stakeholders. Internal stakeholders included board members, C-level executives, internal subject-matter experts and employee representatives. External stakeholders included customers, investors, financial institutions, NGOs and consultants.

We used formal and informal methods to obtain feedback about material topics. We identified several engagement strategies taking into consideration the different categories of stakeholders and the agility and feasibility to contact them. This tailored solution allowed us to obtain the information we needed and successfully conclude our DMA.

We proceeded with three engagement methods:

### 1. Interviews

We interviewed internal stakeholders, including board members, the C-level executives, internal key-experts, employees and some suppliers. Interviews consisted of a list of statements regarding ESG topics, each interviewee was asked to answer on a scale from 1 to 5 (of which 1 was non-significant and 5 was top priority) expressing their personal preference and sensitivity.

### 2. Digital forms

We sent a digital copy of the questionnaire to internal stakeholders we could not interview directly due to time zones and spatial distance. We also contacted some suppliers and final customers who filled the form on voluntary basis.

### 3. Data collection from official documents

With regard to external stakeholders, such as PA, NGOs, local industries and local authorities, we proceeded to analyse their official and publicly published reports and collecting data. By studying their DMA and their disclosures we were able to conduct a qualitative assessment of sustainability topics and establish a hierarchy of their priorities, whereupon we assigned a number from 1 to 5 accordingly.



## Stakeholder engagement & materiality analysis (continued)

### Double Materiality

In the context of increased focus on environmental, social and economic sustainability, companies are progressively adopting various practices and tools to communicate their performance in these areas transparently and accurately. Among the most commonly used tools for identifying, assessing and communicating sustainable impacts of businesses is the materiality matrix and the double materiality matrix.

The materiality matrix is an important strategic methodology through which companies can identify and prioritize relevant and significant issues for both internal and external stakeholders. This analysis allows companies to concentrate their efforts and resources on the topics that significantly impact the company itself and society as a whole.

The concept of materiality has gradually evolved into the concept of double materiality. This new concept, increasingly recognized and adopted in sustainability reporting and required by major international standards such as GRI and EFRAG as an analysis requirement, which goes beyond merely considering the impacts of the company on external stakeholders. It extends to evaluating the impacts of stakeholders on the company itself. This two-way approach acknowledges the interdependence between the company and the society in which it operates, integrating factors that influence the company's resilience and long-term value creation.

In this report, the development and application process of the materiality and double materiality matrix are explored in detail, highlighting the importance of this tool in guiding corporate strategies toward greater sustainability and social responsibility. Through a meticulous analysis of material issues and double materiality dynamics, the report provides a clear and comprehensive

view of the company's sustainable impacts, aiming to promote transparent and responsible communication with all involved stakeholders.

The materiality and double materiality matrix not only represents a fundamental management tool for companies committed to sustainability but also serves as an effective

means to promote constructive dialogue and build trust with stakeholders, thus helping to generate shared value and support long-term sustainable development.

### The Double Materiality Assessment process

The Double Materiality Assessment (DMA) is based on a 4-step procedure.

#### 1. Mapping our value chain and establish longlist of ESG topics

Our starting point has been to map our value chain to help us identify key areas and activities that contribute to our environmental and social footprint. Through this mapping exercise we established a longlist of ESG topics that are relevant to our business operations, serving as a starting point for the identification of material topics.

#### 2. Identifying important stakeholders and conduct stakeholder engagement

We acknowledge the importance of engaging with our stakeholders to gain insights into their expectations, concerns, interests and sensitivities. We identified key stakeholders across our value chain, including internal stakeholders, customers, suppliers, investors, and local community. Through stakeholder engagement and day-to-day discussions, we seek to understand their perspectives on sustainability impacts, risks and opportunities.

#### 3. Identifying impacts, financial risks, and opportunities and prioritising topics

Building on insights gathered from our stakeholders, we identify actual and potential impacts to environment and society. This also includes the identification of financial risks and opportunities associated with sustainability-related development and events. Our aim has been to understand the magnitude and significance of these impacts, risks and opportunities on our business and our stakeholders.

Impacts, risks and opportunities identified are assessed and prioritised guided by the criteria set out in the ESRS and other relevant international Standards (GRI). prioritising material topics potential impact, risks and opportunities, financial magnitude and personal sensitivities are considered.

#### 4. Validating and concluding on material topics

Consolidated results of the DMA have been presented to and discussed with internal stakeholders and management.



## Stakeholder engagement & materiality analysis (continued)

### Material topics

The analysis provides a comprehensive overview of the issues relevant to the company and its stakeholders, which are then integrated into the DMA.

Starting from a long list of potential ESG topics identified, we selected the most important topics identified by internal and external stakeholders to determine Cosmo's most significant topics.

The material topics analysed in the DMA are as follows:

- Corporate management of environmental topics
- Climate change & emission management
- Research & Development
- Water management
- Clean energy
- Energy management
- Waste management
- Community engagement
- Corporate social awareness
- Human Rights
- People value
- Diversity and inclusion
- Brand Reputation
- Corporate Welfare
- Health and safety on work
- Good governance
- Financial performance
- Product compliance
- ESG management
- Supply chain management
- Public Relations
- Customer Relations
- Ethics in business

**Our Double Materiality Matrix**



Topic	Cosmo Pharmaceuticals	Stakeholders	Pillar	Scoring
1 Respect for human rights	4.92	4.25	Social	1
2 Research & Development	4.69	4.28	Social	2
3 Corporate welfare & employee well-being	4.59	4.03	Governance	3
4 Health & Safety	4.51	4.07	Governance	4
5 Product quality, compliance & safety	4.44	4.04	Governance	5
6 Attracting, retaining & developing talent	4.41	3.99	Social	6
7 Waste management	4.36	3.99	Environmental	7
8 Clean energy	4.05	4.26	Environmental	8
9 Emission management	4.07	3.66	Environmental	9
10 Community engagement	3.88	4.03	Social	10
11 Energy management	3.71	3.24	Environmental	11



# Governance



# Corporate governance including Board oversight of ESG and corporate sustainability

The Board of Directors is responsible for the overall direction and oversight of management and holds the ultimate decision-making authority with the exception of decisions reserved for shareholders.

The general powers of the Board of Directors are stated in the Articles of Association ([www.cosmopharma.com/investors/corporate-governance/articles-of-association](http://www.cosmopharma.com/investors/corporate-governance/articles-of-association)) of the Company.

Any member of the Board who has an interest in a related party transaction which is under discussion by the Board must abstain from this discussion and abstain from any vote on the approval of the related party transaction under discussion.

The Board is also supported by its three Committees each led by a Board-elected Chairman.

All Committees have the authority to retain external consultants.

Primary responsibilities of the Board are:

- Formulating Group strategy and setting the ultimate direction of the Group's business;
- Determining Group structure and organisation, reviewing major changes in the Group's organisation and governance, and reviewing succession planning;
- Appointing and determining the duties and responsibilities of key executives;
- Overseeing Group culture and the implementation of the corporate culture;
- Overseeing the Group risk management system assessing the most significant risks and how these are managed; and
- Assessing the Group's accounting system, financial controls and financial planning system and reviewing and approving the Annual Report.

The Company's board is currently made of seven members, two women and five men. Two members are Executive Directors and three are independent members. The Board Chairman is Mr. Alessandro Della Chà, former CEO of the Group.

Collectively the Board members have demonstrated professional experience in Cosmo's sector of activities including ESG matters. The Board has approved Cosmo's ESG Committee Terms of Reference, Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy and Human Capital Development Strategy.

The ESG Committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to ESG matters. The Committee must consist of at least three Directors, and ESG Committee members must be appointed by the Board and may be removed by the Board. The ESG Committee has oversight of Company ESG matters.

The Audit Committee is responsible for monitoring the integrity of the Group's consolidated financial statements and any announcement relating to the Group's financial performance, and for overseeing the relationship with the Group's external auditor. The Audit Committee is also responsible for assisting the Board with regard to the assessment of the principal risks facing the Group, including reviewing the Group's risk management and internal control systems.

The Compensation and Nomination Committee assists the Board of Directors in compensation-related matters, including matters related to the ESOP. The Compensation and Nomination Committee is also responsible for reviewing and making recommendations on the structure, size, composition and succession needs of the Board, identifying proposed candidates for election to the Board of Directors in accordance with Dutch law, and developing and maintaining guidelines for

the appointment of members of Executive Management.

The Compensation and Nomination Committee is composed solely of Non-Executive Directors of the Board of Directors. Pursuant to Dutch law, the Non-Executive Directors of the Board of Directors are authorised to determine the remuneration of the Executive Director(s) of the Board in accordance with the remuneration policy.

The remuneration of the Board of Directors is set in accordance with the remuneration policy of the Company adopted by the AGM of shareholders on 28 May 2019, which had been amended and adopted by the EGM of shareholders on the 5th of July 2024.

In accordance with the Articles of Association ([www.cosmopharma.com/investors/corporate-governance/articles-of-association](http://www.cosmopharma.com/investors/corporate-governance/articles-of-association)), the appointment of Board members is reserved to the shareholders and, as such, is not an area of responsibility of the Compensation and Nomination Committee.

The Group has a risk management framework in place to identify, evaluate and mitigate risks, and the Board is updated by Executive Management in relation to the main risks facing the Group and the mitigants in place to deal with such risks.

The Board of Directors has delegated the management of the Company to Executive Management.

Corporate governance including Board oversight of ESG and corporate sustainability (continued)

Introduction

Cosmo Pharmaceuticals N.V. is a pharmaceutical company registered in the Netherlands with its seat of management at Riverside II, Sir John Rogerson’s Quay, Dublin, Ireland, and listed on the SIX Swiss Exchange (SIX: COPN) (ISIN: NL0011832936). The Company is registered at the Dutch trade register under number 65617738. The Company has a Swiss branch located in Lugano, Switzerland.

Principal Group subsidiaries

The following table lists the principal subsidiaries controlled by Cosmo as at 31 December 2024 and 2023. The equity interest percentage shown in the table also represents the share in voting rights in those entities. These subsidiaries, along with Cosmo Pharmaceuticals N.V., make up the Cosmo Group.

Board oversight of ESG and corporate sustainability

The Board has formed an Environmental, Social & Governance Committee (the ‘ESG Committee’). The purpose of the ESG Committee is to further assist the Board in fulfilling its oversight responsibilities with regard to ESG matters. The ESG Committee must consist of at least three Directors; ESG Committee members must be appointed by the Board and may be removed by the Board. The ESG Committee has oversight over Company ESG matters.

- Primary responsibilities of the ESG Committee:
- Recommend to the Board an overall ESG strategy for the Company;
  - Oversee the Company’s ESG policies and procedures and performance;
  - Oversee the Company’s ESG reporting; and
  - Report to the Board in relation to the activities of the ESG Committee.
  - A review of our ESG strategy and performance is carried out by the Board at least once per annum.

Company name	Country of incorporation	Currency	Share capital	Equity interest	Direct/indirect subsidiary	Registered address
Aries Pharmaceuticals Ltd.	Ireland	EUR	10,000	100%	Direct	Riverside 2, 49 Sir John Rogerson’s Quay, Dublin 2, Ireland.
Cosmobiolabs, Inc.	U.S.	USD	10,000	100%	Indirect	2711 Centerville Road, Wilmington, Delaware 19808, U.S.
Cosmo Artificial Intelligence – AI Ltd.	Ireland	EUR	100,000	100%	Direct	Riverside 2, 49 Sir John Rogerson’s Quay, Dublin 2, Ireland.
Cosmo S.p.A.	Italy	EUR	2,300,000	100%	Direct	Via C.Colombo 1 – 20045 Lainate – Milano, Italy.
Cassiopea S.p.A.	Italy	EUR	10,750,000	97.85%	Direct	Via C.Colombo 1 – 20020 Lainate – Milano, Italy.
Cosmo Technologies Ltd.	Ireland	EUR	250,000	100%	Direct	Riverside 2, 49 Sir John Rogerson’s Quay, Dublin 2, Ireland.
Linkverse S.r.l.	Italy	EUR	382,812	100%	Indirect	Via Ostiense 131/L – 00154 Roma, Italy.



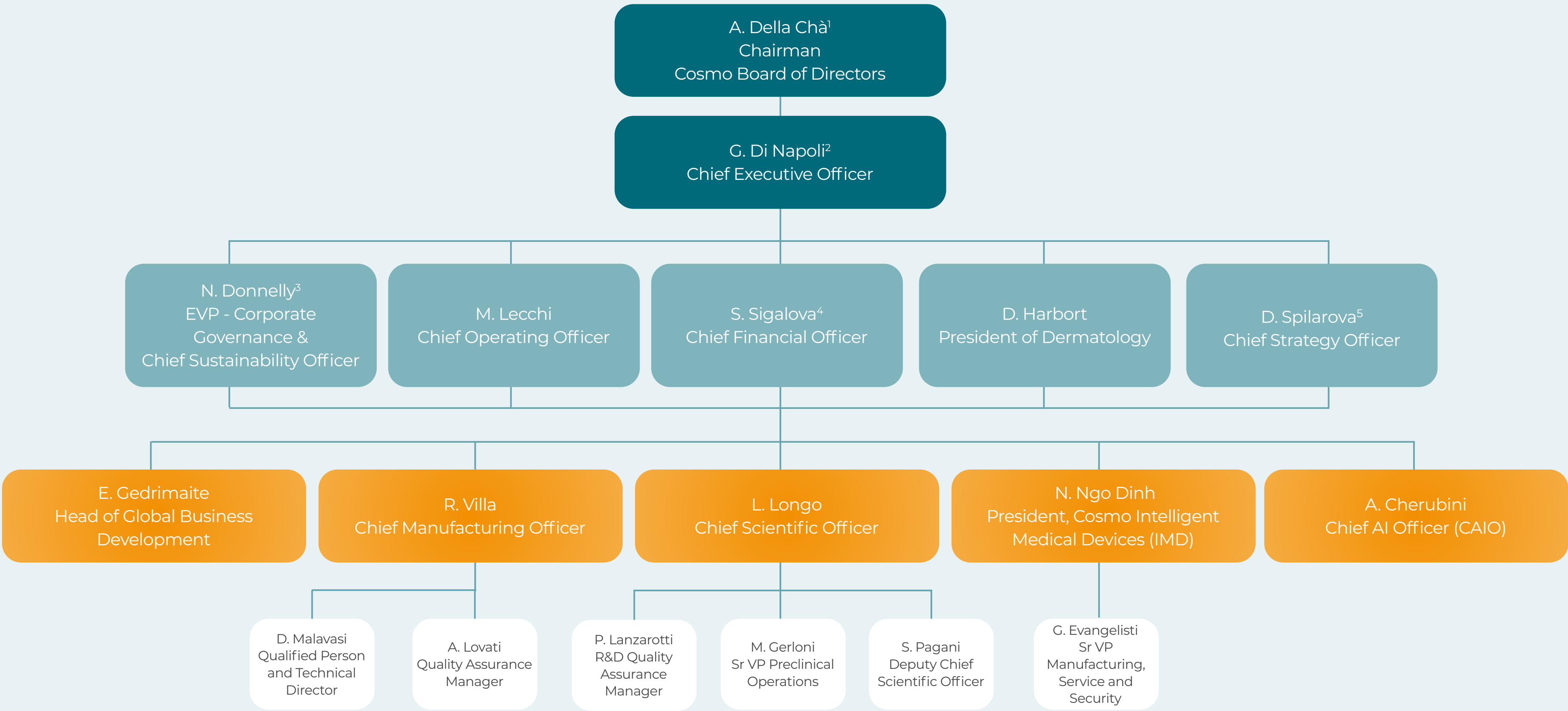
Corporate governance including Board oversight of ESG and corporate sustainability (continued)

Executive Management

Executive Management is responsible for the operational management of the Group consistent with the direction set by the Board of Directors, including making operational

decisions, delivering financial results, determining and implementing Group policies, informing the Board in relation to progress versus plans, and bringing forward recommendations and proposals to the Board for approval.

The team comprises internationally experienced and entrepreneurial industry leaders, as well as recognised experts in their fields. With diverse backgrounds and complementary skills including research & development, regulatory affairs, manufacturing, sales, marketing, and finance.



1 Became Chairman from 25 May 2024. Mauro Severino Ajani was the Chairman until 24 May 2024.  
2 Became Chief Executive Officer (CEO) from 25 May 2024. Alessandro Della Chà was the CEO until 24 May 2024.  
3 Chief Financial Officer until October 2024. Became EVP - Corporate Governance & Chief Sustainability Officer since November 2024  
4 Chief Financial Officer from 11 November 2024  
5 Joined the Company in January 2025



## Corporate governance including Board oversight of ESG and corporate sustainability (continued)



**N. Donnelly**

EVP - Corporate Governance & Chief Sustainability Officer

"With sustainability at the heart of our new direction, Cosmo is committed to leading by example, demonstrating that innovation and environmental responsibility can coexist to create lasting value."

### Our renewed sustainability management

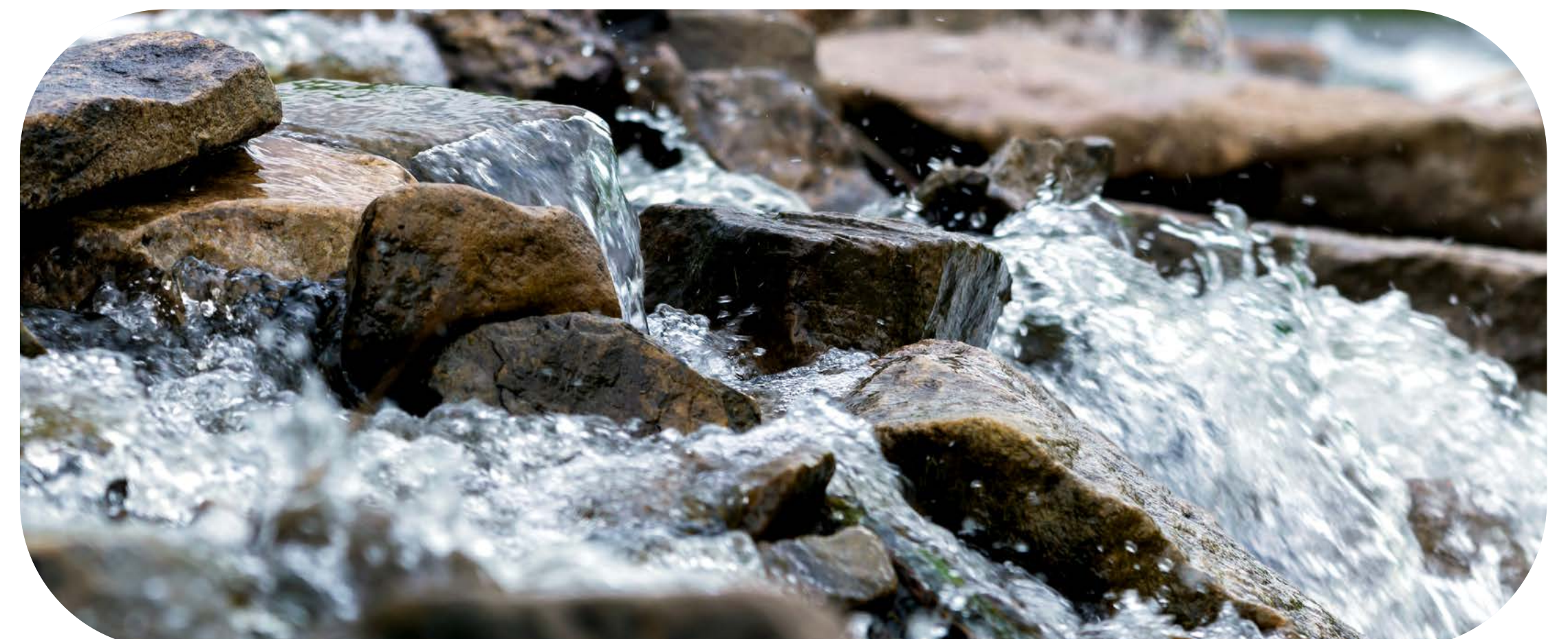
In Cosmo, we believe that implementing effective ESG management is crucial for sustainable growth and long-term value creation. Our Sustainability management framework is designed to address key areas such as environmental responsibility, social impact and strong governance practices. The responsibilities of our ESG team include setting sustainability targets, monitoring and reducing environmental impacts, fostering a positive and inclusive workplace and ensuring compliance with regulatory standards.

By embedding ESG principles into our strategy and operations, we are better positioned to mitigate risks, unlock opportunities, and strengthen trust with our shareholders, employees, and the communities we serve. ESG management empowers us to make positive contributions while enhancing our competitive edge and adapting to the challenges of a shifting global market.

Niall Donnelly, a longstanding and valued member of Cosmo, transitioned into the role of Chief Sustainability Officer (CSO) in November 2024. Niall reports to the CEO and is an executive Board member, he will play a key part in strengthening Cosmo's corporate governance framework and driving the Company's mission to advance environmental, social, and governance (ESG) initiatives and is responsible for managing climate-related transition risk. With a focus on achieving carbon footprint reduction and sustainable business practices, Niall's leadership will ensure Cosmo continues to build a strong and responsible organisation with a robust governance structure that aligns with the Company's long-term growth and value creation.

With this enhanced focus, Cosmo is committed to achieving its sustainability ambitions and making a lasting positive impact on the environment and society, solidifying our position as a responsible and forward-looking company.

For more details on our corporate governance structure, including information on our board of directors, audit committee, senior management, and major shareholders, please consult our Annual Report at <https://www.cosmopharma.com/investors/financial-reports>.





Corporate governance including Board oversight of ESG and corporate sustainability (continued)

Risk management

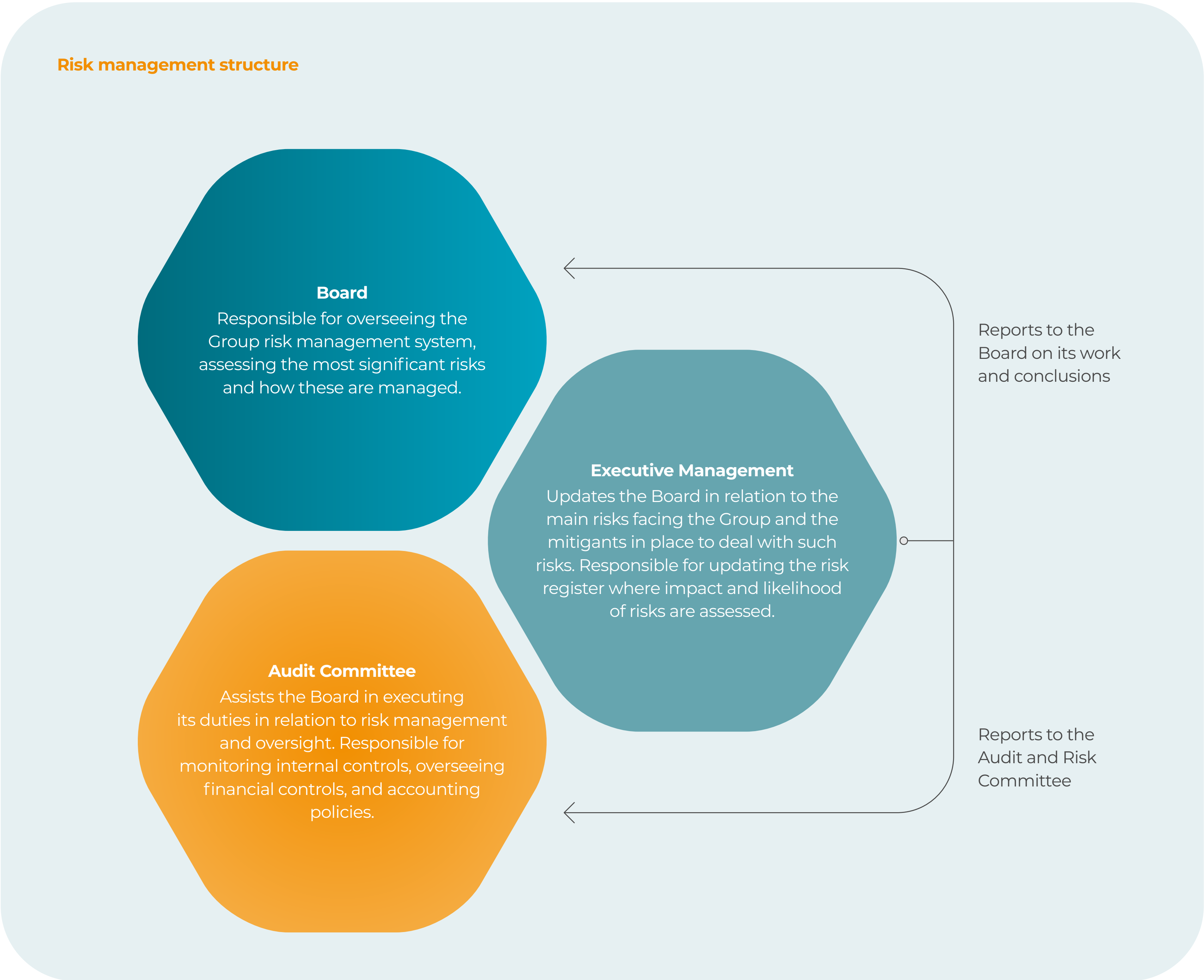
Cosmo's Board of Directors is responsible for defining the company's risk tolerance and ensuring the implementation of effective risk management systems and internal controls. To achieve this, the Board has established a robust risk management framework aimed at maintaining strong internal controls, ensuring reliable financial reporting, complying with all relevant laws and regulations, and safeguarding the Company's assets.

The Group's risk management framework is designed to identify, evaluate and mitigate risks, including ESG-related risks. Risks identified through our risk management framework are categorised, prioritised and assigned to a separate person who is required to continually monitor, evaluate and report on the risk(s) for which they are responsible.

Risks are classified into risks that can be managed by appropriate in-house action or risks that cannot be managed by internal action. All risks that cannot be met by internal action are then split into risks that can be insured and those that cannot be reasonably insured and must be borne as business risks.

Certification & management systems

At Cosmo we recognize the added value of certifications as a foundation for quality, environmental responsibility and operational excellence. We believe that good governance and operational practices are the basis on which to build our and any future, the obtaining of a certification represents an additional validation of our processes and a comparable value to bring to the competition.



## Corporate governance including Board oversight of ESG and corporate sustainability (continued)

Our ISO 14001:2015 certification reflects our dedication to minimising environmental impact through effective environmental management practices.

We are committed to continuous improvement, accountability and sustainable practices. By upholding these internationally recognized standards, we strengthen our reputation, build trust with our stakeholders, and ensure that we operate responsibly and efficiently in all areas of our business.

### Compliance

In day-to-day activities Cosmo and all its representatives strictly acts accordingly to both national and international laws applicable to our industry. This commitment ensures that we operate with integrity, accountability and respect for the legal frameworks governing our activities.

### Product quality and safety

At Cosmo Pharmaceuticals, we recognise that quality is the cornerstone of our success and the trust our stakeholders place in us.

Our commitment to excellence is reflected in every product and process, ensuring the highest standards of safety, efficacy, and reliability. We have implemented a robust quality management system that enables us to continuously monitor, improve, and optimize our operations. This system underscores our dedication to delivering innovative solutions while maintaining rigorous compliance with global quality standards, reinforcing our position as a trusted partner in the pharmaceutical industry.

As a pharmaceutical company, we must comply to rigorous standard to guarantee our products' safety and quality.

Our Chief Manufacturing Officer is responsible for product safety and compliance with all applicable regulations and legislation.

It is Cosmo's policy to:

- Acknowledge that all individuals involved in the development, manufacture and distribution of products affect the quality and safety of the final product;
- Be held accountable for the quality and safety of the product produced and distributed to our customers;
- Maintain quality systems to ensure all activities are carried out in a state of compliance with all relevant regulatory and safety requirements;
- Carry out regular managerial reviews of the quality systems to ensure on-going adequacy and effectiveness; and
- Provide the necessary resources and conduct regular managerial reviews to ensure that the products procured and distributed are in compliance with all relevant regulatory and safety requirements.

Cosmo employees must familiarise themselves with all relevant product quality and safety regulations and legislation.

### Product safety training

It is our policy to train and develop the knowledge and skills of all relevant staff as required in relation to product safety.

Employees receive initial and continuing training on product quality and safety based on written procedures and in accordance with a written training programme. Employee competence in product quality and safety is maintained through rigorous and regular training.

Cosmo employees must:

- Ensure they have the required skills and appropriate competence to complete their tasks by attending and completing all training activities assigned to them; and
- Review and keep up to date with best standard practice, Cosmo's policies and procedures and applicable guidelines on how best to deal with adverse events, product quality and product safety issues.
- Ensure they have the required skills and appropriate competence to complete their tasks by attending and completing all training activities assigned to them; and
- Review and keep up to date with best standard practice, Cosmo's policies and procedures and applicable guidelines on how best to deal with adverse events, product quality and product safety issues.

### Public reporting and monitoring of product safety

The labels on all our product packaging contain contact information to report any complaints or any product safety issues. Issues which are reported are investigated thoroughly. In accordance with regulatory requirements, we have written procedures and associated training programmes to ensure a consistent and thorough process for the collection, identification and reporting of all product safety issues is in place. All confirmed product defects and safety issues are reported to the relevant external regulatory authority, such as the U.S. Food and Drug Administration and the European Medicines Agency.

Cosmo is committed to continuously monitoring all product safety issues. This is achieved through periodic managerial reviews of all complaints and product safety issues. In addition to this, post market surveillance is completed which includes the following:

- Analysing the geographical distribution of the product;
- Reviewing the number and nature of any complaints received per market;
- Reviewing how many complaints were classified as safety issues and required reporting to the relevant regulatory authority; and
- Review of all feedback (positive and negative) received from customers and KOLs.



Corporate governance including Board oversight of ESG and corporate sustainability (continued)

Every employee in Cosmo has a responsibility to ensure that:

- all complaints and safety issues are recorded and thoroughly investigated in accordance with regulatory requirements;
- all confirmed product safety issues are reported to the relevant regulatory authority; and
- periodic reviews of all reported issues are completed, documented in a timely manner and communicated internally.
- By maintaining these practices, Cosmo reinforces its commitment to product safety and customer trust.

Supervision system and corrective action

All complaints and safety issues are recorded and thoroughly investigated based on written procedures in accordance with regulatory requirements.

Complaints that do represent quality or safety defects are documented appropriately and, based on written procedures, a defect investigation is initiated. Based on the outcome of the investigation appropriate corrective and preventative actions ('CAPAs') are identified, implemented and monitored.

All confirmed product defects and safety issues are reported, in a timely manner, to the relevant external regulatory authorities.

Complaints which do not indicate a potential quality or safety defect are documented appropriately and communicated to the relevant team for the investigation and management of complaints of that nature.

Emergency response procedures

Cosmo has a robust system in place to guarantee the quality of our products. Detailed procedures are in place to ensure a rapid, effective and coordinated response to emergencies. Mock product recalls are conducted on a periodic basis to test the procedures to quickly and effectively remove a product from the marketplace with minimal risk to public health.

Product safety goals and targets

We continuously develop and review safety and quality objectives for all of our products.

- Numerous objectives and targets are set to measure and ensure product safety and quality including, but not limited to:
- Close out timeframe for complaints received;
  - Close out timeframe for CAPAs raised;
  - Timeframe to report product safety issues to regulatory authorities;
  - Product recalls;
  - Batch rejections in the manufacturing process;
  - Import rejections during product distribution;
  - Timeframe for implementation of continuous product improvement plans; and
  - Number of customer satisfaction forms received.

Product quality and safety against these targets is periodically reviewed by the senior management team including the Chief Manufacturing Officer.

Cosmo's continued success depends on our ability to manage safety and risk.

Our quality system is compliant with regulatory requirements and standards.

- In addition, Cosmo also routinely carries out:
- Internal audits to ensure compliance with all product safety regulations and guidelines; and
  - Supplier audits to ensure high and consistent quality of goods and services.

Cosmo is also subject to external audits by the relevant regulatory authorities and suppliers, which additionally ensures the highest product quality and safety.

- Cosmo is committed to a systematic process for the assessment, control, communication and review of risks to the quality and safety of products across the product life cycle. This includes the following steps:
- A prospective risk assessment is performed to assess and mitigate all risks detected. This consists of the identification of the hazards and the analysis and evaluation of the risks associated with exposure to these hazards;

- A risk assessment report is created to assess the probability of a negative event arising and the impact severity levels associated with the event;
- For any intolerable or unacceptable risks, appropriate action or control is identified and recommended;
- The risk assessment report is then circulated for review and approval by senior management; and
- Risk assessment reports are routinely reviewed to ensure the effectiveness of controls, relevance of assumptions and to assess the emergence of any possible new risks arising from the newly introduced controls.

Cosmo employees must:

- Ensure all regulatory authority audits and internal audits are carried out in compliance with all regulatory requirements, standards and guidelines; and
- Familiarise themselves with the Risk Assessment Procedure. The process is essential to ensuring the continued quality and safety of our final products and must be adhered to rigorously.

# Business ethics

For Cosmo, acting with integrity is fundamental to building trust and achieving excellence in every aspect of our business. We are committed to upholding the highest ethical standards, which not only strengthens our reputation but also drives us to deliver the best results for patients and shareholders.

We expect the same level of integrity from all our employees, consultants and contractors, encouraging them to adhere to our policies, make responsible decisions, and stay informed of relevant regulations. By fostering a culture of integrity, we ensure a solid foundation for sustainable success and positive impact.

## Code of conduct

Our Code of Conduct establishes clear expectations for ethical behaviour and is designed to ensure that employees, partners and stakeholders align with our core values. This code guides us in making responsible decisions, fostering a culture of integrity and trust and upholding our reputation. Through our commitment to this standard, we create accountability and consistency across all levels of our business.

It is available on our website at: (<https://www.cosmopharma.com/company/sustainability/business-ethics>).

## Bribery and corruption

Cosmo takes a zero-tolerance approach to bribery and corruption and all forms of bribery and corruption are unacceptable and strictly prohibited.

Cosmo is committed to upholding all laws relevant to countering bribery and corruption in each of the jurisdictions in which it operates. Cosmo has an Anti-Bribery and Corruption Policy in place which sets out the responsibilities of Cosmo and all individuals who work for Cosmo in observing and upholding the Company's position on bribery and corruption and which provides information and guidance to those individuals working for Cosmo on how to recognise and deal with bribery and corruption issues.

It is Cosmo's policy to conduct all of its business in an honest and ethical manner. Cosmo takes a zero-tolerance approach to bribery and corruption and all forms of bribery and corruption are unacceptable and strictly prohibited. Our Anti-Bribery and Corruption Policy applies to all Directors, officers, employees, consultants and contractors of Cosmo and their family members.

It is prohibited for Cosmo or its Directors, officers, employees, consultants or contractors to:

Give, promise to give, or offer, a payment, gift or hospitality to a third party or otherwise engage in or permit a bribery offence to occur, with the expectation or hope that an advantage in business will be received, or to reward a business advantage already given;

- Give, promise to give, or offer, a payment, gift or hospitality to a third party to 'facilitate' or expedite a routine procedure;
- Accept a payment, gift or hospitality from a third party if they know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Company in return;
- Threaten or retaliate against another employee or worker who has refused to commit a bribery offence or who has raised concerns under the Company Anti-Bribery and Corruption Policy; or
- Engage in any activity that might lead to a breach of the Company Anti-Bribery and Corruption Policy.

Our Anti-Bribery and Corruption Policy is available on our website at: (<https://www.cosmopharma.com/company/sustainability/business-ethics>).



Business ethics (continued)

Fair competition

Through our actions, values and business conduct we strive to create and promote a free and fair market, where healthy competition leads to constantly improve products and services.

In particular, Cosmo strictly forbids fixing prices with competitors and agreeing to divide markets, territories or customers with competitors. Cosmo's employees and representatives are prohibited from sharing sensitive and confidential information with competitors or any third party, entering into agreements with competitors to fix prices, boycott suppliers or customers. Our workforce is expected to always keep in mind the value and importance of a free and fair trade, respecting internal, national and international values, norms and guidelines.

Integrity in business is a core principle of Cosmo, therefore the information we gather must be obtained ethically. If employees are concerned that the information they are being offered has been obtained inappropriately, they must not accept it.

Responsible lobbying

Lobbying is an essential part of the democratic process, allowing individuals, companies, and organizations to communicate their views to policymakers and other stakeholders. However, we believe that lobbying must be conducted ethically, that's why, when engaging with policymakers or stakeholders, Cosmo representatives are expected to adhere to fundamental principles.

They must act honestly, maintain integrity and be transparent in their lobbying activities, ensuring that their efforts are driven by a commitment to improving the patient outcomes. They must always disclose that they are lobbying on behalf of Cosmo and provide only truthful and accurate information. Where applicable, employees should register with relevant lobbying registers and remain aware of any required “cooling-off” period that may apply to them.

Cosmo upholds high ethical standards in all interactions and expects employees to conduct lobbying activities in a responsible and compliant manner.

Fair treatment of suppliers

Cosmo is committed to conducting its business responsibly and ethically in all interactions with customers, vendors, and suppliers. Employees are expected to uphold these principles at all times and ensure that their business decisions align with ethical and commercial considerations.

When dealing with suppliers, employees must prioritise commercial factors in decision-making and treat suppliers fairly and ethically. They should build strong relationships with suppliers while ensuring that sensitive information and physical assets are adequately protected. In line with Cosmo's policies and procedures, employees must not seek or accept anything of value that could be perceived as a bribe. Additionally, they should always strive to act fairly and avoid taking deliberate advantage of others.

Cosmo maintains high ethical standards in all business relationships and expects employees to act with integrity in every interaction.

Whistleblower Programme

The Company has implemented a whistleblowing programme supported by a clear policy to uphold transparency and accountability. Our whistleblowing platform which is independent, available 24/7 in local languages allows reporting of unethical or illegal conduct without fear of retaliation. Reports are treated confidentially and structures are in place to process whistleblower reports. No disclosures were received under this programme in 2024.



Business ethics (continued)

Protecting Company assets

At Cosmo, we recognise that our assets whether physical, financial, intellectual, or digital are critical to our long-term success and sustainability. We are committed to safeguarding these resources through robust policies and responsible business practices.

Protecting Company technology

A robust and secure technology infrastructure is essential to the efficient operation of our business. Employees are required to help us achieve this operational objective.

Responsible use of our hardware, software and mobile devices is always required. The use of this technology should be for business use only. In line with Cosmo’s policy of cooperating with governmental authorities, in certain circumstances, it may be necessary to share correspondence to comply with legal proceedings. Employees must always treat their communications with the utmost care and respect.

To ensure Cosmo’s commitment to driving operational excellence, employees must:

- Always be respectful and use appropriate language when communicating on the company’s network and using its devices;
- Keep personal use to a minimum; and
- Take necessary precautions to protect business assets.

Safeguarding intellectual property

Intellectual property includes patents, trademarks, copyrights, registered designs, trade secrets and domain names. Cosmo takes the necessary actions to protect its intellectual property.

In order to safeguard Cosmo’s intellectual property, employees are required to:

- Keep Cosmo’s confidential information private and to not share it with parties outside Cosmo without prior written consent; and
- Be observant for potential infringements and copying of Cosmo’s intellectual property as well as ideas that could help Cosmo to grow and develop further.

Protecting confidential Company information

Our success is built on experience gained over years in business. The confidential information acquired needs to be protected. The development of this information is the result of continuous and committed hard work and investment.

To ensure Cosmo’s continued success our employees are required not to share this information in any way that would negatively affect the Company’s performance or allow our competitors to gain an advance using leaked information.

Cosmo also has a duty to protect any confidential information that belongs to others.

Cosmo’s employees must:

- Not discuss sensitive information in public places;
- Seek approval, and where necessary, have the proposed recipient sign a non-disclosure agreement prior to sharing confidential information outside of Cosmo;
- Be cognisant that Cosmo’s competitors may be seeking our confidential business information; and
- Report any loss or theft of Company devices immediately.

Good records management principles

Our records and information are invaluable assets and core to the operation of our business. Cosmo maintains these records in compliance with best practice and applicable laws and regulations.

Employees must always be mindful of the importance of following these procedures and guidelines as failure to do so could result in sanctions or fines. Employees are encouraged to constantly keep themselves up to date with the latest policies and procedures and all applicable laws and regulations.





# Environment



# Our environmental strategy

Cosmo recognises the importance of environmental protection and is committed to minimising its environmental footprint.

Protecting the environment is a fundamental responsibility that shapes how we operate and grow as an organisation. Environmental care is embedded in our core values and reflected in the principles outlined in our Environmental Policy. We are committed to minimising our environmental impact through initiatives that focus on reducing emissions, optimizing energy and resource efficiency, and promoting responsible waste management. Specifically, Cosmo is committed to the following objectives in order to reduce our impact on the environment:

## Climate Action & Carbon Footprint Reduction

### Emission Reduction Goals

We are committed to achieving net-zero emissions by 2035 through energy efficiency improvements, process optimisation, and investment in renewable energy.

### Sustainable Energy Use

We prioritise transitioning to renewable energy sources, optimising manufacturing processes, and improving facility energy efficiency.

### Monitoring

We are implementing a framework to monitor and reduce our environmental footprint; and

### Continuous enhancement of our EMS

Continually enhancing our environmental management system in order to support a reduction in our environmental footprint.

## Resource Efficiency & Waste Management

### Water Conservation

Implementing advanced water recycling systems and reducing water consumption across operations.

### Waste Reduction

Implementing best practice policies and procedures to minimise waste produced from our activities, adopting zero-waste-to-landfill initiatives and increasing material reuse and recycling rates; and

### Internal training

Providing suitable internal training on environmental issues to our employees, so that everyone is acting consciously to reduce energy consumption, reduce waste and minimise emissions.

## Biodiversity & Environmental Stewardship

### Pollution Prevention

Reducing air, soil, and water pollution through cleaner production technologies and responsible waste disposal.

## Regulatory Compliance & ESG Integration

By integrating environmental sustainability into our core operations, we aim to foster long-term resilience and create a positive impact on both people and the planet.

## Our environmental commitment

To reduce our environmental footprint and contribute to global and regional goals for addressing climate change risks along our value chain.

### Goals

- Obtain Energy Management System certification (**ISO 50001**)
- Maintain Environmental Management System certification (**ISO 14001**)
- Complete our **Scope 3 Carbon Footprint assessment**
- **15% reduction** of our direct GHG emissions (Scope 1 & 2) in 2025
- **50% reduction** of our direct GHG emissions (Scope 1 & 2) by 2030
- **Net zero** by 2035

### Actions

- Advance and update plans and investments to implement the company's strategy for **reducing its environmental and carbon footprint**
- Improve **material efficiency** and **water management**
- Engage with suppliers and customers to identify **CO<sub>2</sub> reduction** opportunities along our value chain



# Environmental Management System

In February 2024 we obtained ISO 14001 certification for our Environmental Management System in our Production Plant in Lainate (MI).

Our commitment to environmental sustainability is deeply embedded within the broader framework of ESG risk management. It also reflects our alignment with the United Nations Sustainable Development Goals (SDGs) and the Agenda 2030. This approach underscores our dedication to integrating sustainability into every facet of our operations.

Cosmo recognises the importance of environmental protection and is committed to minimising its environmental footprint.

Obtaining Environmental Management System certification, demonstrates our commitment to:

## Protection of the environment and energy efficiency

In particular, we buy certified renewable energy from the grid, we have set targets to reduce GHG emissions and have controls in place to minimise the risk of water pollution and soil pollution. Strict controls are in place in relation to waste management.

## The health & safety of our people

We prioritize the protection and the health and safety of our employees through training, resource availability, and continuous improvement. By fostering responsibility and collaboration, we ensure a healthy and safe workplace for everyone.

## Good governance

To uphold these commitments, good governance is essential, this involves continuous risk assessment and improvement, transparency and legal compliance, and stakeholder engagement.

Cosmo has an environmental manual which outlines the procedures and roles and responsibilities within the Company with respect to environmental protection. Training on the EMS is provided to employees each year. Cosmo has identified the products, activities and services that have significant impacts on the environment.

We maintain environmental performance records and internal environmental audits are carried out to assess the effectiveness of the EMS. Board and management reviews of the EMS are carried out periodically. The

Company has established Key Performance Indicators ('KPIs') which are monitored and measured.

Obtaining Environmental Management System certification, demonstrates our commitment to environmental responsibility, to managing resources effectively and to minimising our environmental footprint while maintaining compliance and driving continuous improvement.





# Climate change

## Introduction

Climate change represents one of the most significant global challenges of our time, with profound implications for the environment, society, and economies.

The importance of limiting global temperature rise to 1.5°C cannot be overstated. Scientists warn that exceeding this threshold will significantly increase the frequency and severity of extreme weather events, including heatwaves, droughts, hurricanes, and wildfires. A rise beyond 1.5°C would accelerate ice sheet melting, leading to rising sea levels that threaten coastal communities worldwide. It would also cause massive biodiversity loss, endangering ecosystems and food security. Additionally, vulnerable populations, particularly in developing nations, would face heightened risks of displacement, poverty, and health crises. By keeping warming below 1.5°C, we can preserve a more stable climate, protect natural systems, and ensure a sustainable future for generations to come.

To limit global warming to 1.5°C, greenhouse gas (GHG) emissions must be drastically reduced in the coming decades. In order to achieve this, global emissions fall by half by 2030 and must reach net-zero by no later than 2050. There is limited time for action and the private sector has a crucial role to play.

As a responsible corporate entity, Cosmo acknowledges the urgency of addressing climate change and is committed to achieving net-zero emissions. We recognize that our actions have both direct and indirect impacts on climate change, and it is imperative to take decisive steps to mitigate these effects.

## Relevance to Cosmo

Climate change is a material topic for Cosmo because it directly influences our operational sustainability, stakeholder expectations, and regulatory compliance. The adverse impacts of climate change, such as extreme weather events, can disrupt our supply chain, affect our production processes, and pose risks to our assets and workforce. Additionally, there is a growing demand from stakeholders, including investors, customers, and regulatory bodies, for companies to demonstrate their commitment to reducing greenhouse gas (GHG) emissions and contributing to global climate goals.

## Impact on Cosmo

Cosmo's operations and activities contribute to GHG emissions, primarily through energy consumption in production processes and the company fleet. These emissions have the potential to exacerbate climate change, leading to increased regulatory scrutiny and potential financial implications. Conversely, by proactively addressing climate change, Cosmo can enhance its reputation, achieve operational efficiencies, and meet the expectations of environmentally conscious stakeholders.

## Cosmo's Strategic Response

### GHG risk management program

Cosmo has developed a comprehensive GHG Risk Management Program to address the environmental challenges associated with our operations. This program is designed to identify, assess, and mitigate greenhouse gas (GHG) emissions across the company, ensuring compliance with regulatory requirements and enhancing sustainability.

### Risk identification

Cosmo has identified several key risks related to GHG emissions, including regulatory and compliance risks, operational risks, supply chain and Scope 3 risks, and market and reputational risks. These risks encompass potential impacts from energy-intensive manufacturing processes and the demand for low-carbon pharmaceutical solutions.





Climate change (continued)

GHG inventory & baseline assessment

We have conducted a GHG footprint assessment based on the GHG Protocol, categorising emissions into scope 1 (direct emissions), scope 2 (indirect emissions from purchased electricity and heating). We plan to carry out a scope 3 (upstream and downstream emissions) in 2025. A baseline year of 2023 was established to measure scope 1 & 2 emission reduciton progress.

Risk assessment & scenario Analysis

Cosmo performs scenario analysis to model the impact of carbon pricing on production costs and evaluate energy dependency risks in R&D and manufacturing.

Mitigation & reduction strategies

The program includes strategies for energy efficiency and decarbonisation, such as transitioning to renewable energy.

Monitoring, reporting, and compliance

We have put systems and structures in place to monitor scope 1 and scope 2 emissions and track the progress towards the achievement of our carbon reduction targets.

Governance & continuous improvement

ESG leadership roles are assigned to oversee the GHG risk management program, we have appointed a Chief Sustainability Officer who is a member of the Bord of Directors and who regularly updates our board in relation to our ESG initiatives. GHG risks are integrated into the enterprise risk management (ERM) framework and are regularly monitored. We engage with our stakeholders on

sustainability strategy and have established GHG reduction targets against which we measure our progress. Our approach is anchored in collaboration, transparency, and a commitment to achieving net-zero emissions for a healthier planet.

Our decarbonisation strategy

We are aware of the urgent need to take decisive action against climate change and we are committed to reducing our carbon footprint while continuing to deliver innovative solutions for patients.

Climate change represents a challenge we must face as one. We are acutely aware of our responsibility to reduce our carbon footprint and we are committed to taking meaningfull action to minimise our environmental impact and contribute to a reduction in global GHG emisisions.

We have commened our decarbonisation path and have calculated the Scope 1 and 2 emissions from our Production Plant for 2023.

The biggest impact comes from a cogeneration system at our Production Plant which generates electricity and steam for our manufacturing processes. A total of 99.8% of our scope 1 and 2 GHG emissions are Scope 1 and are generated from this cogeneration system.

In 2024 we set scope 1 and scope 2 reduction targets, using 2023 as a baseline, and adopted a commitment to become carbon neural by 2035.

Our decarbonisation strategy is focused on improving energy efficiency and transitioning to renewable energy sources including investing in green technologies. We are actively working to reduce greenhouse gas emissions across our production processes.

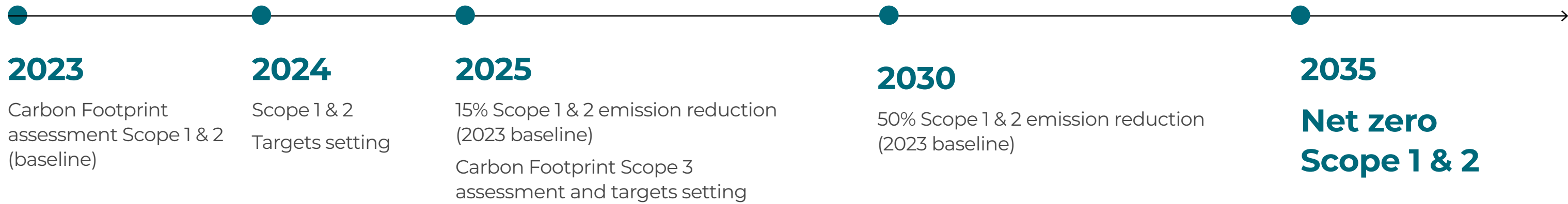
We believe that acting against climate change is not only an ethical obligation but also a strategic imperative to ensure long-term business resilience and innovation.

- Our targets are to:
- Achieve a 15% reduction in direct GHG emissions (scope 1 & 2) from our Production Plant in 2025 using 2023 as a baseline
  - Achieve a 50% reduction in direct GHG emission (scope 1 & 2) reduction from our Production Plant by 2030 using 2023 as a base line
  - Reach carbon neutrality for scope 1 & 2 emissions by 2035
  - Assess and set targets for scope 3 emissions and engage with our value chain in 2025

Climate change (continued)

We continuously monitor and evaluate global advancements in the energy transition, staying informed about policies, regulations, emerging technologies, and both international and national trends that could either accelerate or obstruct this shift in the coming years. Additionally, we assess potential challenges and risks that may impact our operations.

Road Map to Net Zero



In order to achieve our targets we are taking the following steps:

Transition to Clean Energy

Starting in 2025, we have commenced reducing the use of the cogeneration system at our Production Plant and will increase our utilisation of green certified energy from the grid. In addition, Cosmo is investing in renewable energy sources and low-carbon alternatives to power our operations. In 2024, we began installing a photovoltaic park at our Product Plant which will be operational by spring 2025. This park will reduce our gas consumption and enable employees to recharge electric cars using self-produced energy.

Stakeholder Engagement

Cosmo engages closely with its stakeholders, including suppliers, to evaluate and encourage adherence to our environmental, social, and governance standards. Through structured dialogues and our Double Materiality Assessment, we are building a resilient and future-oriented shared culture.

Company Fleet Conversion

We plan to convert our company fleet to environmentally friendly vehicles. By tracking key parameters for each vehicle, such as mileage and fuel type, we are adopting the most suitable and least impactful solutions for fleet conversion.

Internal Training and Awareness

We provide ongoing training and resources on sustainable practices to our employees, ensuring they are equipped to contribute to Cosmo's emission reduction goals. Specialized training programs keep our workforce informed and motivated to adopt environmentally responsible practices.



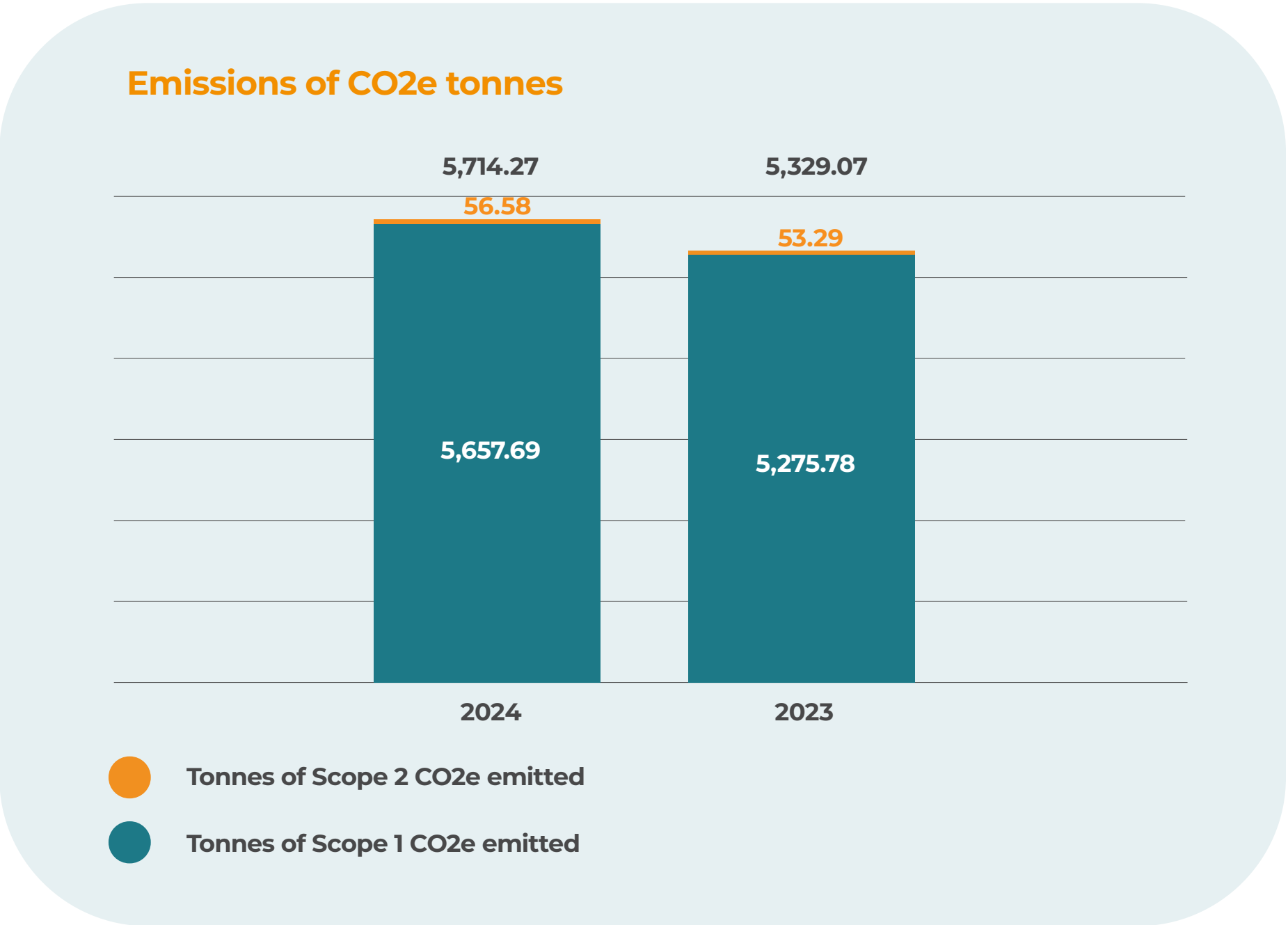
Climate change (continued)

Direct and energy indirect GHG emissions

Emissions of CO2e	2024	2023	Change (%)
Tonnes of scope 1 CO2e emitted	5,657.69	5,275.78	+ 7.24%
Tonnes of scope 2 CO2e emitted	56.58	53.29	+ 6.18%
Total	5,714.27	5,329.07	+ 7.23%

By addressing climate change as a material topic, we demonstrate our dedication to environmental responsibility and sustainability. Our strategic initiatives and commitment to continuous improvement position us to effectively mitigate the impacts of climate change, ensuring a resilient and sustainable future for our company and stakeholders.

Our approach includes setting clear targets, regularly measuring our progress, and fostering a culture of sustainability within our organisation. We are determined to meet our short-term and long-term goals by implementing sustainable practices, enhancing efficiency, and continuously innovating to reduce our environmental impact to contribute to a healthier planet for future generations.



Air quality & atmospheric emissions

VOCs

Volatile organic compounds (VOCs) are gases released from specific solids and liquids, including those used and generated during pharmaceutical manufacturing.

Volatile organic compounds are compounds that have a high vapor pressure and low water solubility. They are emitted as gases from certain solids or liquids and include a variety of chemicals, some of which may have short- and long-term adverse health effects. Concentrations of many VOCs are consistently higher indoors (up to ten times higher) than outdoors, that is why their level must be constantly monitored in order to protect the health and well-being of our employees.

We have installed a VOC incinerator to reduce the level of emissions. We apply stringent VOC monitoring protocols to confirm that we remain below legal thresholds and maintain a healthy workplace. Once per annum an external assessment is carried out to confirm that our VOC levels are below the legal thresholds.

Dust and organic carbon

On an annual basis, at our Production Plant we assess total dust and organic carbon emissions as required by Italian legislation. Monitoring is performed by a certified

external company and the results are sent to the competent Italian authorities once a year as required by our environmental authorisation.

# Energy management

At Cosmo, we recognise that responsible energy management plays a crucial role in building a sustainable future, based on pursuing innovation while preserving the environment.

Among the initiatives implemented to strengthen our sustainable responsibility, we have also embarked on a transformative journey toward renewable energy, making strategic investments that will significantly reduce our environmental impact while ensuring the efficiency of our operations.

A key milestone in this path is the installation of a photovoltaic park in our Production Plant in Lainate, which will allow us to generate clean energy directly from the sun, reducing our reliance on fossil fuels, cutting down our carbon footprint and increasing our energy independence. By harnessing solar power, we are not only making our facilities more self-

sufficient but also contributing to the broader goal of decarbonisation and to goal #7 of the United Nations SDGs.

Considering the extension and the intensity of our production lines, we installed a cogeneration system that provides self-produced energy to fuel our machineries, processes, facilities and steam production. For the remaining demand, we buy clean electricity from external providers, prioritizing the purchase of certified green energy.

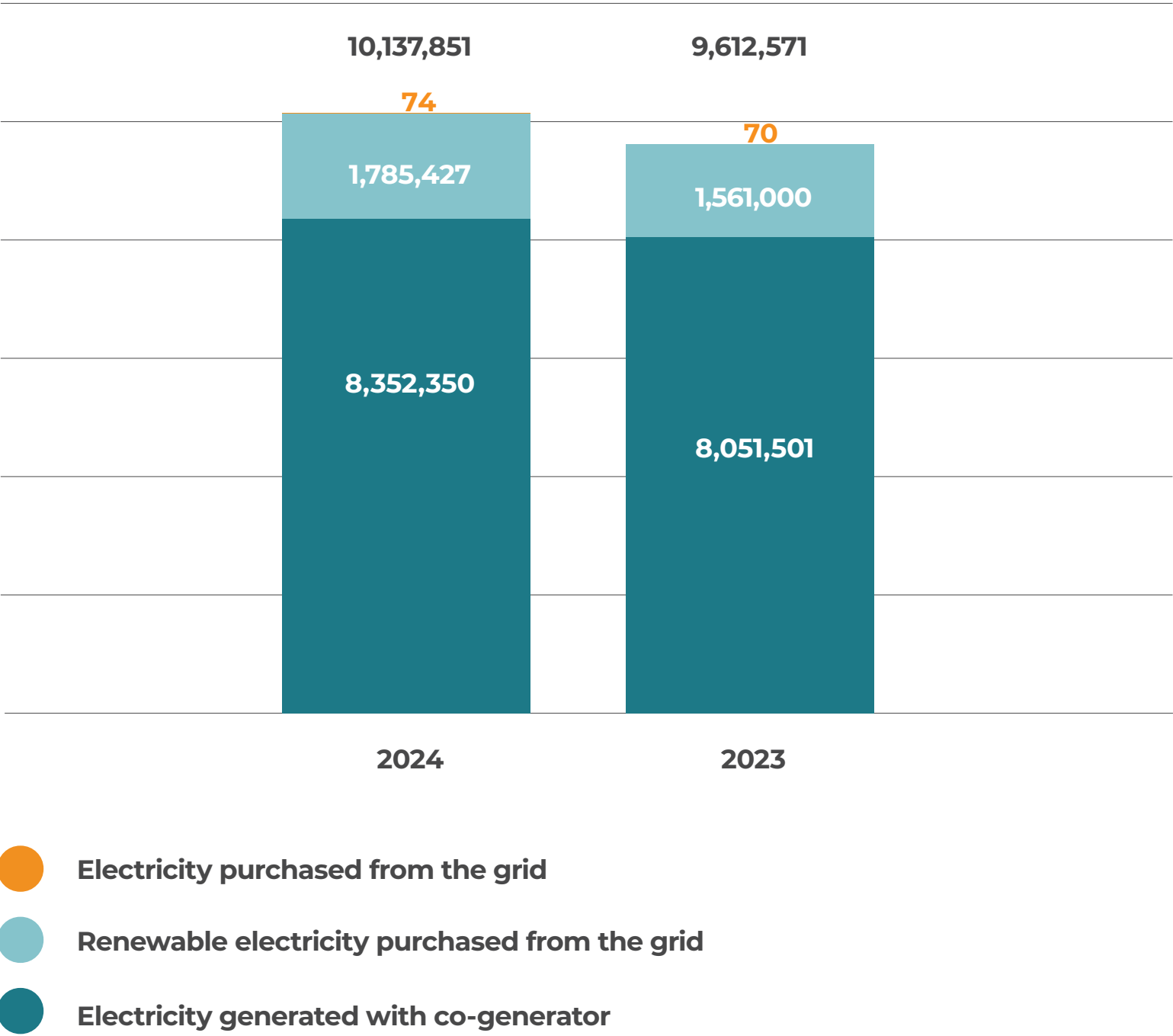
Unfortunately, the cogeneration system is the main source of GHG emissions from our Production Plant. In the transitioning process we just embarked upon, we will gradually but constantly move towards clean energy and the dismissal of the co-gen.

This transition is not just a business decision, it reflects our commitment to our employees, stakeholders and to the communities in which we operate. As we continue to grow and innovate, we are determined to do so in a way that proves that scientific advancement and environmental consciousness can go hand in hand.

Electricity consumption (KWh)	2024	2023	Change (%)
Electricity purchased from the grid	74	70	5.71%
Renewable electricity purchased from the grid	1,785,427	1,561,000	14.38%
Electricity generated with co-generator	8,352,350	8,051,501	3.74%
Total	10,137,851	9,612,571	5.46%

Natural gas consumption (scm)	2024	2023	Change (%)
Natural gas consumption	2,806,558	2,604,012	7.78%

Electricity consumption (kWh)





# Waste management

Waste management is a critical material topic for Cosmo, reflecting our dedication to sustainability, environmental stewardship, and regulatory compliance. As a company operating in the pharmaceutical sector, we recognize the significant impact our waste management practices can have on both the environment and human health.

## Circularity and material efficiency

At Cosmo material efficiency is a key consideration, but the use of recycled materials is often not feasible due to sector specific strict quality and safety regulations.

In fact, pharmaceutical production requires raw materials and packaging that meet the highest industry standards to ensure product integrity, patient safety, and regulatory compliance. As a result, the procurement of recycled materials is highly restricted, particularly for primary packaging and critical production components.

- The materials bought can be divided into three main utilisation:
1. Products production: mostly chemicals and products such as plastic or aluminium to coat the tablets.
  2. Packaging: plastic and wood.
  3. Office work: mostly paper.

Our circular effort continues with production waste management ensuring that most of its packaging waste is directed toward recycling and minimizing environmental impact. However, chemical waste generated during operations must be carefully managed and cannot be reused due to its hazardous nature. Instead, it undergoes specialised treatment and disposal processes to prevent environmental contamination and ensure full regulatory compliance.

## Importance of waste management

Effective waste management is essential for ensuring that our operations do not contribute to environmental degradation or pose risks to public health. The pharmaceutical industry, in particular, generates various types of waste, including hazardous chemical waste, which requires careful handling and disposal. By adhering to stringent waste management practices, we aim to minimize our environmental footprint, comply with regulatory requirements, and contribute to the overall sustainability of our industry.

## Challenges in waste management

There are several challenges associated with waste management in the pharmaceutical sector:

### Regulatory compliance

Pharmaceutical production is subject to strict quality and safety regulations, which impact our ability to use recycled materials. This is particularly true for primary packaging and critical production components, where material integrity and safety are paramount. As a result, the procurement of recycled materials is highly restricted.

### Hazardous waste

The pharmaceutical industry generates a significant amount of chemical waste, which cannot be reused due to its hazardous nature. This waste must be carefully managed and disposed of through specialized treatment processes to prevent environmental contamination.

### Resource optimisation

Balancing the need for high-quality materials with the goal of minimising waste generation requires continuous efforts to optimize resource usage and implement efficient production processes.

## Our approach to waste management

At Cosmo, we have implemented a comprehensive waste management system that addresses the challenges outlined above and aligns with our commitment to sustainability and operational excellence.

Waste from our other locations is managed responsibly, with an emphasis on recycling and waste reduction initiatives.

Our approach includes the following key components:

### Monitoring and collecting production waste

All waste is transferred to a specialized provider for proper handling, ensuring that 100% of non-chemical waste is recycled. The majority of waste generated by Cosmo comes from our Production Plant where we have established a robust process for systematically tracking, categorizing, and managing waste generated during production as part of our commitment to sustainability and operational excellence. This system ensures that all waste generated during production is systematically tracked, categorised, and managed in accordance with strict environmental and regulatory standards. The monitoring process allows the company to identify waste streams, optimize resource usage, and minimize waste generation at the source.



Waste management (continued)

A key aspect of this process is that 100% of the non-chemical waste is recycled, ensuring that no material goes to landfill.

Specialised treatment of hazardous waste

Chemical waste generated during our operations undergoes specialized treatment and disposal processes to prevent environmental contamination. We adhere to strict regulatory guidelines and industry best practices to ensure the safe handling, storage, and disposal of hazardous waste.

Office waste management

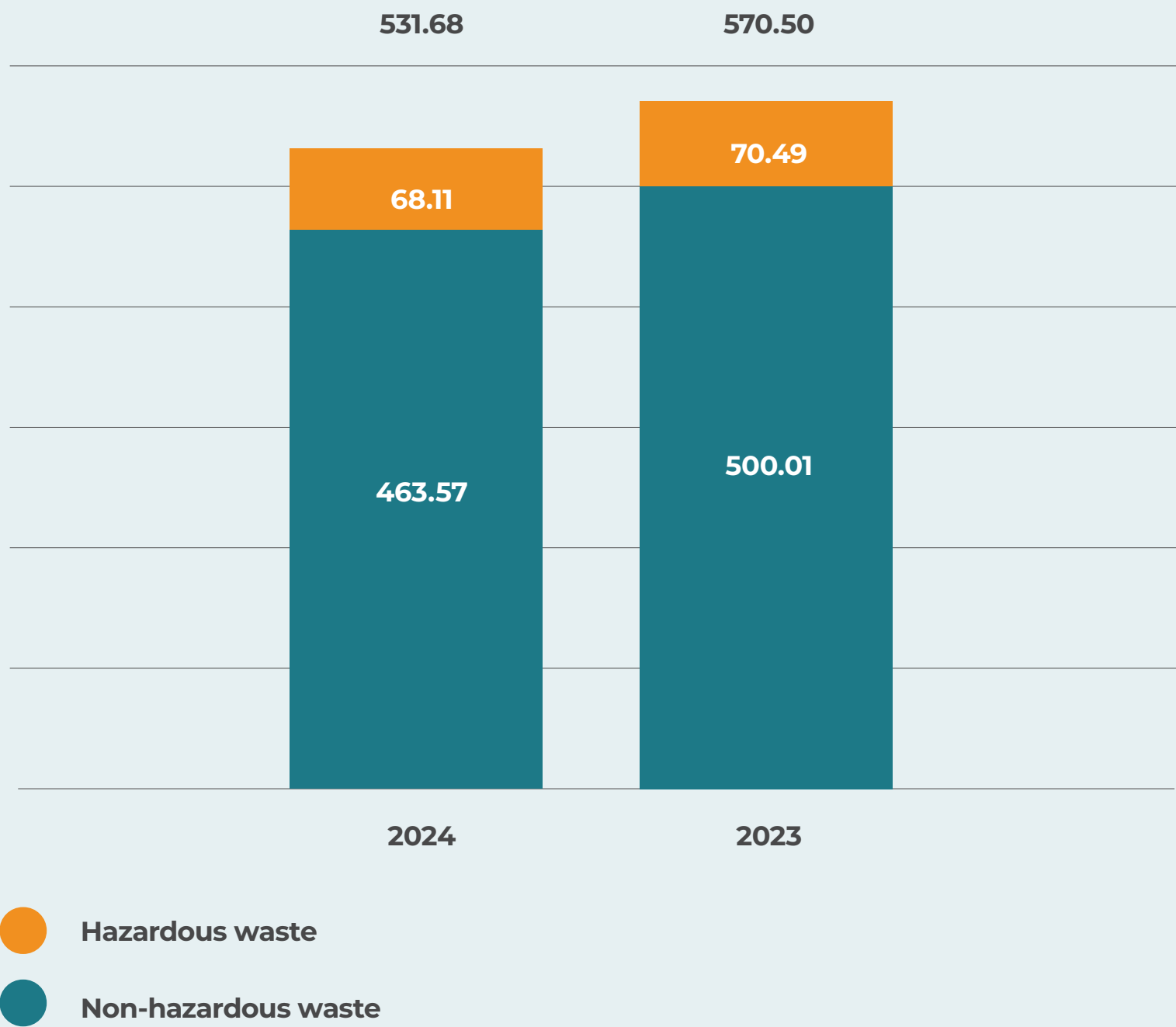
Waste from our office locations, including paper, packaging, and other non-industrial materials, is managed responsibly with a strong emphasis on recycling and waste reduction initiatives.

environmental responsibility. By addressing the unique challenges of the pharmaceutical industry and implementing comprehensive waste management practices, we strive to minimize our environmental footprint and contribute to the overall well-being of the communities in which we operate. Through continuous improvement and adherence to regulatory standards, we are dedicated to achieving excellence in waste management and upholding our values of sustainability and operational integrity.

Waste generated (tonnes)	2024	2023	Change (%)
Non-hazardous waste	463.57	500.01	-7.29%
Hazardous waste	68.11	70.49	-3.38%
Total	531.68	570.50	-6.80%

Waste management is a fundamental aspect of Cosmo's commitment to sustainability and

Waste generated (tonnes)





# Water management

Water is an indispensable resource, and at Cosmo, we are dedicated to responsible water management across all our locations. This commitment is ingrained in our operational practices and falls within the scope of our ISO 14001 certification, ensuring our adherence to international standards for environmental management.

## Management approach

Our water management strategy is structured to address the unique requirements of both our office locations and our Production Plant. While most of our locations are office-based and use water exclusively for civil purposes, thereby ensuring minimal environmental impact, our Production Plant consumes a moderate amount of water for production needs. To optimize efficiency and reduce waste, we have implemented a comprehensive water measurement and management system at our Production Plant.

## Water sources and usage

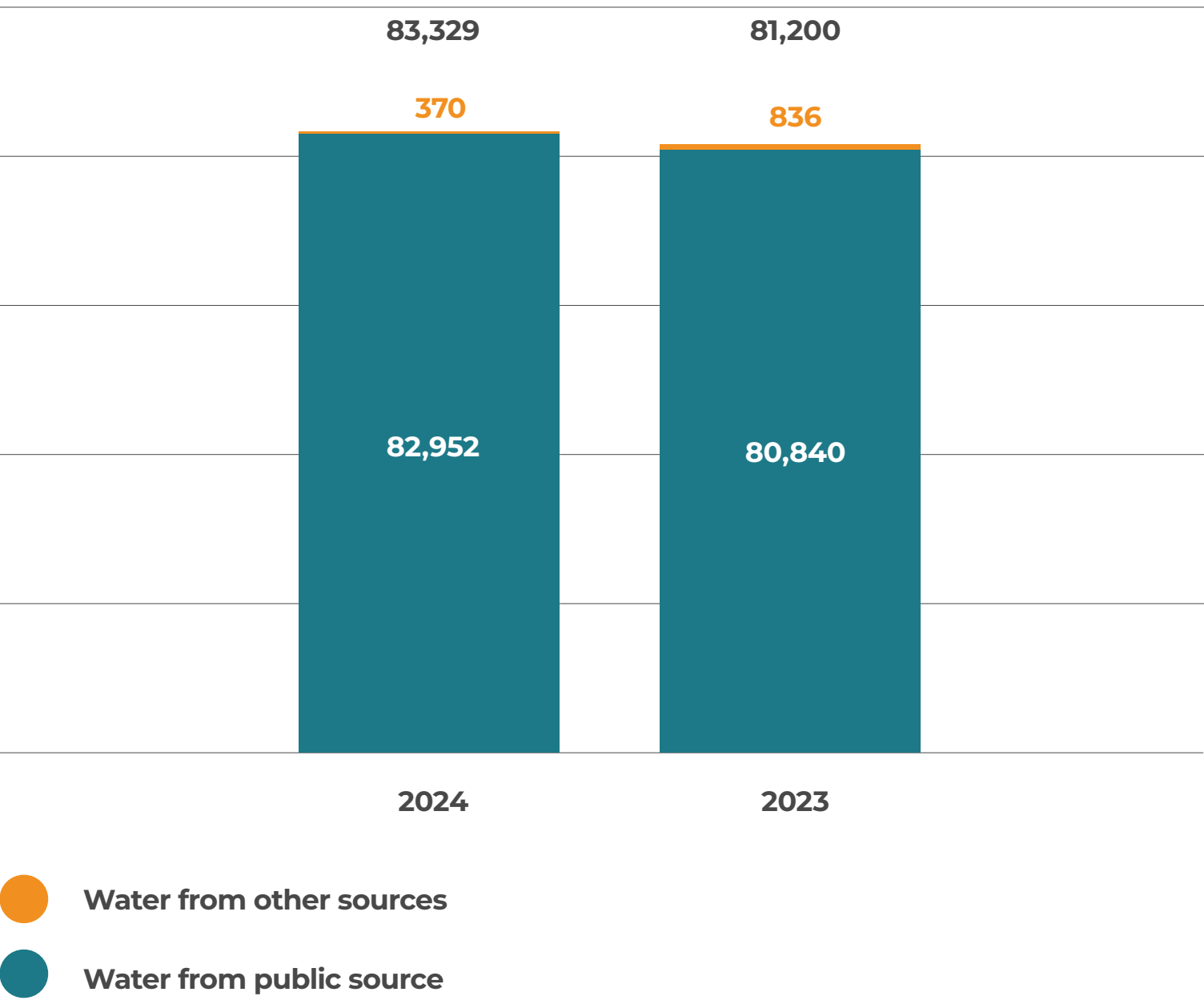
In 2024, we source water from both the local public water supply and we also source water for our Production Plant directly from a well. The vast majority of our water demand, approximately 99.5%, is supplied from the public water supply, with the remaining 0.5%, corresponding to sourced from our well.

## Wastewater treatment

Wastewater generated from our Production Plant undergoes treatment through a state-of-the-art purification system before being discharged into the public sewage system. This ensures compliance with Italian regulations, as we continuously monitor the quality of treated wastewater for harmful chemical substances. Key parameters such as suspended solids, nitrates, and chemical oxygen demand are analysed monthly by an external certified laboratory, ensuring our commitment to environmental stewardship.

Through these concerted efforts, we strive to minimise our water footprint and contribute to sustainable water management. By continuously improving our water management practices and rigorously adhering to regulatory standards, Cosmo is dedicated to achieving excellence in water stewardship and upholding our values of sustainability and operational integrity.

Water consumption (m³)



Water consumption (m³ )	2024	2023	Change (%)
Water from public source	82,952	80,840	2.61%
Water from other sources	370	836	-55.74%
Total	83,329	81,200	2.62%



## Pollution prevention and control

Pollution prevention and control is a critical aspect of our company's commitment to environmental stewardship. Our objective is to minimize environmental pollution and ensure sustainable practices across our operations. This commitment spans the entirety of our production process, from water intake, wastewater treatment, and chemical waste management to reducing hazardous waste and implementing measures to prevent accidental pollution.

Our Production Plant's wastewater undergoes advanced purification before being discharged into the public sewage system, in strict adherence to Italian regulations. By continuously monitoring the quality of treated wastewater, we ensure that harmful chemical substances are controlled, thereby preventing environmental pollution. External certified laboratories analyze key parameters including suspended solids, nitrates, and chemical oxygen demand monthly, ensuring compliance with environmental standards. In addition, we prevent chemical waste discharge into the soil and have implemented a comprehensive waste management program to handle hazardous and non-hazardous waste materials safely.

Our commitment to pollution prevention extends to:

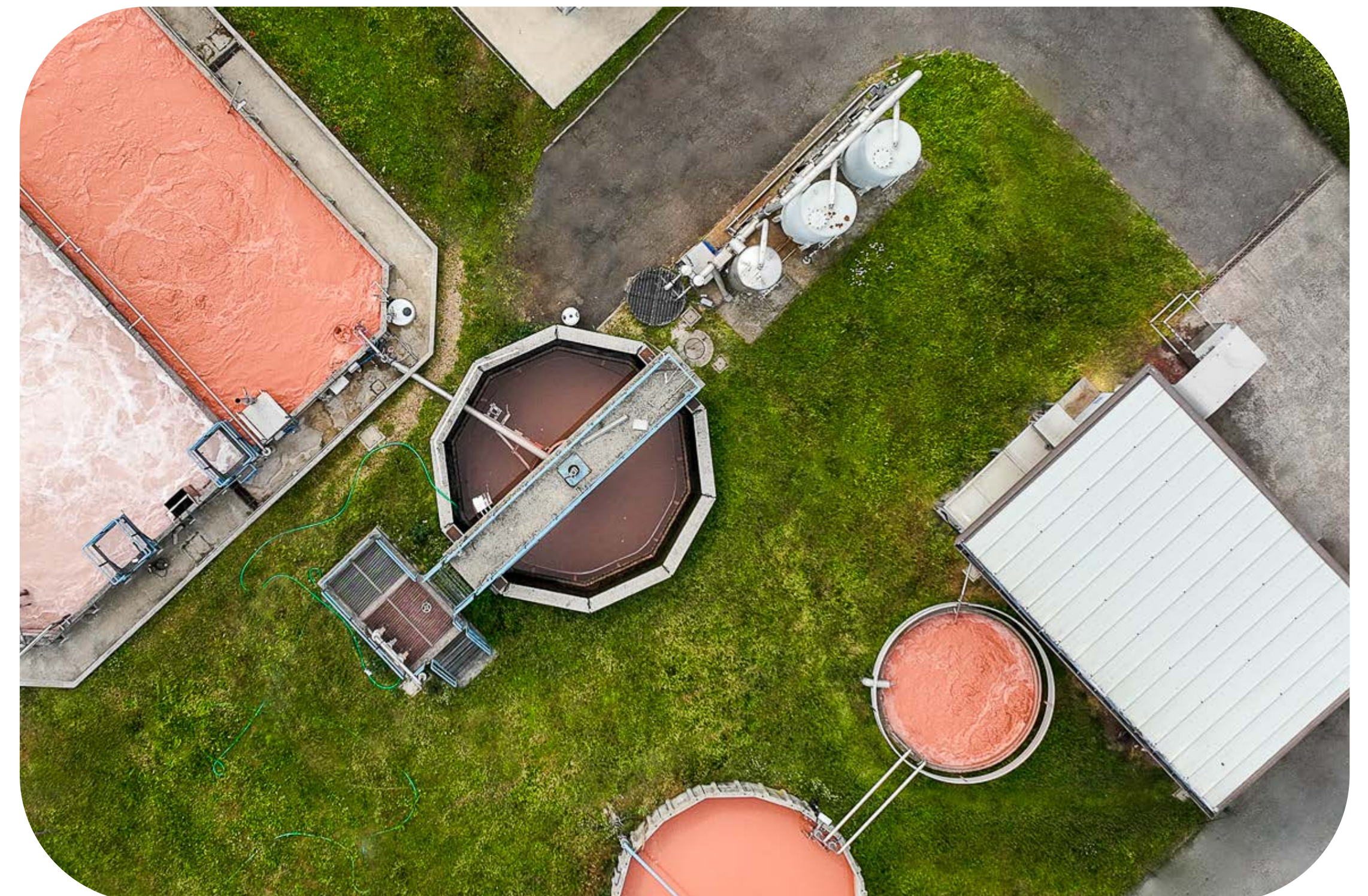
- Conducting regular environmental audits and assessments to identify areas for improvement and track progress;
- Ensuring the proper disposal of hazardous waste through meticulous monitoring and measurement;
- Replacing all F-gases in air conditioning and refrigeration systems with new gases that have a low environmental impact, in accordance with European regulations;
- Educating and training employees on environmental regulations and best practices;
- Investing in new technologies to reduce the environmental impact of our manufacturing process.

The boundaries of our pollution prevention and control initiatives encompass our entire production process and facilities. We involve all stakeholders, including employees, external laboratories, and our licensees and partners, who manage the use, disposal, and transportation of our products. This comprehensive approach ensures that our commitment to reducing environmental impact extends beyond our operations to include our entire supply chain.

Through these dedicated efforts, we aim to minimize our ecological footprint and contribute to sustainable environmental practices, demonstrating our unwavering commitment to pollution prevention and control.

## Use, disposal and transportation of products

We do not have a commercial infrastructure and we do not directly commercialise our products. Our products are distributed to the market by our licensees and partners, who are responsible for managing the use and disposal of our products and for the transportation of our products from our manufacturing facility to the market. Therefore, our partners are responsible for the disposal of unused medicines. Only approximately 3% of our production output is damaged in the manufacturing process and remains at our premises, and we are responsible for the disposal of these minimal quantities of medicines, which is carried out in line with applicable laws.





# Social





# Our commitment

At Cosmo, we are committed to improving lives by developing products that address unmet medical needs in the fields of gastroenterology, dermatology and healthtech.

We recognise our responsibility to patients, employees, healthcare professionals, and communities. Our social commitment is rooted in patient safety, diversity, ethical business practices, and global health equity.

We are committed to making a positive impact through:

### Patient Health & Safety

- Ensuring the highest standards of quality, efficacy, and safety in all our products.
- Adhering to Good Manufacturing Practices (GMP) and stringent regulatory compliance with FDA, EMA, and WHO guidelines.
- Investing in pharmacovigilance and post-market surveillance to monitor drug safety and effectiveness.

### Equity & Inclusion

- Fostering an inclusive workplace that values gender equality and diverse perspectives.
- Supporting women middle management and leadership roles.
- Implementing non-discriminatory hiring and promotion policies to ensure equal opportunities.

### Employee Well-Being & Ethical Workplace Practices

- Providing a safe, fair, and inclusive working environment.
- Upholding ethical labor standards and ensuring compliance with Human Rights Principles.
- Encouraging professional development through training programs and career growth initiatives.

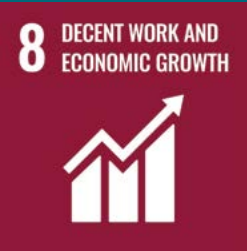
### Community Engagement & Social Impact

We believe that strong communities are the foundation of a healthier and more sustainable future. We are committed to making a positive social impact through active engagement and meaningful contributions that improve the well-being of the communities where we operate.

Through these commitments, we align with Sustainable Development Goals (SDGs) 3, 5, 8, and 10, ensuring that our business not only advances medical science but also contributes to a healthier, more equitable world. We continuously strive to innovate responsibly, operate ethically, and serve patients with integrity and care.

### Our goals

- 35% women in management by 2028.
- 45% women in middle management by 2028.
- Alignement with UNI/PdR 125.
- Implementing our talent pipeline development strategy
- Achievement of our D&I targets
- Attainment of ISO45001
- Reduce gender pay gap from 10% to 5% by 2030





# Our people

Our commitment to upholding ethical labour standards, ensuring compliance with Human Rights Principles, and fostering professional development is integral to our business operations.

We believe that creating a positive social impact and supporting the well-being of the communities where we operate is essential. This encompasses our efforts to align with Sustainable Development Goals (SDGs) 3, 5, 8, and 10, ensuring our contributions to a healthier, more equitable world.

## Why the topic is material

Our people are our most valuable asset, and we recognise the importance of attracting and retaining highly qualified employees to help us grow and create long-term value. Effective human resource management, based on respect and emphasising the value of employees as individuals with unique talents, ambitions, and contributions, is vital for the success of any organisation. By cultivating a culture of respect, fairness, and transparent communication, we inspire our people to reach their full potential in a healthy environment where they can express themselves and contribute to fostering innovation.

## Impact of the topic

Our actions in human resource management have a direct impact on our business and the communities we serve. By setting long-term Diversity & Inclusion (D&I) targets and monitoring related Key Performance Indicators (KPIs), we ensure that our business advances responsibly and ethically. We support employee well-being and promote diversity and inclusion, creating an environment where employees can develop their skills and advance their careers.

This topic covers all aspects of our human resource management, including:

- Talent pipeline development
- Employee well-being, health, and safety
- Diversity and inclusion initiatives
- Professional development and career advancement programs





Our people (continued)

Our actions

Our Human Resources department acts as a strategic partner to the business and provides critical support helping to build an organisation that will help achieve our goals. We have developed a people strategy that aims to:

- Create an environment that attracts suitably qualified candidates to help us achieve our goals;
- Retain and motivate our employees by offering competitive remuneration and opportunities for development and career advancement;
- Support and encourage our employees to develop their skills;
- Ensure employee well-being and health and safety; and
- Promote diversity and inclusion

Under the guidance of our HR team, Cosmo has built a working environment aligned with our future goals. Our strategy is built on a holistic model designed to enhance every pillar and create a cooperative working environment. We continuously assess and review the numbers of our workforce including the percentage of women in leadership positions, gender and nationality.

Talent attraction and retention

By creating an engaging and inclusive environment Cosmo aims to retain and inspire talent by offering competitive packages and creating meaningful opportunities for personal development and career growth.

Training and development of soft-skills

In Cosmo we strongly believe that continuous learning and improvement of individual skills is essential to drive personal growth, employee satisfaction and overall performance.

Development of a shared culture

We aim to develop a shared company culture which fosters our values, conduct and goals to create a cohesive and collaborative environment where everyone is aligned and motivated to contribute to Cosmo's success.

Corporate welfare

We strive to continuously improve our working conditions and create an environment which promotes and celebrates diversity and inclusion at every level in our organisation.

Fundamental human rights at work

Cosmo respects the fundamental human rights of employees at work including the rights associated with the following International Labour Organization conventions:

- C014 – Weekly Rest (Industry) Convention;
- C029 – Forced Labour Convention;
- C087 – Freedom of Association and Protection of the Right to Organise;
- C098 – Right to Organise and Collective Bargaining;
- C105 – Abolition of Forced Labour Convention;
- C106 – Weekly Rest (Commerce and Offices) Convention;
- C111 – Discrimination (Employment and Occupation);
- C135 – Workers Representatives Convention;
- C138 – Minimum Age Convention; and
- C182 – Worst Forms of Child Labour Convention.

Cosmo is committed to applying international standards on human rights including the United Nations Guiding Principles on Business and Human Rights.

Freedom of association

We respect employees' rights to freedom of association and collective bargaining. Our policy on freedom of association ensures that employees can join unions and participate in union activities without any restrictions. We foster an environment for open dialogue on work-related issues, promoting mutual understanding and resolution through genuine discussions with freely chosen employee representatives. All employees have the right to participate in union meetings without limitation.

Collective bargaining agreements

A total of 94% of our employees are covered by collective bargaining agreements.

Minimum notice periods regarding operational changes

We respect legal local notice periods prior to the implementation of changes that could affect our employees.

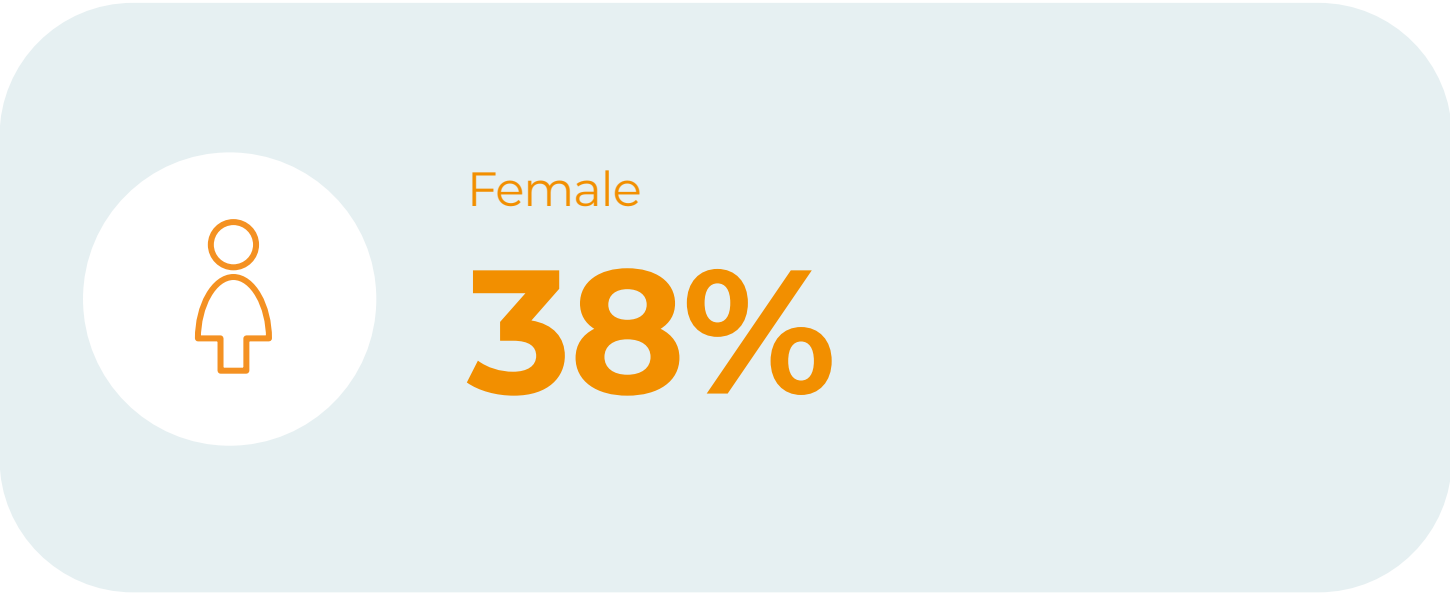
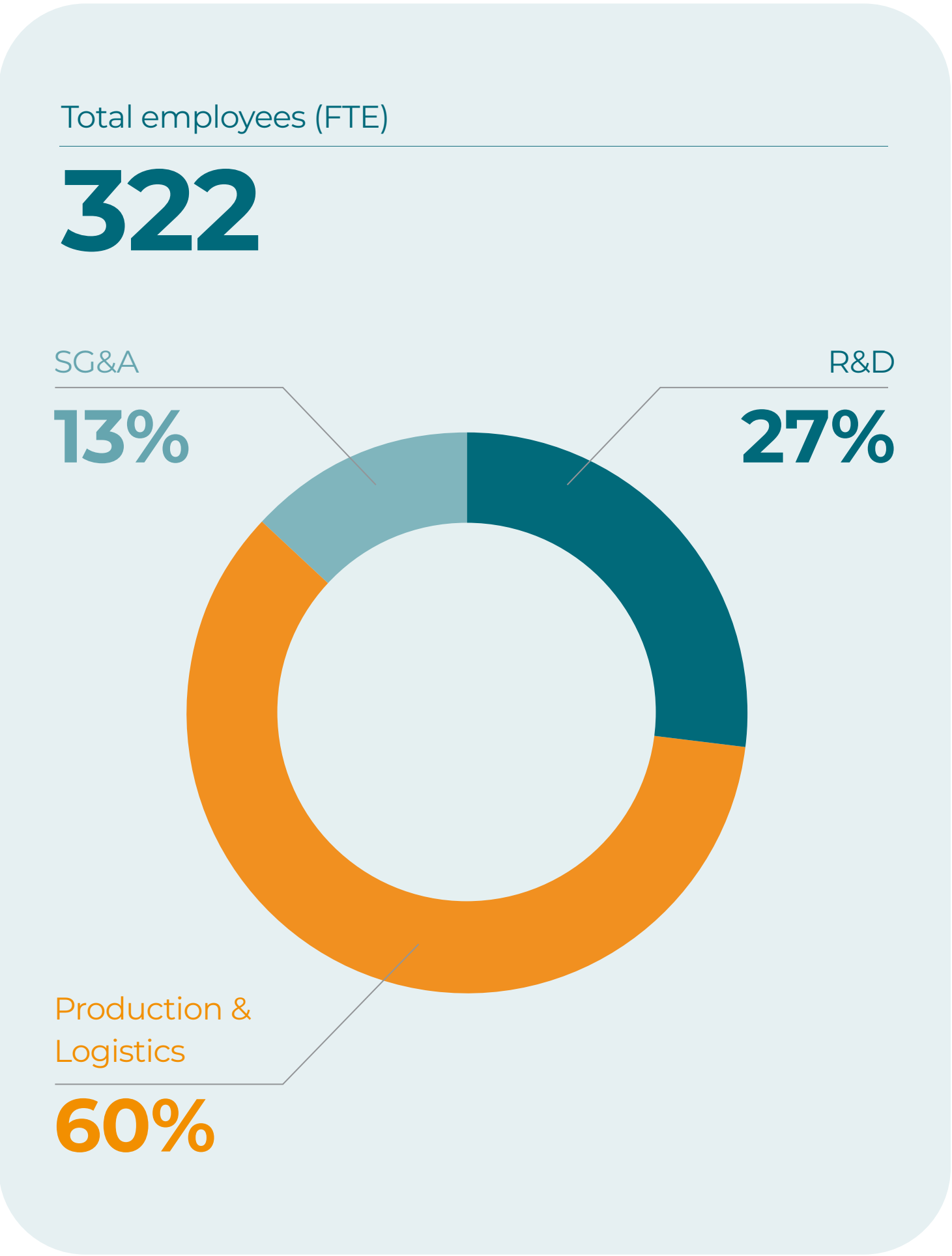


Our people (continued)

Information on employees and other workers

Cosmo, had an avergae of 322.7 FTE (full-time equivalent) employees in 2024. The following tables give a breakdown by category and gender.

We employ 321.8 people from 27 different nationalities fostering a diverse and inclusive workplace, 37% of management and middle management are women reflecting our commitment to gender equality and leadership diversity.





Our people (continued)

Board of directors

Age	2024			2023		
	Men	Women	Total	Men	Women	Total
<30	-	-	-	-	-	-
30-50	1	-	1	-	-	-
>50	4	2	6	6	1	7
Total	5	2	7	6	1	7

Average number of FTE employees

	2024	2023
Total number of full time employees	318.0	303.0
Total headcount	321.8	306.7

Average employees by employment type (FTE)

	Full-time			Part-time			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total 2024	199.5	118.5	318.0	0.5	3.3	3.8	200.0	121.8	321.8
Total 2023	195.0	108.0	303.0	0.5	3.2	3.7	195.5	111.2	306.7

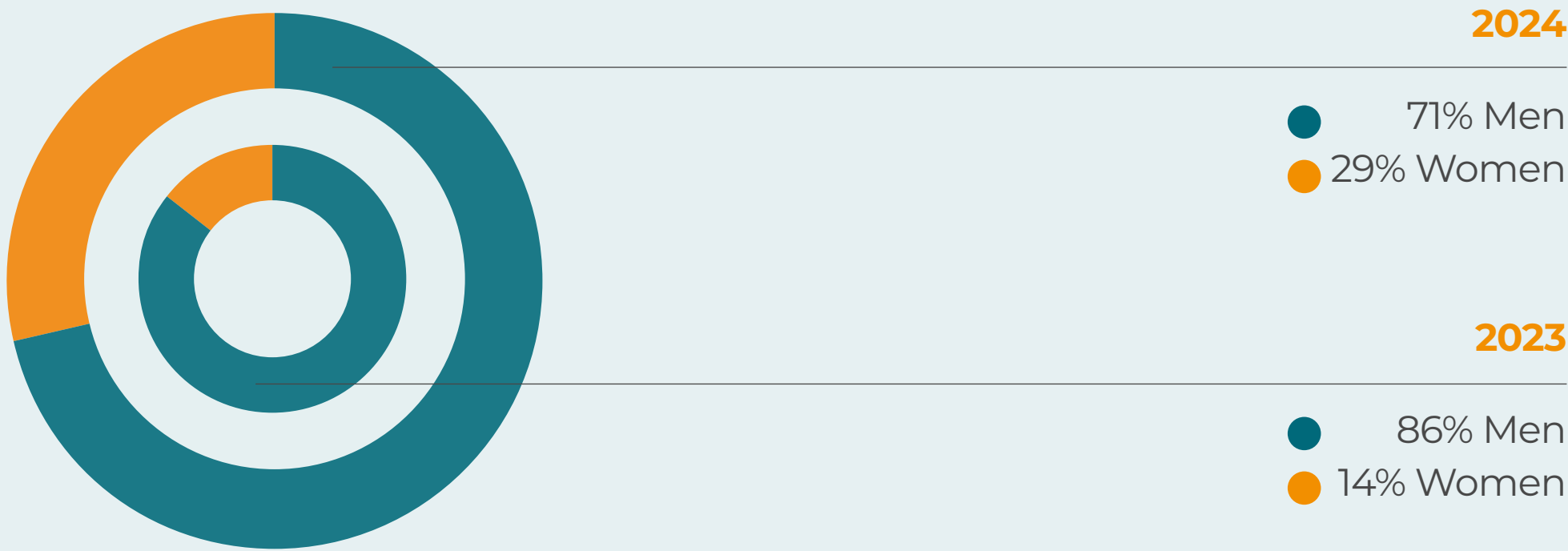
Average employees by employment contract (FTE)

	Permanent			Temporary			Total		
	Women	Men	Total	Men	Women	Total	Women	Men	Total
Total 2024	114.3	194.5	308.8	6.0	7.0	13.0	120.3	201.5	321.8
Total 2023	104.2	189.5	293.5	6.0	7.0	13.0	110.2	196.5	306.7

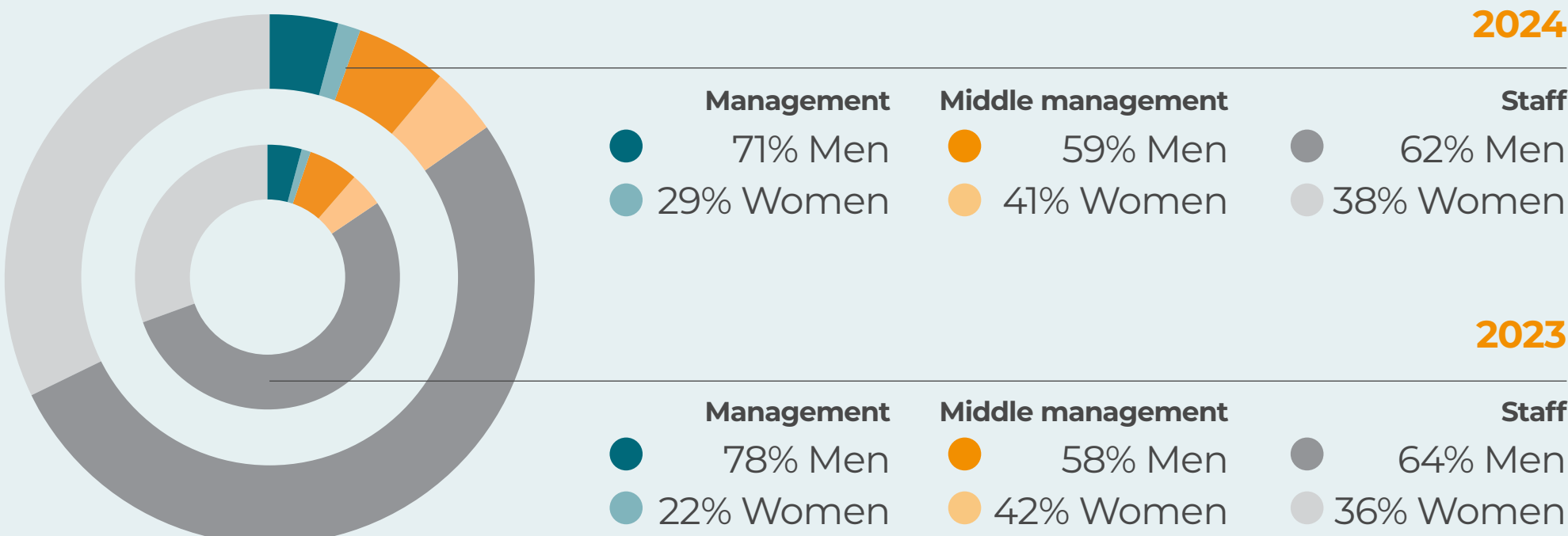
Average employees by professional level and gender (FTE)

	2024			2023		
	Men	Women	Total	Men	Women	Total
Management	12.0	4.8	16.8	13.0	3.8	16.8
Middle management	18.5	13.0	31.5	18.0	13.0	31.0
Staff	169.5	104.0	273.5	164.5	94.5	258.9
Total	200.0	121.8	321.8	195.5	111.3	306.7
% of Male & Female	62%	38%	100%	64%	36%	100%
% Women in management						
% Women in middle management		41.3%			41.9%	

Board of directors by gender mix



Employees by professional level and gender (FTE)





Our people (continued)

Employees by professional level, age and gender (FTE)

	2024 Men				2023 Men			
	Under 30	30-50	Over 50	Total	Under 30	30-50	Over 50	Total
Management	-	3.5	8.0	11.5	-	4.0	9.0	13.0
Middle Management	1.0	11.0	6.5	18.5	0.5	11.5	6.5	18.5
Staff	18.5	119.0	32.5	170.0	23.5	112.0	31.0	166.0
Total	19.5	133.5	47.0	200.0	23.5	127.5	45.5	196.5

	2024 Women				2023 Women			
	Under 30	30-50	Over 50	Total	Under 30	30-50	Over 50	Total
Management	-	2.0	2.8	5.3	-	3.0	1.5	4.5
Middle Management	-	9.5	3.5	13.0	-	9.5	3.5	12.5
Staff	13.0	72.0	18.5	103.5	13.0	63.5	16.5	93.0
Total	13.0	84.0	24.8	121.8	13.0	75.5	21.5	110.0

Total Men & Women	32.5	217.5	71.8	321.8	36.5	203.0	66.4	306.7
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Employees by function as of end of year

	2024	2023
Research & Development	87.9	76.7
Production & Logistics	192.9	187.8
Selling, General, Adm. & Finance, IT and others	42.2	42.4
Total	323.0	306.9

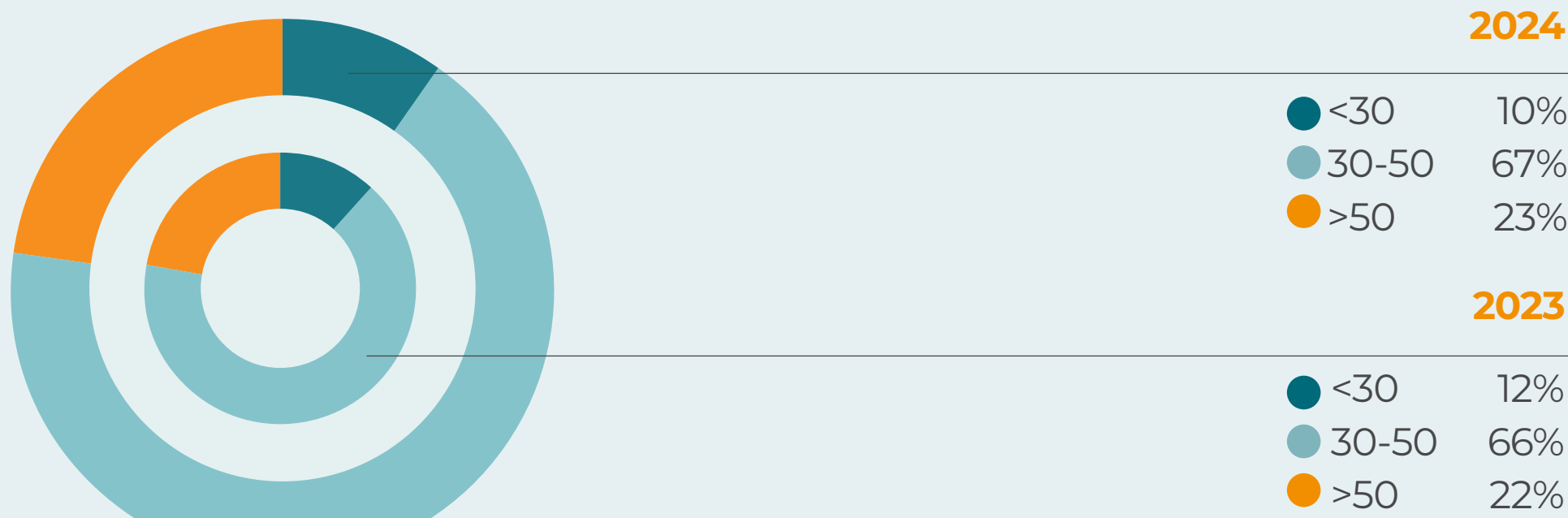
Nationalities

	2024	2023
No. of Nationalities	27.0	19.0

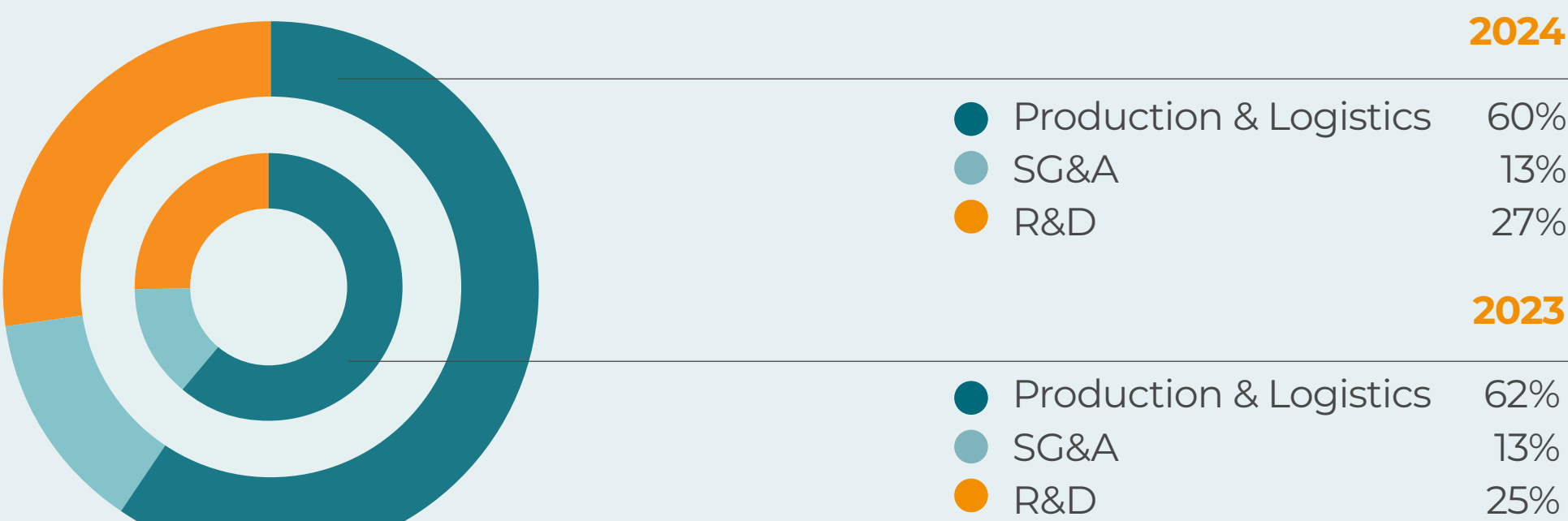
Percentage of employees receiving regular performance and career development reviews

	2024	2023
% of total FTE	70.0%	65.0%

Percentage of employees by age



Percentage of employees by function





Our people (continued)

Diversity and inclusion

At Cosmo, we believe that diversity makes us stronger. It enriches our workplace by bringing together individuals with unique perspectives, experiences, and talents, fostering creativity and innovation. Diversity enables us to better understand and meet the needs of the communities we serve, making us more adaptable and resilient in a global market.

We are committed to fostering an inclusive work environment which respects people’s differences and where people share their differing views, ideas and experiences. We have set a target of 30% of women in management and 45% women in middle management by 2028.

By embracing inclusivity at every level, we cultivate a culture of respect and collaboration, where everyone feels valued and empowered to contribute. We are proud to say that our team is enriched by employees from over 27 different countries, each contributing in their own unique way to creating a welcoming and productive workplace.

Our D&I goals

35% women in management & 45% women in middle management by 2028

Remuneration

Our people, their enthusiasm, ideas, efficiency and skills, are our most valued asset, driving innovation and forging the path toward business growth.

Cosmo aims to attract and retain highly skilled people and seeks to ensure that remuneration packages are competitive with the market.

- The key elements of remuneration offered to employees are:
- Base salary which is set based on the employee’s qualification, experience and level within the organisation;
  - Short-term incentive in the form of variable cash compensation which is designed to reward employees based on both the achievement of annual corporate goals and the employee’s individual performance; and
  - Stock-based compensation, where applicable.

Executive remuneration policy

- The key elements of our remuneration policy are:
- Base salary which is set based on the executive’s qualification, experience and level within the organisation;
  - Short-term incentive in the form of variable cash compensation which is designed to reward executives based on the achievement of annual short-term specific performance-related targets, including ESG-related targets;
  - Stock-based compensation; and
  - Company cars for senior executives.

Short-term incentive – asset disposal cash bonus plan

In addition, Cosmo has an asset disposal cash bonus plan. As a general rule, 7% of the disposal proceeds of the Group’s asset net of all costs, including the costs of acquiring or developing any such asset, above a threshold of €20,000,000 (twenty million) will be put into a cash bonus pool (‘Asset Disposal Cash Bonus Pool’). The allocation of the Asset Disposal Cash Bonus Pool provides that the CEO is entitled to 20% of such Asset Disposal Cash Bonus Pool, for approval by the Non-Executive Directors.

Long-term incentives – stock option plan

The primary objective of the share performance-based incentive is to create a long-term incentive based on shareholder value. For such purposes the Company has an employee share option plan (‘ESOP’) in which management, Executive Management, Executive Directors and Non-Executive Directors participate.

Please refer to our Annual Report for details of remuneration paid to Board members during the year under review.

Gender pay gap

At Cosmo, we are committed to fair and equal compensation regardless of gender. We have conducted a gender pay gap analysis for 2024 in accordance with the following methodology:

1. Data collection: We collected the remuneration information including every significant variable (e.g. age, gender, job classification).
2. Data analysis: We analysed the data collected applying the Gender Gap Formula as indicated by the International Labour Organization subtracting the average female salary to the average male salary and dividing by the average male salary.

For the Cosmo Group, in 2024 the gender pay gap is 10.0%. We are committed to gender pay neutrality and have set a target to reduce our gender pay gap to 5% by 2030.



Our people (continued)

Our goals

Cosmo has developed an action plan based on three pillars:

**Raising awareness:**  
the results, aggregated and disaggregated, that we obtained will be discussed and addressed with competent managers in order to set feasible and tailored improvement goals.

**UNI/PdR 125:**  
The majority of our workforce is based in our production plant in Lainate (MI). This Italian certification sets the standards for a fair and correct management of human resources from a gender point of view. We are committed to obtaining this certification in 2025.

**Training:**  
a selection of our staff will undergo training on gender equality and the management system UNI/PdR 125.

New employee hires and employee turnover

We have reinforced our inclusive hiring strategy to attract and hire the right people for the future. In today's dynamic business environment, growth and innovation are driven by the ability to attract and retain talent. Building a culture that values continuous development and nurtures potential is key to sustaining long-term success and competitiveness.

Our hiring process is designed to ensure a structured and transparent approach to identifying the most suitable candidates. By employing clear criteria and multiple evaluation stages, we aim to assess candidates' skills, experiences, and alignment with the values and goals of the Group.

The following steps provide an overview of the process which is generally followed:

1. Vacancy identification and Job Description drafting

The process begins when a Department Manager notifies the HR of a team vacancy. Together, they create a job description that uses inclusive language and avoids any potential discrimination.

2. Job advertisements posting

The job description is published on the most suitable recruiting channels, in some cases recruitment agencies are engaged in order to source suitable applicants.

3. Screening and pre-selection of applications

Applicants CV's are collected and undergo a first selection using the job description as the criteria for evaluation.

4. Interview stage

Interviews are held with applicants to evaluate both personal and technical skills. Several rounds of interviews may be held to assess the suitability of applicants.

5. Offer and hiring

If a suitable applicant is identified, HR makes an offer to the candidate who best aligned with the role basing on their experience, skills, and personal values with the role's requirements and company culture.

Employee turnover by age group and gender

	2024			2023		
	Men	Women	General	Men	Women	General
Employee turnover	6.95%	5.79%	6.51%	7.73%	9.38%	8.16%

New employee hires by age group and gender (FTE)

Age	2024			2023		
	Male	Female	Total	Male	Female	Total
<30	5	5	10	5	1	6
30-50	11	15	26	22	15	37
>50	1	5	6	6	2	8
Total	17	25	42	33	18	51



Our people (continued)

Welfare policies

At Cosmo, we place the utmost importance on corporate welfare and the well-being of our employees, recognising that a healthy, supported, and engaged workforce is the foundation of our success. We are committed to creating a work environment that prioritises physical, mental, and emotional health through comprehensive wellness programs, flexible work arrangements, and resources that promote work-life balance

By fostering a culture of care and support, we aim to empower our employees to thrive both personally and professionally, ensuring they feel valued and inspired to contribute to our shared goals.

In 2024 we put efforts in improving working conditions and our employees' wellbeing proceeding in three different directions.

To do so, we are implemented a comprehensive talent development strategy based on skill assessment, personalised development plans, training programs, mentorship and coaching programs and a performance management and continuous feedback system that allows both managers and the employees themselves to keep track of their performance.

At Cosmo, we aim to support professional growth, enhance skills, and encourage a culture of lifelong learning that aligns with both individual aspirations and company goals.

Training and education

At Cosmo, we believe that training and education are critical to our success. Employees receive initial and continuous training, including essential instruction on product quality and safety, based on written procedures and in accordance with a comprehensive training program. This rigorous approach ensures that our workforce maintains the highest standards of competence and expertise.

Employee competence in product quality and safety is meticulously maintained through consistent and thorough training. It is our policy to support various development initiatives, including degree programs, professional certifications, and workshops, to enhance skills and align with both personal aspirations and company goals. We provide a streamlined application process for employees to apply for support toward such programs, ensuring clarity and efficiency while aligning development plans with professional objectives. By investing in our employees' development, we embody our commitment to fairness, integrity, and the collective success of our organisation.

Our policy mandates that all relevant staff undergo necessary training to cultivate a team of proficient and experienced professionals. Each year, specific training programs are planned and organised for our employees. Leadership and managerial training courses are also provided for managers and supervisors, equipping them with the skills needed to effectively guide their teams.

Training at Cosmo encompasses current good manufacturing/distribution practice ('GMP'/'GDP') guidelines, Quality Management System training programs, product quality and safety protocols, standard operating procedures ('SOPs'), and Medical Devices Regulations. This extensive training framework not only enhances individual capabilities but also ensures that our employees are well-prepared to meet the highest standards of excellence and compliance.

By fostering a culture of continuous learning and professional development, we empower our employees to thrive and contribute meaningfully to our shared goals. Training and education are not just integral to personal growth but are essential for maintaining the innovative and competitive edge that defines Cosmo. Through these efforts, we ensure that our workforce is equipped to navigate the complexities of our industry, driving sustained success and excellence.

Training indicators	2024	2023
Number of employees receiving training	329	230
Number of training hours	2,532	1,390
Average by employee	7.70	6.04

Performance reviews

At Cosmo, performance reviews play a pivotal role in our employee development strategy. These reviews are conducted regularly and are designed to provide comprehensive feedback, align personal and organisational objectives, and identify areas for growth and advancement. Our performance review process is structured to be transparent and constructive, focusing not only on achievements but also on areas for enhancement.

These reviews are an integral part of our commitment to fostering a culture of continuous improvement and professional growth. They help ensure that our employees remain motivated, engaged, and perfectly aligned with the company's goals and values. Through these concerted efforts, we aim to create a positive and productive working environment where every employee feels valued, supported, and empowered in their professional journey.

Percentage of employees receiving regular performance and career development reviews

	2024	2023
Percentage of employees	70%	65%



Our people (continued)

Parental leave

Parental Leave Policy

At Cosmo, we are committed to supporting our employees through all stages of their personal and professional lives, including the vital period of parenthood. Our parental leave policy is designed to ensure that all eligible employees can benefit from the statutory entitlements and additional support provided by our company.

Eligibility

All employees are entitled to parental leave, this applies to both mothers and fathers, as well as adoptive parents, in accordance with local regulations.

Duration and Benefits

- Our parental leave policy provides the following benefits:
- Maternity Leave: Female employees are entitled to maternity leave, which can be taken before and after the expected due date. During this period, they will receive a maternity allowance in line with local regulations and guidelines.
  - Paternity Leave: Male employees are entitled to paternity leave in line with local regulations and guidelines.

Flexible Arrangements

To accommodate the diverse needs of our employees, Cosmo offers flexible working arrangements during and after the parental leave period. These arrangements may include part-time work, remote work options, or adjusted working hours, subject to agreement with the employee's supervisor.

Job Protection

Employees on parental leave are assured job protection, meaning they have the right to return to the same or a similar position at the end of their leave period. This ensures that their career progression and job security are not adversely affected by taking time off to care for their child.

Our parental leave policy reflects Cosmo's dedication to creating a supportive and inclusive work environment, where employees can thrive both personally and professionally. By adhering to Italian employment law and offering enhanced benefits, we aim to foster a culture that values family and promotes the well-being of our workforce.

Restructuring responsibly

If the need should arise to restructure our organisation or parts of our organisation, Cosmo is committed to carrying out such restructuring in a responsible manner.

Cosmo recognises that this can be a difficult process for the employees affected and is committed to providing the necessary support to employees during the process. Cosmo will always carefully consider the rationale to restructure before making a decision to do so. Cosmo will consider the impact on the employees who leave and who will stay in the Company. The potential to offer early retirement or a reduction in working hours will be examined.

The potential to redeploy affected employees within the Company will be explored. If there is no opportunity to either reduce working time or to redeploy affected employees within the Company, support will be offered to assist them through the process to help them find new employment in the form of outplacement services and, where feasible, retraining.

Employees will be treated fairly and with respect at all times.

Health & Safety

Overview

At Cosmo, the health and safety of our employees and contractors are of paramount importance. We recognise that a secure and healthy work environment is essential for fostering innovation and excellence in our industry. Our commitment to health and safety not only protects our most valuable asset, our people, but also strengthens our operational integrity and contributes to the sustainable success of our organization.

Health and safety at Cosmo encompass a broad range of policies, procedures, and training programs designed to prevent accidents, injuries, and illnesses in the workplace. We integrate health and safety considerations into all our operations and closely monitor our suppliers to ensure compliance with relevant regulations. Our adherence to Italian regulation D.Lgs 81/2008, Irish Safety, Health and Welfare at Work Act 2005, Swiss regulations Arbeitsgesetz ArG 1964 and Bundesgesetz über die Unfallversicherung UVG 1981, and the Californian Occupational Safety and Health Act exemplifies our commitment to exceeding the highest standards of occupational safety.

We advocate a healthy lifestyle and have implemented rigorous safety systems to promote well-being and minimize risks associated with our operations. Our health and safety initiatives are tailored to various job functions, including office activities, research and analysis, and manufacturing.

Health and safety policies and procedures

We conduct regular workplace risk assessments and maintain risk assessment documents. We have appointed key safety personnel to oversee health and safety measures. Employees receive mandatory training on workplace safety, emergency procedures, and proper PPE usage. We conduct regular health surveillance through medical check-ups and provide necessary PPE, emphasising its correct use. Work environments are kept safe with proper conditions, and any workplace accidents are reported to INAIL with detailed record-keeping. Emergency plans for fire, evacuation, and first aid are implemented and tested regularly.

Cosmo has strict policies in place regarding the handling of hazardous substances, particularly for employees involved in research and analysis activities. Our manufacturing activities, which include the production, packaging, and handling of pharmaceuticals, adhere to stringent internal workflow processes to reduce the risk of accidents. New employees receive health and safety training relevant to their job profiles, and ongoing training ensures that all staff are well-informed about safety protocols and best practices.



## Our people (continued)

### Health and safety training

We implement comprehensive health and safety training programs that are regularly updated to reflect the latest standards and best practices. These programs include initial medical examinations upon hiring, annual follow-up tests, and regular eye and vision assessments for staff working with computer screens. Our training modules are tailored to the specific risks and requirements of each job function, ensuring that employees are equipped with the knowledge and tools necessary to maintain a safe work environment.

### Commitment to continuous improvement

Cosmo is dedicated to continuous improvement in environmental, health, and safety performance.

Cosmo's commitment to health and safety extends to continuous monitoring and improvement of procedures and processes. The company maintains a robust quality management system that complies with Good Manufacturing Practice (GMP) standards. This system ensures that all activities are conducted in accordance with applicable regulations, safeguarding both employee well-being and product quality.

The scope of our health and safety policies and procedures extends to all Cosmo employees and contractors across our global operations. This includes office staff, research and analysis personnel, and manufacturing workers. By maintaining a comprehensive and inclusive approach to health and safety, we ensure that every member of our team is protected and supported in their professional roles.

We advocate a healthy lifestyle and have policies and procedures in place to help prevent accidents or injuries while at work. The use of alcohol or drugs while at work is prohibited.

From a job category perspective, employment at Cosmo can either be grouped into office activities, research and analysis activities or manufacturing activities. With respect to research and analysis activities, strict policies are in place with regard to the handling of dangerous substances. Manufacturing activities, which consist primarily of manufacturing, packaging and handling of pharmaceuticals, have strict internal workflow processes which are designed to ensure that the risk of accidents occurring is minimised. New employees receive health and safety training relevant to their job profile.

As a pharmaceutical company, Cosmo is not directly obliged under REACH (registration, evaluation, authorisation and restriction of chemical substances), a European Community regulation on chemicals and their safe use (EC 1907/2006), but constantly monitors its suppliers (i.e. labels and packaging materials) to assess their compliance to that regulation.

Our rigorous safety systems are designed to prevent accidents and promote well-being, reinforcing our commitment to risk management and continuous improvement. Through comprehensive training programs, and regular internal audits, we ensure that every member of our team is equipped with the knowledge and tools necessary to maintain a safe and healthy workplace.

Additionally, all employees undergo initial medical examinations upon hiring, with annual follow-up tests to monitor their health. Regular eye and vision assessments are conducted for staff working with computer screens, ensuring a safe and comfortable work environment.

Employees are encouraged to report any unsafe conditions or potential hazards to management promptly. The company fosters a culture of safety awareness, emphasising the importance of adhering to established protocols and participating in ongoing training to stay current with best practices and regulatory requirements.

### Accidents & near miss management and investigation

Cosmo has efficient and effective communication channels in place for managing accidents and near-miss incidents. We emphasise the importance of incident reporting, thorough investigation, and the implementation of corrective and preventive actions (CAPA) to prevent recurrence. Cosmo has a notification and reporting system in place to manage injuries should they occur at our Production Plant in compliance with our reporting requirements to INAIL (Istituto Nazionale Assicurazione contro gli Infortuni sul Lavoro), the Italian National Institute for Insurance against Workplace Accidents. All employees are required to report any accidents, incidents, or near-miss events promptly. Cosmo has established communication channels to ensure consistent and thorough processes for collecting, identifying, and reporting all safety issues. No serious work-related injuries were reported during the period. No serious incidents of work-related ill health were

reported during the period.

### Employee training and responsibility

To foster a culture of safety, Cosmo provides initial and continuous training for all relevant staff. Employees are educated on product quality and safety based on written procedures and training programs. They are required to familiarize themselves with all pertinent regulations and company policies related to incident investigation and corrective actions. This emphasis on training ensures that employees are well-equipped to identify potential hazards and respond effectively to incidents, contributing to a safer workplace. Through these comprehensive measures, Cosmo demonstrates its unwavering commitment to effectively managing accidents and near-miss incidents, thereby safeguarding the well-being of its employees and upholding the highest standards of product safety.

### Contractor safety

Cosmo is committed to maintaining a safe and healthy work environment for all personnel, including contractors. We require contractors to adhere to applicable health and safety legislation and regulations, as well as the company's internal policies and procedures. This approach ensures that all individuals on-site, whether employees or contractors, operate under consistent safety standards.

### Value chain

At Cosmo, we recognize the critical importance of a resilient and strategically managed value chain in ensuring the continuous delivery of high-quality products to patients worldwide. The value chain



Our people (continued)

encompasses all stages of our operations, from the sourcing of raw materials to the final delivery of our products and is integral to our overall business sustainability and success.

Our value chain is essential for maintaining the reliability and quality of our products. Any disruption can have significant implications not only for our operations but also for the patients who depend on our treatments. Therefore, we adopt a proactive and multifaceted approach to mitigate risks associated with our supply chain.

The scope of our value chain extends to all suppliers and partners involved in the production, packaging, and distribution of our products. This includes:

- Raw material suppliers
- Manufacturing partners
- Packaging and logistics providers

We prioritise local sourcing, with the majority of our suppliers located within the European Union (84.4%), including Italy (73.9%) and Ireland (3.5%). We also engage suppliers from European countries outside the EU (8.5%), with Switzerland accounting for 4.5%, and from North America, primarily the United States (5.4%).

To ensure a stable and sustainable supply chain, we:

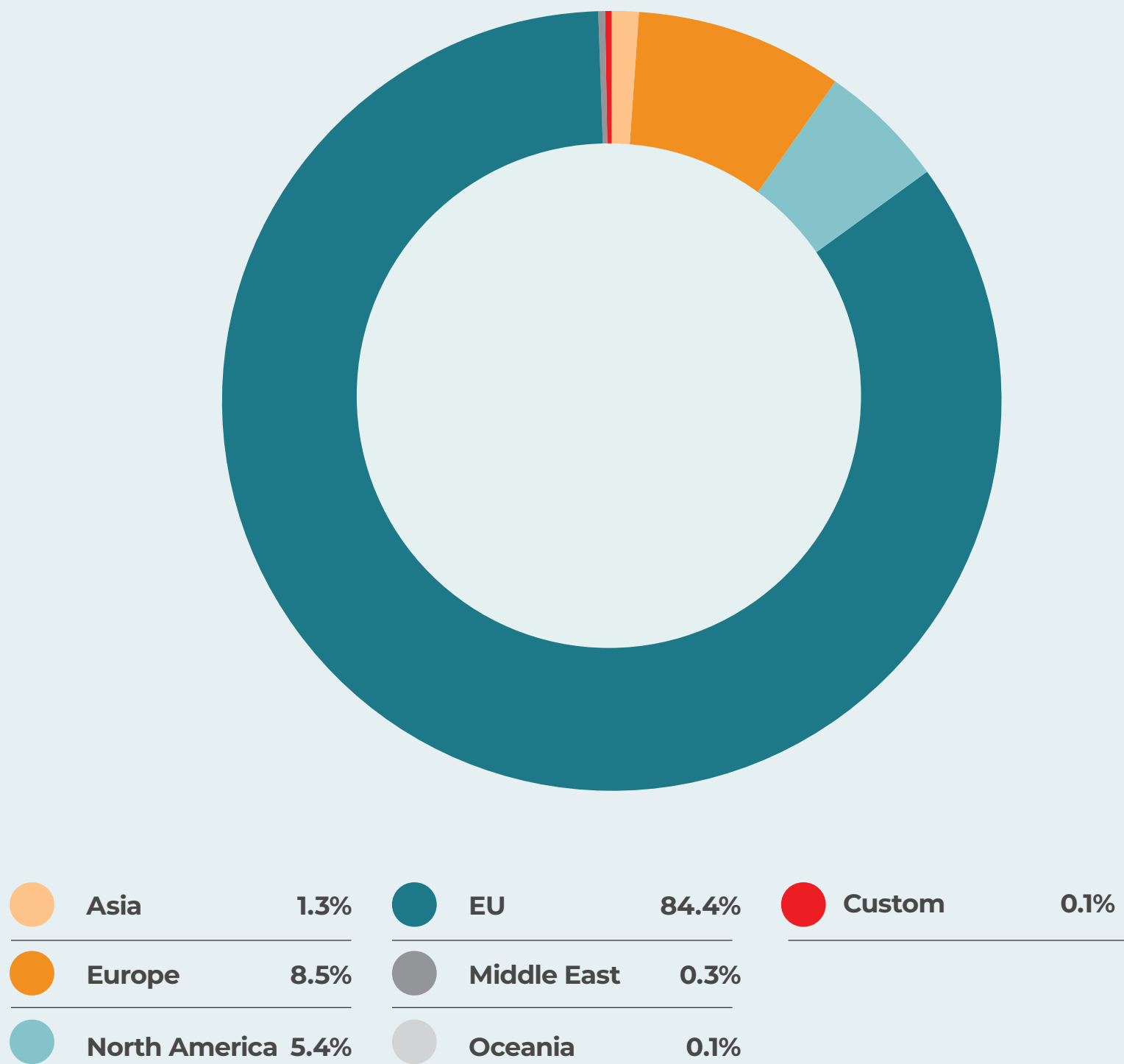
- Diversify our supplier base to reduce dependency on single sources
- Integrate sustainable practices across our supply chain
- Maintain strong partnerships with suppliers, regulatory bodies, and industry stakeholders

In 2024, we initiated a comprehensive mapping of our suppliers, which we will continue in 2025. By engaging with our suppliers we aim to integrate enhanced sustainability efforts throughout our value chain.

Our commitment to sustainability includes responsible sourcing of raw materials, protecting human rights, and reducing carbon emissions. We conduct periodic re-evaluations of our suppliers to ensure adherence to our quality and safety criteria, as well as national and international standards. This involves random sampling and targeted evaluations when non-compliance is suspected.

Through innovation, strategic planning, and a steadfast commitment to sustainability, Cosmo is building a future-ready value chain that upholds our historical values and meets the evolving needs of our stakeholders.

Suppliers



Number of suppliers

6,706



From suppliers from

44 countries



Percentage from EU

84.4%



Percentage of suppliers from Italy

73.9%



# Our Production Plant

Our production facility is located in Lainate (MI) and stands as a testament to our commitment to innovation and growth.

Over the years, the plant has undergone several reconstruction and modernisation projects to enhance its capacity and capabilities. This expansion not only increased our production capacity but also allowed us to implement advanced technologies and streamline our processes, ensuring the highest standards of efficiency, quality, and sustainability in pharmaceutical manufacturing.

Today our Plant covers an area of 7,000m2 and is devoted to the production of drugs and the preparation of clinical batches.

In 2024, our Lainate Plant obtained ISO 14001 certification.

Our **warehouse** which utilises our SAP ERP system has a maximum capacity of 2,600 pallet spaces. Through controlled temperature and humidity we have three different climatic areas specifically used in different steps of the production process. To ensure full traceability all materials and products handled in the warehouse are identified by unique batch code assigned by our SAP ERP system.

Our **sampling department** using Rayman technology and specifically designed tools samples raw materials and verifies their quality before they are transported to dedicated areas, where cross down hoods prevent cross-contamination. Our production environments have separate entrances where personnel must follow strict hygiene and protection procedures.

Our **solid oral department** has received authorisation from both U.S. and Italian authorities. The process is carried out in a closed and highly automated system composed of granulators, fluid-based dryers, blenders and high-speed tableting machines for film coating. These advanced technologies allow us to increase its production capability while maintaining the highest possible quality and safety.

Our **liquid and semisolid** department is designed to produce and assemble products that are not tablets, such as creams.

In our **packaging department** we use technical devices, such as inspection cameras, sensors, bar code readers and in line scales, that guarantee 100% quality and the most efficient control system.





# Our clinical trials

## Designing our clinical trial projects

Our clinical trials are designed to the highest scientific and clinical standards. All clinical trial procedures follow a set of standards to protect the rights, dignity, safety and well-being of clinical trial research participants.

All Cosmo R&D employees receive training in relation to ICH Good Clinical Practice ('GCP') guidelines, GDP guidelines and medical device guidelines.

All projects are thoroughly planned and designed to prevent malpractice, misconduct or breaches of personal data and confidentiality. When designing a study protocol our priority is to ensure that the potential benefits to the patient and to society are in proportion to the inherent risk and burden to the research participants. To

achieve these goals, we leverage the expertise of Key Opinion Leaders ('KOLs') in each different therapeutic area, who collaborate with us in designing the clinical studies in line with the current best clinical practice in the field.

## Protecting our clinical trial research patients

To protect clinical trial participants, we adhere to applicable national and international regulations and guidelines such as the Declaration of Helsinki, ICH GCP guidelines, GDP guidelines and ISO guidelines.

We require a signed voluntary informed consent form for all participates in clinical research prior to the commencement of any study-related procedures. We design informed consent forms which specify the known benefits and the risks associated with participation in each trial using clear and simple language which can be easily understood by study participants.

## Safety monitoring

Cosmo is committed to ensuring the highest standards of patient safety and regulatory compliance throughout all clinical trials. Patients enrolled in our studies are carefully monitored during both the trial and follow-up periods. Adverse event data is systematically collected, processed, analysed and reported to the relevant national and international authorities in accordance with regulatory requirements.

We engage experienced Medical Monitors who play a critical role in overseeing clinical trials, providing medical expertise from study design through to final close-out. They assess safety concerns, collaborate with investigational sites and principal investigators and may, if necessary, initiate study hold periods to safeguard patient well-being.

Cosmo employees are responsible for monitoring the safety of investigational products and devices, ensuring that all necessary reporting mechanisms are in place. They must maintain strong relationships with investigational sites, ensuring adherence to study protocols and safety assessments. In the event of serious adverse events, we ensure that a proper investigation is conducted to determine potential causes and assess the relationship with the investigational drug or device.

Additionally, investigational product or device brochures and development reports must be reviewed and updated annually or as required by regulatory guidelines. Any Suspected Unexpected Serious Adverse Reactions must be reported in compliance with both national and international regulations.

To uphold these standards, Cosmo maintains rigorous quality assurance and control systems, implementing written Standard Operating Procedures (SOPs) to ensure that clinical trials are conducted with full compliance to protocols, Good Clinical Practice (GCP), and applicable regulatory requirements.





Our clinical trials (continued)

Outsourcing monitoring activities

Cosmo may transfer any or all of the sponsor’s trial-related duties and functions to a Clinical Research Organisation (‘CRO’), but the ultimate responsibility for the quality and integrity of the trial data always resides with Cosmo. In such cases our employees are expected to:

- Follow the clinical trial monitoring SOPs and clinical trial oversight requirements;
- Ensure that the selected CRO has appropriate SOPs in place for the management of the clinical trial, which are in line with the current national and international quality standards;
- Keep constant communication with the selected CROs and ensure a good conduct of the clinical trial;
- Conduct oversight clinical monitoring visits as per the SOP requirements; and
- Review the clinical data on an ongoing basis and escalate, correct and prevent any pertinent issues that might have an impact on the clinical trial conduct and patient safety.

Animal testing

Cosmo recognizes the cultural differences and diverse regulatory frameworks surrounding the care and use of animals in biomedical research. As a company, we actively foster a culture of care, ensuring that animal use remains a small but essential part of our R&D efforts, dedicated to advancing novel therapies that benefit humanity.

We are fully committed to the “3Rs” principle: Replacement, Reduction and Refinement. This means we only use animals when no viable alternatives exist (Replacement), minimize their use through rigorous study design and power analysis (Reduction), and ensure their well-being by adhering to best laboratory practices (Refinement).

When animal studies are necessary, we primarily work with external contract laboratories, carefully selecting partners based on their credentials, experience and certifications. Animal welfare is central to our every study, requiring all contract labs

to comply with national and international animal welfare regulations, giving preference to those internationally accredited by the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC). This non-profit organization sets high standards for humane animal treatment in scientific research, ensuring that accredited programs exceed minimum legal requirements.

At Cosmo, we are committed to developing and promoting alternative testing methods that align with human health research. We actively invest in non-animal approaches, such as in vitro testing with human cells and tissues and in silico computer modeling, which often provide more accurate, efficient and ethical insights. By prioritizing these innovative techniques, we aim to reduce reliance on animal testing while upholding the highest scientific and ethical standards in our research.





## Our community

Cosmo is committed to supporting the communities in which we operate, working with local stakeholders including municipal authorities, non-profit organisations and local residents living in proximity to our Production Plant.

At Cosmo, we believe in giving back to the community and supporting non-profit organisations that work to make a difference in the lives of others.

We support **Domus De Luna**, an Italian non-profit foundation that provides shelter, care and support to children, young people, and mothers in distress. Domus De Luna is officially recognised by the Italian Ministry of Interior and has opened three different hosting locations for mothers and children. Since 2019, the foundation has also established Casa delle Stelle, a community that offers a home for minors in need. Casa delle Stelle strives to provide care and support that goes beyond physical needs, combining heart and mind to create a warm and welcoming environment for its young guests. Casa Cometa is a house dedicated to mothers with children in difficult situations, helping them to start a recovery process for themselves and their children providing the support and assistance they need to start a new life.



We support **Centro Accoglienza Ambrosiano**, founded in 1983 in Milan in the Bande Nere area, who manage 13 shelters and 2 houses for mothers with children and the Robertino Bertola nursery school for the many families in the area. Centro Accoglienza Ambrosiano welcomes and supports mothers in difficulty, offering them and their children a home, helping them on a path towards autonomy.

We contribute to **Fondazione Telethon** a non-profit organisation recognised by the Italian Ministry of Education, Universities and Research which was founded in 1990 in response to calls by people suffering from rare diseases. **Fondazione Telethon** funds scientific research into rare genetic diseases.



Cosmo also supports **gHealth Research**, a registered charity, which is based in the School of Medicine in University College Dublin. gHealth Research has been working in Malawi since 2012 to improve health outcomes through research and education. The work of gHealth Research is focused on primary healthcare. Through research and education, the gHealth Research works with institutions and their health workers, to strengthen health systems particularly in the area of non-communicable diseases (NCDs) and childhood illness.





Appendix I Financial Performance

Cosmo Pharmaceuticals N.V. and subsidiaries

Consolidated statement of financial position as of 31 December 2024 and 2023

EUR 1,000	Notes	As at 31 December	
		2024	2023 (Restated) <sup>1</sup>
ASSETS			
Non-current assets			
Property, plant and equipment	10	29,088	28,588
Goodwill	11	24,005	24,005
Other intangible assets <sup>1</sup>	13	331,925	338,363
Financial assets	14	31,840	3,286
Deferred tax assets <sup>1</sup>	15	18,716	19,825
Other receivables and other assets	16	8,940	9,752
Total non-current assets		444,514	423,819
Current assets			
Inventories	17	13,510	14,198
Contract assets	5	–	–
Trade receivables	18	18,941	28,454
Current tax and other tax assets	19	9,967	3,760
Other receivables and other assets	16	16,877	5,539
Current financial assets	14	98,667	–
Cash and cash equivalents	20	44,296	50,275
Total current assets		202,258	102,226
TOTAL ASSETS		646,772	526,045

		As at 31 December	
EUR 1,000	Notes	2024	2023 (Restated) <sup>1</sup>
<b>EQUITY</b>			
Share capital		4,562	4,562
Share premium		243,565	243,565
Reserves <sup>1</sup>		(72,861)	(72,009)
Retained earnings <sup>1</sup>		323,064	220,699
<b>Equity attributable to owners of the Company</b>		<b>498,330</b>	<b>396,817</b>
Non-controlling interests <sup>1</sup>	34	6,761	6,806
<b>TOTAL EQUITY</b>	21	<b>505,091</b>	<b>403,623</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	22	1,384	942
Employee benefits	24	652	559
Deferred tax liabilities <sup>1</sup>	25	90,811	92,610
Other non-current liabilities	12, 23	566	3,195
<b>Total non-current liabilities</b>		<b>93,413</b>	<b>97,306</b>
Interest-bearing loans and borrowings	22	817	897
Trade payables	26	10,570	11,560
Current tax liabilities	27	19,954	2,166
Other current liabilities <sup>1</sup>	28	16,927	10,492
<b>Total current liabilities</b>		<b>48,268</b>	<b>25,115</b>
<b>TOTAL LIABILITIES</b>		<b>141,681</b>	<b>122,421</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>646,772</b>	<b>526,044</b>

The notes form an integral part of the Consolidated Financial Statements.

<sup>1</sup> Restated 2023 comparative figures to reflect the impact of change in accounting policy on internal development costs. See note 4 of the consolidated notes to the financial statements.



Appendix I Financial Performance (continued)

Cosmo Pharmaceuticals N.V. and subsidiaries

Consolidated income statement of financial position for 2024 and 2023

EUR 1,000	Notes	31 December	
		2024	2023 (Restated) <sup>1</sup>
Revenue	5	266,788	92,780
Cost of sales	6	(45,359)	(39,340)
Gross profit		221,429	53,440
Other income <sup>1</sup>		3,662	1,917
Research and development costs <sup>1</sup>		(39,927)	(27,296)
Selling, general and administrative (SG&A) costs	35	(36,282)	(29,936)
Net operating expenses	6	(72,547)	(55,315)
Operating profit		148,882	(1,875)
Financial income		4,658	5,463
Financial expenses		(173)	(10,077)
Net financial expense	7	4,485	(4,614)
Profit before taxes		153,367	(6,489)
Income tax expenses	8	(20,176)	(4,214)
Profit/(loss) for the year		133,191	(10,703)
Profit/(loss) attributable to <sup>1</sup> :			
Owners of the Company		133,236	(10,783)
Non-controlling interest	34	(45)	80
Earnings/(loss) per share <sup>1</sup> :			
Basic	9	8.145	(0.670)
Diluted	9	8.115	(0.670)

The notes form an integral part of the Consolidated Financial Statements.

<sup>1</sup> Restated 2023 comparative figures to reflect the impact of change in accounting policy on internal development costs.  
See note 4 of the consolidated notes to the financial statements.



## Appendix I Financial Performance (continued)

### Cosmo Pharmaceuticals N.V. and subsidiaries

#### Consolidated cash flow statements for 2024 and 2023

EUR 1,000	Notes	31 December	
		2024	2023 (Restated) <sup>1</sup>
<b>Profit for the period before tax</b>		<b>153,367</b>	<b>(6,971)</b>
<b>Adjustments for:</b>			
Depreciation and amortisation <sup>1</sup>	6	12,285	11,849
Patent write-off		623	134
Movement in employee benefits/pension provision		86	121
Share-based payment expenses		2,074	3,826
Financial expenses – net		(56)	7,813
Gain on sale of financial investments		(2,354)	(950)
Net unrealised foreign exchange differences		(685)	(438)
Increase in fair value of contingent consideration liability	12	2,973	5,392
Write-off of trade receivables and loan receivables	6	2,431	1,023
Gain from reversals of provisions		(977)	–
Reversal of contract asset	5	–	3,943
<b>Operating cash inflows before changes in working capital</b>		<b>169,767</b>	<b>25,742</b>
Change in inventories		687	(2,700)
Change in trade receivables and contract assets		9,237	5,192
Change in trade payables		(13)	904
Change in other receivables and other assets		(11,954)	216
Change in deferred income		–	1,398
Change in other liabilities		5,334	(2,261)
Change in withholding tax receivables		26	1,743
Change in other current tax assets/liabilities <sup>1</sup>		(3,204)	(3,546)
<b>Cash flows from operating activities</b>		<b>169,880</b>	<b>26,688</b>
Income taxes paid – net		(7,469)	(3,980)
<b>Net cash flows from operating activities</b>		<b>162,411</b>	<b>22,708</b>

EUR 1,000	Notes	31 December	
		2024	2023 (Restated) <sup>1</sup>
Investments in property, plant and equipment	10	(4,552)	(3,347)
Investments in other intangible assets <sup>1</sup>	13	(1,101)	(1,049)
Investments in bonds and funds	14	(157,364)	(60,956)
Interest received from investments in funds and bonds		226	831
Proceeds from disposal of investment in bonds and funds	14	33,910	117,739
<b>Cash flows from investing activities</b>		<b>(128,881)</b>	<b>53,218</b>
Payment for redemption of convertible bonds	22	–	(175,000)
Interest paid on convertible bonds	22	–	(4,375)
Repayments of loans and leases and related interests	22	(1,076)	(1,028)
Purchase of treasury shares	21	(5,931)	(12,475)
Sale of treasury shares	21	3,377	687
Payment of contingent consideration related to Linkverse acquisition	12	(4,500)	(2,000)
Dividends/distributions paid	21	(32,094)	(16,890)
Dividends paid to Cassiopea NCI		–	(185)
<b>Cash outflows from financing activities</b>		<b>(40,224)</b>	<b>(211,266)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,694)</b>	<b>(135,340)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>50,275</b>	<b>185,825</b>
Net foreign exchange differences		715	(210)
<b>Cash and cash equivalents at the end of the period</b>		<b>44,296</b>	<b>50,275</b>
Cash at hand		13	12
Bank accounts		44,283	50,263
<b>Total cash and cash equivalents at the end of the period</b>	20	<b>44,296</b>	<b>50,275</b>

The notes form an integral part of the Consolidated Financial Statements.

<sup>1</sup> Restated 2023 comparative figures to reflect the impact of change in accounting policy on internal development costs. See note 4 of the consolidated notes to the financial statements.



Appendix I Financial Performance (continued)

Tax information for 2024 by company (thousand euros)

	Country	Profit/(loss) before tax	Income tax	Government grants received
Cosmo Pharmaceuticals NV	Ireland	42,731	413	-
Cosmo S.p.A.	Italy	3,932	1,550	195
Cosmo Technologies Limited	Ireland	(9,706)	92	-
Cosmobiolabs Inc.	United States of America	112	(115)	-
Cosmo Artificial Intelligence - AI Limited	Ireland	172,921	20,040	-
Linkverse Srl	Italy	643	324	5
Cassiopea S.p.A.	Italy	(7,059)	(4,941)	-
Aries Pharmaceuticals Ltd	Ireland	(4,273)	4,508	-
Total		199,301	21,871	200

This table shows the tax figures by company. The consolidated group figures at 31 December, 2024 would be:  
Profit before tax: 153,367 thousand euros; Income tax: 20,176 thousand euros; Government grants received: 200 thousand euros.

Tax information for 2023 by company (thousand euros)

	Country	Profit/(loss) before tax	Income tax	Government grants received
Cosmo Pharmaceuticals NV	Ireland	48,325	(156)	-
Cosmo S.p.A.	Italy	17,322	4,709	348
Cosmo Technologies Limited	Ireland	(4,281)	21	-
Cosmobiolabs Inc.	United States of America	101	2	-
Cosmo Artificial Intelligence - AI Limited	Ireland	(9,794)	(442)	-
Linkverse Srl	Italy	(859)	182	5
Cassiopea S.p.A.	Italy	5,059	1,386	-
Aries Pharmaceuticals Ltd	Ireland	1,532	192	-
Total		57,405	5,894	353

This table shows the tax figures by company. The consolidated group figures at 31 December, 2023 would be:  
Loss before tax: 6,489 thousand euros; Income tax: 4,214 thousand euros; Government grants received: 353 thousand euros.



Appendix 2 Non-Financial Information

Training Hours 2024

Training Hours	Managers	Middle Managers	Staff	Total
Women	42	487	685	1,214
Under 30	-	-	3	3
30-50	1	446	677	1,124
Over 50	41	41	5	87
Men	104	222	993	1,319
Under 30	-	-	1	1
30-50	50	218	848	1,116
Over 50	54	4	144	202
Total	146	709	1,678	2,533
Av. training hours	Managers	Middle Managers	Staff	Total
Women	8.40	34.80	9.03	9.41
Under 30	-	-	0.30	0.21
30-50	0.50	44.63	12.31	12.92
Over 50	13.67	10.25	0.46	3.11
Men	6.90	12.33	12.90	6.59
Under 30	-	0.00	0.14	0.05
30-50	12.50	21.80	15.70	8.72
Over 50	4.86	0.57	9.00	3.88
Total	7.28	22.16	10.97	7.70

Employees headcount by country and gender as of 31 December 2024

Full-time	Italy	Ireland	Switzerland	USA	Total
Women	110	9	2	3	124
Men	187	5	4	1	197
Total	297	14	6	4	321
Part time	Italy	Ireland	Switzerland	USA	Total
Women	4	0	2	0	6
Men	0	0	1	0	1
Total	4	0	3	0	7
Permanent	Italy	Ireland	Switzerland	USA	Total
Women	107	9	4	2	122
Men	181	5	6	1	193
Total	288	14	10	3	315
Fixed- term contract	Italy	Ireland	Switzerland	USA	Total
Women	7	0	0	0	7
Men	6	0	0	0	6
Total	13	0	0	0	13



Appendix 2 Non-Financial Information (continued)

2024

Natural gas consumption (scm)	Lainate (Production Plant)	Dublin headquarters	Lugano Branch	San Diego	Rome	Total
Natural gas consumption (scm)	2,806,484	16	15	3	41	2,806,558
Total	2,806,484	16	15	3	41	2,806,558

2024

Electricity (kWh)	Lainate (Production Plant)	Dublin headquarters	Lugano Branch	San Diego	Rome	Total
Purchased from the grid	-	16	15	3	41	74
Purchased from the grid produced from renewable sources	1,785,367	54	-	3	3	1,785,427
Self-generated with cogenerator	8,352,350	-	-	-	-	8,352,350
Total	10,137,717	70	15	6	44	10,137,851

2024

Water consumption (m³)	Lainate (Production Plant)	Dublin headquarters	Lugano Branch	San Diego	Rome	Total
From public system	81,433	150	185	185	998	82,951
From own source	378	-	-	-	-	378
Total	81,811	150	185	185	998	83,329

2024

Waste (tonnes)	Lainate (Production Plant)	Dublin headquarters	Lugano Branch	San Diego	Rome	Total
Non-hazardous waste generated	452.72	3.96	2.38	0.36	4.16	463.57
Hazardous waste generated	67.90			0.21		68.11
Total waste	520.62	3.96	2.38	0.57	4.16	531.68



Beyond reporting

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 10 & 18
	2-2 Entities included in the organization’s sustainability reporting	Pages 10 & 18
	2-3 Reporting period, frequency and contact point	Page 4
	2-4 Restatements of information	Page 4
	2-5 External assurance	The following report has not been subjected to external assurance
	2-6 Activities, value chain and other business relationships	Pages 50
	2-7 Employees	Page 45
	2-8 Workers who are not employees	Page 52
	2-9 Governance structure and composition	Pages 19 & 46
	2-10 Nomination and selection of the highest governance body	Page 19
	2-11 Chair of the highest governance body	Page 19
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 19
	2-13 Delegation of responsibility for managing impacts	Page 21
	2-14 Role of the highest governance body in sustainability reporting	Page 19
	2-15 Conflicts of interest	Page 25
	2-16 Communication of critical concerns	Page 25
	2-17 Collective knowledge of the highest governance body	Page 19
	2-18 Evaluation of the performance of the highest governance body	Not available for reporting period
	2-19 Remuneration policies	Page 19
	2-20 Process to determine remuneration	Pages 19 & 48
	2-21 Annual total compensation ratio	Information unavailable due to consistent changes during the reporting period in the Group’s Board and general structure.
	2-22 Statement on sustainable development strategy	Page 13
	2-23 Policy commitments	Page 19
	2-24 Embedding policy commitments	Pages 13 & 19
	2-25 Processes to remediate negative impacts	Page 22
	2-26 Mechanisms for seeking advice and raising concerns	Page 26
	2-27 Compliance with laws and regulations	Cosmo Pharmaceuticals NV didn’t receive any significant instance of non-compliance with laws and regulations during the reporting period.
	2-28 Membership associations	Not applicable in the reporting period
	2-29 Approach to stakeholder engagement	Page 14
	2-30 Collective bargaining agreements	Page 44



Beyond reporting (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 14
	3-2 List of material topics	Page 16
	3-3 Management of material topics	Page 14
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Please refer to Cosmo's Pharmaceuticals Annual Report 2024, available at: <a href="https://www.cosmopharma.com/investors/financial-reports">https://www.cosmopharma.com/investors/financial-reports</a>
	201-2 Financial implications and other risks and opportunities due to climate change	Please refer to Cosmo's Pharmaceuticals Annual Report 2024, available at: <a href="https://www.cosmopharma.com/investors/financial-reports">https://www.cosmopharma.com/investors/financial-reports</a>
	201-3 Defined benefit plan obligations and other retirement plans	Please refer to Cosmo's Pharmaceuticals Annual Report 2024, available at: <a href="https://www.cosmopharma.com/investors/financial-reports">https://www.cosmopharma.com/investors/financial-reports</a>
	201-4 Financial assistance received from government	Please refer to Cosmo's Pharmaceuticals Annual Report 2024, available at: <a href="https://www.cosmopharma.com/investors/financial-reports">https://www.cosmopharma.com/investors/financial-reports</a>
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not available due to heterogeneity between Countries and regulatory frameworks. Cosmo Pharmaceuticals NV respects minimum wage laws applicable for each entity of the Group.
	202-2 Proportion of senior management hired from the local community	Not applicable as the Group has activities distributed in several countries.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Investments in ordinary maintnance work for our offices and buildings that didn't affect local communties
	203-2 Significant indirect economic impacts	Please refer to Cosmo's Pharmaceuticals Annual Report 2024, available at: <a href="https://www.cosmopharma.com/investors/financial-reports">https://www.cosmopharma.com/investors/financial-reports</a>
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 53
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 25
	205-2 Communication and training about anti-corruption policies and procedures	Page 25
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption have been registered or confirmed during the reporting period
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No incidents of legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 207: Tax 2019	207-1 Approach to tax	Pages 23 & 25
	207-2 Tax governance, control, and risk management	Page 22
	207-3 Stakeholder engagement and management of concerns related to tax	Page 26
	207-4 Country-by-country reporting	Appendix I Financial Performance - Tax information by company
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not available for reporting period
	301-2 Recycled input materials used	Not available for reporting period
	301-3 Reclaimed products and their packaging materials	Not available for reporting period



Beyond reporting (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 36
	302-2 Energy consumption outside of the organization	Not available for reporting period
	302-3 Energy intensity	Not available for reporting period
	302-4 Reduction of energy consumption	Not available for reporting period
	302-5 Reductions in energy requirements of products and services	Not available for reporting period
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 39
	303-2 Management of water discharge-related impacts	Page 39
	303-3 Water withdrawal	Page 39
	303-4 Water discharge	Page 40
	303-5 Water consumption	Page 39
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable as the Group's has no operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2 Significant impacts of activities, products and services on biodiversity	Not available for the reporting period
	304-3 Habitats protected or restored	Not available for the reporting period
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable as the Group's operations do not affect IUCN Red List species and national conservation list species with habitats
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 35
	305-2 Energy indirect (Scope 2) GHG emissions	Page 35
	305-3 Other indirect (Scope 3) GHG emissions	Not available for reporting period
	305-4 GHG emissions intensity	Not available for reporting period
	305-5 Reduction of GHG emissions	Not applicable
	305-6 Emissions of ozone-depleting substances (ODS)	Not available for reporting period
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not available for reporting period
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 37 & 38
	306-2 Management of significant waste-related impacts	Pages 37 & 38
	306-3 Waste generated	Pages 37 & 38
	306-4 Waste diverted from disposal	Pages 37 & 38
	306-5 Waste directed to disposal	Pages 37 & 38
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not available for reporting period
	308-2 Negative environmental impacts in the supply chain and actions taken	Not available for reporting period



Beyond reporting (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not available for the reporting period
	401-3 Parental leave	Page 51
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 44
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 51
	403-2 Hazard identification, risk assessment, and incident investigation	Page 51
	403-3 Occupational health services	Page 51
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 51
	403-5 Worker training on occupational health and safety	Page 52
	403-6 Promotion of worker health	Page 51
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 51
	403-8 Workers covered by an occupational health and safety management system	Page 51
	403-9 Work-related injuries	Page 52
	403-10 Work-related ill health	Not available for reporting period
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 50
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 50
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 50
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 46
	405-2 Ratio of basic salary and remuneration of women to men	Page 48
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There was no reported incident of discrimination during the reporting period
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operations and suppliers in which the right to freedom of association and collective bargaining may be at risk were reported during reporting period.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	No operations and suppliers at significant risk for incidents of child labor were reported during reporting period.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No operations and suppliers at significant risk for incidents of forced or compulsory laborwere reported during reporting period.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not available for reporting period



Beyond reporting (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples during the reporting period were reported
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 57
	413-2 Operations with significant actual and potential negative impacts on local communities	No operations with significant actual and potential negative impacts on local communities were reported during reporting period
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 53
	414-2 Negative social impacts in the supply chain and actions taken	No negative social impacts in the supply chain were reported during reporting period
GRI 415: Public Policy 2016	415-1 Political contributions	Please refer to Cosmo's Pharmaceuticals Annual Report 2024, available at: <a href="https://www.cosmopharma.com/investors/financial-reports">https://www.cosmopharma.com/investors/financial-reports</a>
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 23
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 23
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 23
	417-2 Incidents of non-compliance concerning product and service information and labeling	Page 23
	417-3 Incidents of non-compliance concerning marketing communications	Page 23
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No breaches of customer privacy and losses of data have occurred during the reporting period



This report has been prepared in collaboration with ESACUBE, a company committed to supporting businesses and raising awareness by providing consultancy on issues that impact the Sustainable Development Goals. Our approach focuses on enhancing environmental, social, and economic performance.

Our mission is to drive innovation by ensuring transparency in reporting for our clients and stakeholders while leveraging the opportunities presented by the ecological and digital transition.

