Cosmo

COSMO HALF-YEAR REPORT 2025

CONTENTS

Certain Defined Terms: In this report, unless otherwise specified, the terms 'we', 'our', 'us', 'the Company', 'the Group' and 'Cosmo' refer to Cosmo Pharmaceuticals N.V., together with its subsidiaries, or any one or more of them, as the context may require.

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 publication or for any related damages.

1.1 COSMO MISSION AND VISION

Building Health Confidence

Cosmo

Mission

We empower patients, healthcare professionals and partners with life-changing confidence by innovating at the intersection of science and technology

Vision

To become the most innovative force in Life Sciences
INNOVATE. DELIVER. REPEAT.

1.2 HIGHLIGHTS

H1 2025 Highlights

Medtech AI

GI Genius™
Our platform for Real-Time AI-powered endoscopy remains the world's leading solution, with a global installed base that continues to expand.

In the first half of 2025, we broadened the reach of the GI Genius™ platform by complementing its core element, GI Genius™ Module 300, with two additional components: the Intelligent Tablet, and the integration with Apple Vision Pro, GI Genius™ XR.

The GI Genius™ Module 300, powered by NVIDIA, enables an ecosystem of application: from real- time colonoscopy lesion detection, characterization, and sizing, along with post-procedure highlights, to upper GI procedures real-time quality control with partner modules, such as Endovision's Cerebro, which has recently received the MDR certification.

The Intelligent Tablet provides the physician and the team with the ultimate interface to interact with AI in a patient procedure, and a link to their workflow and the EMR.

The Apple Vision Pro integration, GI Genius™ XR, enables the GI Genius™ Platform and its contents to be accessible in a virtual environment, without the need of physical elements.

Derma

Winlevi®
Remains the #1 Branded Topical Acne Product in the U.S., reinforcing its strong market position.

Over 1.4 million prescriptions generated through end of H1 2025 since November 2021 launch, reaffirming its sustained dominance in the U.S. market.

Winlevi® is expanding globally, successfully establishing a presence in **newly launched markets** including **Canada, Australia,** and the **United Kingdom. Most recent commercial launches include Singapore and Malaysia, as announced in July 2025.**

Regulatory approvals granted in Jordan and Mexico in H1 2025, with commercial partners already in place.

Additional approvals expected in H2 2025, including the anticipated decision from the **European Medicines Agency (EMA). A request for re-examination has been submitted in Q2 2025, with a decision anticipated early Fall 2025.**

Actively pursuing partnerships across Europe, Central, and South America as part of ongoing expansion efforts.

Gastro & CDMO

Amid strong generic competition, several products delivered solid year-on-year growth, helping to partially offset broader declines:

Rifamycin®
Recurring revenue increased by 1,231% year-on-year in H1 2025, driven by higher sales volumes.

Eleview®
Delivered steady revenues with a 6.9% year-on-year increase.

Lialda®/Mezavant®/Mesavancol®/ Mesalamine
Lialda® revenues grew by 27.3% in the Japanese market to €5.5 million and by 199% in the U.S. market to €0.9 million, while Mezavant® revenues increased by 7.8% to €7.0 million, helping to partially offset broader market decline as a result of generic competitors.

1.2 HIGHLIGHTS

H1 2025 Highlights

ESG Highlights

Cosmo Pharmaceuticals continues to accelerate its leadership in sustainability, achieving significant milestones that reinforce its commitment to responsible innovation and long-term value creation.

MSCI ESG Rating Upgrade

Cosmo's MSCI ESG Rating has been upgraded from BBB to A, reflecting enhanced performance across emissions reduction, workforce engagement, and governance transparency. Cosmo has also entered the top 100 of its LSEG ESG-rated peer group with a ranking #42.

United Nations Global Compact

Cosmo is now a signatory to the UN Global Compact, aligning its operations with the Ten Principles covering human rights, labour, environment, and anti-corruption. This step underscores Cosmo's commitment to ethical business conduct and global citizenship.

Science Based Targets Initiative (SBTi) Commitment

In a decisive move toward climate accountability, Cosmo has formally committed to the Science Based Targets initiative (SBTi). The company pledges to set science-based emissions reduction targets in line with the Paris Agreement, marking a critical step in its transition to a low-carbon future.

ISO Certifications

Cosmo has obtained integrated certification for ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and ISO 50001 (Energy Management). These certifications are in addition to our existing ISO 13485 certification, an internationally recognised quality management system (QMS) standard specifically for medical devices. This comprehensive certification suite reflects Cosmo's commitment to quality, sustainable operations, employee wellbeing, and energy efficiency.

Progress on reducing Scope 1 & 2 Emissions

Cosmo continues to advance its carbon reduction plan and is on track achieve a 15% reduction in scope 1 & 2 emissions in 2025 using 2023 as a baseline year. This is the first step in our goal to achieve a 50% reduction in scope 1 & 2 emissions by 2030 and carbon neutrality by 2035.

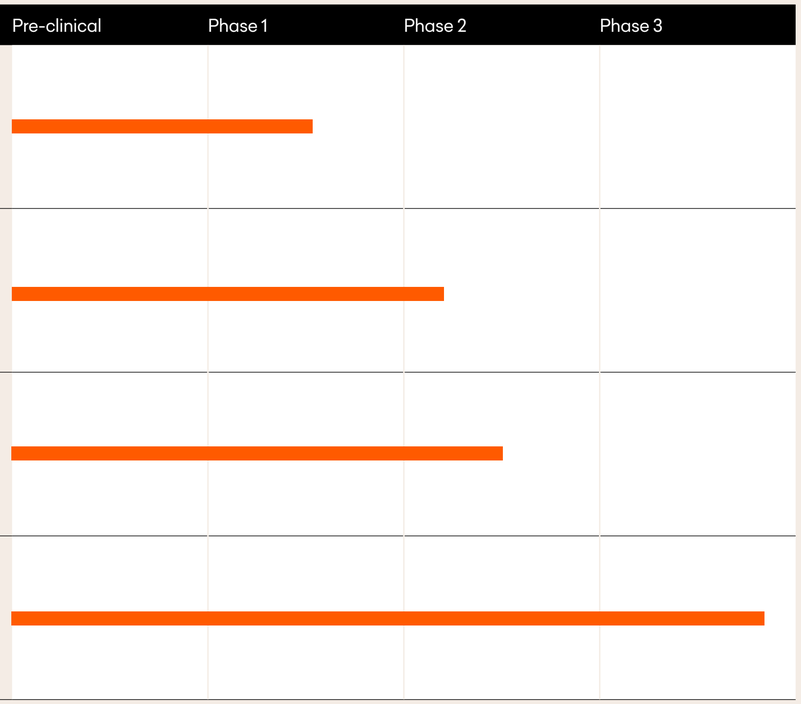
These improvements are part of Cosmo's broader Vision 2030 strategy, which integrates ESG into every facet of its innovation and execution model.

1.2 HIGHLIGHTS

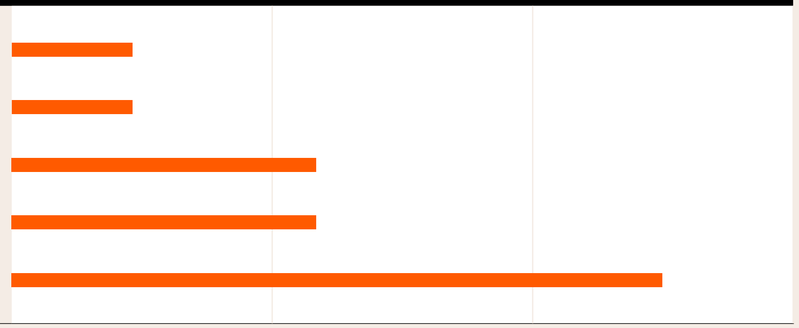
H1 2025 Highlights

Our Pipeline Targets Large Unmet Clinical Needs

	Status updates as at H1 2025	Patient size (WW)	TAM (WW)
Solid Tumours	All 7 treatment cohorts completed Phase 1a analysis expected H2 2025	**~1M**	~€8 billion
Bile Acid Diarrhoea	Phase 2 clinical trial plan on track to have onboarded 26 sites by October 2025	**95M**	~€21 billion
Distal Ulcerative Colitis	Phase 2 clinical trial on track for 24 sites active by Q4 2025	**3.5M**	~€1.1 billion
Androgenetic Alopecia	Phase 3 trials completed enrollment in February 2025 Top line six-month safety and efficacy results needed for the NDA submission to FDA expected in Fall 2025 and top line twelve-month safety and durability results expected in H1 2026	**1.2–2B**	~€28 billion



	TAM	App
MedTech AI	**€4.4B**	EUS for Pancreatic Cancer Gastrointestinal Metaplasia Barrett's Esophagus Esophageal Symptoms Apple Vision Pro



1.3 FINANCIAL HIGHLIGHTS

H1 2025 Highlights

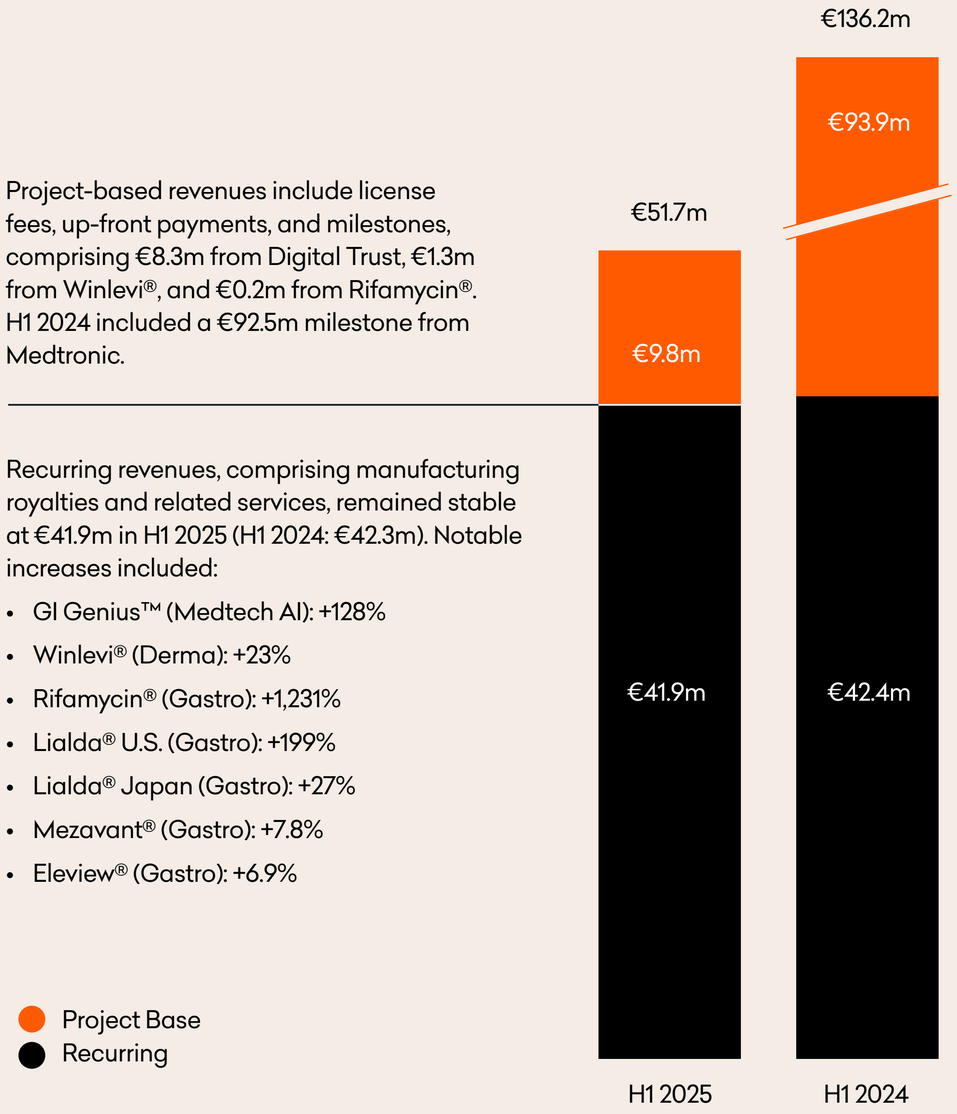
Revenue

€51.7m

Project-based revenues include license fees, up-front payments, and milestones, comprising €8.3m from Digital Trust, €1.3m from Winlevi®, and €0.2m from Rifamycin®. H1 2024 included a €92.5m milestone from Medtronic.

Recurring revenues, comprising manufacturing royalties and related services, remained stable at €41.9m in H1 2025 (H1 2024: €42.3m). Notable increases included:

- GI Genius™ (Medtech AI): +128%
- Winlevi® (Derma): +23%
- Rifamycin® (Gastro): +1,231%
- Lialda® U.S. (Gastro): +199%
- Lialda® Japan (Gastro): +27%
- Mezavant® (Gastro): +7.8%
- Eleview® (Gastro): +6.9%



FULL FINANCIAL RESULTS CAN BE FOUND ON PAGE 10

Operating profit/(loss)

(€1.4m)

H1 2024: €78.7m Operating profit[1]

Cash, equivalents and investments[2]

€133.3m

31 December 2024: €170.4m

Profit/(loss) before tax

(€0.7m)

H1 2024: €80.5m Profit before tax[1]

Treasury shares (at market value)

€97.7m

31 December 2024: €103.4m

EBITDA[3]

€4.9m

H1 2024: €84.9m[1]

Equity attributable to owners of the Company

€460.2m

31 December 2024: €498.3m[1]

1 Restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the Notes to the Consolidated Financial Statements.
2 Excluding investment in equity instruments
3 EBITDA (Earnings before net financial items, tax, depreciation and amortisation) is calculated as operating profit/(loss), plus depreciation and amortisation.

1.4 KEY FIGURES

Consolidated income statement

EUR 1,000	H1 2025	H1 2024 (Restated)
Revenue	**51,720**	**136,237**
Cost of sales	(25,571)	(23,150)
Gross profit	**26,149**	**113,087**
Other income	4,701	1,122
Research and development costs	(17,997)	(19,137)
Selling, general and administrative costs	(14,264)	(16,323)
Net operating expenses	**(27,560)**	**(34,338)**
Operating profit/(loss)	**(1,411)**	**78,749**
Net financial income	741	1,794
Profit/(loss) before taxes	**(670)**	**80,543**
Profit/(loss) after taxes for the period	**(2,030)**	**71,177**

Earnings per share

	H1 2025	H1 2024 (Restated)
Weighted average number of shares	15,970,541	16,105,126
Earnings/(loss) per share (in EUR)	(0.126)	4.423

Consolidated statement of financial position

EUR 1,000	30-Jun-25	31-Dec-24
Non-current assets	423,104	444,514
Cash and cash equivalents	50,749	44,296
Other current assets	136,477	157,962
Liabilities	143,354	141,681
Equity attributable to owners of the Company	460,239	498,330
Equity ratio (%)	75.4%	77.0%

2. Directors' Report

2.1 CEO STATEMENT

Dear Shareholders,

The first half of 2025 marks a period of strategic outperformance and disciplined execution for Cosmo. As we shared at our Investor Day earlier this month, we are building a high-growth, high-impact life sciences company operating at the intersection of four powerful global trends: AI in healthcare, Dermatology innovation, Gastrointestinal disease treatment, and next-generation Pharmaceutical manufacturing.

In H1, we delivered results that reflect this ambition.

We reported total revenues of €51.7 million for the first half of the year, including €41.9 million in Recurring revenues. GI Genius™ delivered robust growth with recurring revenues increasing 128% year-over-year, while Winlevi® continued to perform strongly, growing 23%. Our disciplined approach to operating expenses contributed significantly to these results, enabling us to raise our full-year EBITDA guidance by €4.5 million. We also reaffirmed our full-year revenue outlook and maintained a solid capital position, ending the period with €133.3 million in cash and investments as of June 30.

But beyond the numbers, we are scaling impact in areas where unmet clinical need remains high and opportunity is global.

- In MedTech AI, GI Genius™ is setting the standard in AI-powered endoscopy and is now expanding into automated reporting and new applications.
- In Derma, Winlevi® continues its global rollout, and our pipeline in androgenetic alopecia is moving forward.
- In Gastro, we are advancing Phase 2 programs for bile acid diarrhoea and distal ulcerative colitis—conditions that affect millions and lack targeted therapies.
- In CDMO, we are executing with precision for global partners while pursuing new high-value, margin-accretive opportunities.

What makes Cosmo unique is not just our portfolio, but our model. We are a fully integrated life sciences platform—where science, technology, and manufacturing reinforce each other. This allows us to move faster, scale more efficiently, and deliver value across multiple dimensions: clinical, operational, and financial.

We continue to invest with focus: prioritizing the areas where we can lead, partnering where we can accelerate, and building capabilities that compound. Every choice we make is aligned to our Vision 2030—to be the most innovative force in life sciences, delivering measurable impact for patients, providers, and shareholders alike.

On behalf of the entire Cosmo team, thank you for your continued support.

Sincerely,

Giovanni Di Napoli
Chief Executive Officer
Cosmo Pharmaceuticals N.V.

Giovanni Di Napoli
CEO

“we are building a high-growth, high-impact life sciences company operating at the intersection of four powerful global trends: AI in healthcare, Dermatology innovation, Gastrointestinal disease treatment, and next-generation Pharmaceutical manufacturing.”

2.2 FINANCIAL REVIEW

Income statement

EUR 1,000	H1 2025	H1 2024 (Restated)[1]
Revenue	**51,720**	**136,237**
Net expenses	(53,131)	(57,488)
Operating profit	**(1,411)**	**78,749**
Net financial income	741	1,794
Profit/(loss) before taxes	**(670)**	**80,543**
Income tax	(1,360)	(9,366)
Profit/(loss) after taxes for the period	**(2,030)**	**71,177**
EBITDA[1]	**4,852**	**84,868**

Revenue for the six months ended 30 June 2025 was €51.7 million, compared to €136.2 million in the same period last year, primarily driven by project-based revenues and €92.5 million of Medtronic milestone in H1 2024. Operating loss was €1.4 million (H1 2024: €78.7 million), and loss before taxes was €0.7 million (H1 2024: €80.5 million operating profit).

Net expenses were €53.1 million (H1 2024: €57.5 million) comprising of:

- Other income was €4.7 million in H1 2025 (H1 2024: €1.1 million), with the increase largely attributable to a €3.8 million dividend received from the Group's investment in RSouth Antibodies B.V. and €0.4 million increase in R&D tax credits.
- Cost of sales was €25.2 million (H1 2024: €23.2 million) reflecting a €2.0 million increase primarily driven by higher supply costs related to GI Genius™.
- Research and development ('R&D') costs were €18.0 million (H1 2024: €19.1 million). The €1.1 million decrease was mainly due to a decrease in clinical trial costs, driven by planned and disciplined Hair Loss phase 3 wind down.
- Selling, general and administrative costs were €14.3 million (H1 2024: €16.3 million), driven by lower personnel costs, partially offset by a €1.7 million increase in marketing and advertising expenses mainly due to rebranding initiatives.

[1] Restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the Notes to the Consolidated Financial Statements.

[2] EBITDA (Earnings before net financial items, tax, depreciation and amortisation) is calculated as operating profit/(loss), plus depreciation and amortisation.

Revenue

EUR 1,000	H1 2025	% of revenue	H1 2024	% of revenue
Recurring:				
Manufacturing:				
Manufacturing of own products	27,256	52.7%	25,350	18.6%
Manufacturing of generic products, speciality drugs and related services	6,746	13.0%	8,871	6.5%
Royalties	7,343	14.2%	7,085	5.2%
Other revenues from sales	580	1.2%	1,073	0.8%
Recurring revenue	**41,925**	**81.1%**	**42,379**	**31.1%**
Project-based:				
Licence fees, up-front fees and milestones	9,795	18.9%	93,858	68.9%
Project-based revenue	**9,795**	**18.9%**	**93,858**	**68.9%**
Total revenue	**51,720**	**100.0%**	**136,237**	**100.0%**

EUR 1,000	H1 2025	H1 2024
GI Genius™ (Medtech AI)	**8,714**	**3,825**
Winlevi® (Derma)	**7,409**	**6,013**
Lialda®/Mezavant®/Mesavancol®	14,035	16,256
Uceris®/Cortiment®	2,416	5,090
Eleview®	1,263	1,181
Rifamycin®	719	54
Contract manufacturing (CDMO)	6,789	8,857
Others	–	30
Gastro & CDMO	**25,222**	**31,468**
Digital Trust services - recurring	485	802
Others	95	271
Other revenue	**580**	**1,073**
Recurring revenue	**41,925**	**42,379**
Project-based revenue	**9,795**	**93,858**
Total revenue	**51,720**	**136,237**

2.2 FINANCIAL REVIEW CONTINUED

Recurring Revenue

Recurring revenue in H1 2025 was €41.9 million (H1 2024: 42.4 million).

Genius™ (Medtech AI) recurring revenue increased by 128% to €8.7 million in H1 2025 (H1 2024: €3.8 million), primarily driven by higher supply volumes.

Winlevi® (Derma) recurring revenue increaed by 23% to €7.4 million (H1 2024: €6.0 million), driven by increase in supply sales and royalties.

Gastro & CDMO and other recurring revenue declined by 21%, mainly due to lower volumes and pricing for Lialda®/Mezavant®/Mesavancol® and Uceris®/Cortiment®, driven by increased generic competition. This was partially offset by:
- €0.7 million (+1231%) increase in Rifamycin®,
- €0.1 million (+6.9%) increase in Eleview®,
- €0.7 million (+27.3%) increase in Lialda® (Japan),
- €0.6 million (+199%) increase in Lialda® (U.S.), and
- €0.5 million (+7.8%) increase in Mezavant®.

Project-based Revenue

Project-based revenue in H1 2025 totaled €9.8 million (H1 2024: €93.9 million), comprising €1.4 million from Winlevi® (Derma) milestones (€1.3 million from Glenmark for the U.K. market and €0.1 million from Hyphens for Malaysia and Singapore markets), €0.2 million from Adalvo for Rifamycin® milestone, and €8.3 million from a Digital Trust software sale to an existing customer. The year-on-year movement was mainly driven by the €92.5 million upfront fee recognized in Q1 2024 for exclusive license and distribution rights for GI Genius™ (Medtech AI).

Net expenses

EUR 1,000	H1 2025	% of revenue	H1 2024 (Restated)[1]	% of revenue
Other income	4,701	9.1%	1,122	0.8%
Cost of sales	(25,571)	(49.4%)	(23,150)	(17.0%)
Research and development costs	(17,997)	(34.8%)	(19,137)	(14.0%)
Selling, general and administrative costs	(14,264)	(27.6%)	(16,323)	(12.0%)
Total net expenses	**(53,131)**	**(102.7%)**	**(57,488)**	**(42.2%)**

Net expenses as per nature

EUR 1,000	H1 2025	% of revenue	H1 2024 (Restated)[1]	% of revenue
Other income	4,701	9.1%	1,122	0.8%
Changes in inventories of finished goods and work in progress (WIP)	241	0.5%	(802)	(0.6%)
Raw materials and consumables used	(13,091)	(25.3%)	(9,224)	(6.8%)
Personnel expenses	(16,950)	(32.8%)	(19,997)	(14.7%)
Outsourced preclinical and clinical trial costs	(8,182)	(15.8%)	(11,624)	(8.5%)
Other operating expenses	(13,587)	(26.3%)	(10,844)	(7.9%)
Depreciation and amortisation	(6,263)	(12.1%)	(6,119)	(4.5%)
Total net expenses	**(53,131)**	**(102.7%)**	**(57,488)**	**(42.2%)**

A. Raw materials and consumables used and changes in inventories

Expenditure on raw materials, consumables used and changes in inventory increased by €2.8 million largely due to higher GI Genius™ supply volumes, partially offset by €0.3 million reduction in other consumables and supplies.

B. Personnel expenses

Personnel expenses decreased by €3.0 million, primarily due to lower incentives and ESOP costs. These were partially offset by a €1.8 million increase in salaries and wages, reflecting higher average headcount in H1 2025 compared to H1 2024.

C. Outsourced preclinical and clinical trial costs

This expenditure primarily reflects clinical trial costs, including €6.5 million for the Phase III study of Clascoterone solution for Androgenetic Alopecia in males ('AGA') (H1 2024 restated: €9.3 million), €1.0 million for a Phase II proof-of-concept study in Bile Acid Diarrhoea (H1 2024: €0.5 million), €0.8 million for a Phase II study in Distal Ulcerative Colitis (H1 2024: €0.5 million), and €0.7 million for a Phase I study in Solid Tumours (H1 2024: €1.1 million). The overall decrease was mainly driven by a €3.7 million reduction in Clascoteron solution for AGA-related trial costs.

[1] Restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the Notes to the Consolidated Financial Statements.

2.2 FINANCIAL REVIEW CONTINUED

D. Other operating expenses

EUR 1,000	H1 2025	H1 2024 (Restated)[1]
Consultancy services and investor relations	4,128	2,459
Maintenance and utilities	3,152	2,994
Advertising and marketing	1,805	92
Patent costs	267	381
Audit fees	370	682
Sub-contracting and other services in relation to the manufacturing	606	817
Travel expenses	463	337
Software and hardware assistance costs	398	297
Freight and customs	305	241
Tax, other than income tax	736	141
Loss on contingent consideration	–	1,500
Other costs	1,357	903
Total other operating expenses	**13,587**	**10,844**

Consultancy services and investor relations increased by €1.7 million primarily due to costs related to Artificial Intelligence application development, as well as higher administrative and pharmacovigilance costs.

Advertising and marketing costs increased by €1.7 million, mainly driven by rebranding initiatives and market research activities undertaken in H1 2025.

Financial income and expenses

EUR 1,000	H1 2025	H1 2024
Financial income	3,242	1,851
Financial expenses	(2,501)	(57)
Net financial income	**741**	**1,794**

Financial income increased to €3.2 million (H1 2024: €1.9 million), largely due to gains from the revaluation and sale of bonds and fund investments.

Financial expenses increased to € 2.5 million (H1 2024: €0.1 million), primarily driven by foreign exchange loss from the weakening of USD against Euro.

[1] Restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the Notes to the Consolidated Financial Statements.

2.2 FINANCIAL REVIEW CONTINUED

Statement of Financial Position

Assets

Non-current assets

EUR 1,000	30-Jun-25	31-Dec-24
Property, plant and equipment	29,774	29,088
Goodwill	24,005	24,005
Other intangible assets	329,126	331,925
Financial assets	11,247	31,840
Deferred tax assets	19,682	18,716
Other non-current receivables	9,270	8,940
Total non-current assets	**423,104**	**444,514**

Property, plant and equipment

Property, plant and equipment primarily consists of the real estate property in Lainate (industrial plant, laboratories and offices), inclusive of surrounding land, the equipment in the plant that is used for the manufacturing of MMX® tablets and the right-of-use assets which represent office buildings and motor vehicles.

Goodwill

Goodwill arises from the acquisitions of the pharmaceutical manufacturing business from Parke-Davis in 1997, Linkverse S.r.l. in 2018, and Cassiopea S.p.A. in 2021.

Intangible assets

Intangible assets as at 30 June 2025 consist of:

- Patents and rights of €4.6 million (2024: €4.2 million);
- Winlevi® (U.S.) licensing and royalty agreements, €101.4 million (2024: €104.5 million);
- Clascoterone solution for Androgenetic Alopecia in males (CB-03-11), €170.3 million (2024: €170.3 million);
- Winlevi® (Non-U.S.), €51.9 million (2024: €51.9 million); and
- Eleview® (CB-17-04), €0.9 million (2024: €0.9 million).

Winlevi® and CB-03-11 (Clascoterone solution for Androgenetic Alopecia) were acquired via Cassiopea in 2021. CB-03-11 is classified as In-Process R&D, with Phase III trials on track — six-month results expected Fall 2025 and twelve-month data in H1 2026. Management supports the recoverability of capitalised costs based on projected economic benefits. Winlevi® (U.S. and non-U.S. rights) and Eleview® are Marketed Products, amortised over their estimated useful lives.

Non-current financial assets

EUR 1,000	30-Jun-25	31-Dec-24
Investment in bonds measured at FVOCI	6,707	27,461
Equity instruments measured at FVOCI – AIMM and RSouth shares	4,284	4,284
Equity instruments measured at FVOCI – Eagle Pharma shares	238	45
Equity instruments measured at FVOCI – RedHill shares	12	40
Equity instruments measured at FVOCI – PAION AG shares	6	10
Non-current financial assets	**11,247**	**31,840**

Investments in bonds measured at FVOCI amounting to €6.7 million (2024: €27.5 million) relate to long-term, high-grade corporate bonds. These bonds have credit ratings ranging from BBB to A- and are quoted using closing prices in the regulated market.

The equity instruments at FVOCI represent investments that the Group intends to hold for long-term for strategic purposes. The equity instruments are measured at fair value using market rate as of reporting date except for the AIMM and RSouth shares which are measured at fair value using value-in-use approach (DCF).

Current assets

EUR 1,000	30-Jun-25	31-Dec-24
Inventories	12,379	13,510
Trade receivables	21,616	18,941
Current tax and tax assets assets	9,121	9,967
Other receivables and other assets	17,485	16,877
Current financial assets	75,876	98,667
Cash and cash equivalents	50,749	44,296
Total current assets	**187,226**	**202,258**

Current financial assets of €75.9 million (2024: 98.7 million) consist of the Group's investments in funds and bonds.

2.2 FINANCIAL REVIEW CONTINUED

Equity and liabilities

EUR 1,000	30-Jun-25	31-Dec-24
Share capital	4,562	4,562
Share premium	243,565	243,565
Other reserves	47,845	47,845
Legal reserves	2,687	2,687
Treasury shares	(108,793)	(104,109)
Stock option plan reserve	11,142	34,364
Fair value reserve	(54,345)	(54,285)
Employee benefits actuarial gains/losses reserve	(223)	(221)
Currency translation reserve	983	858
Retained earnings	314,822	189,873
Profit for the period	(2,006)	133,191
Equity attributable to owners of the Company	**460,239**	**498,330**
Non-controlling interests	6,737	6,761
Total equity	**466,976**	**505,091**

As at 30 June 2025, Cosmo Pharmaceuticals had 17,543,522 (2024: 17,543,522) shares issued, fully subscribed and paid up, each share with a nominal value of €0.26.

As at 30 June 2025, the Group held 1,604,597 treasury shares at an average purchase price of CHF 71.44 per share.

During H1 2025, the Group purchased 123,597 treasury shares at an average purchase price of CHF 60.32 (€64.04) per share and sold 47,426 treasury shares at an average selling price of CHF 72.23 (€68.12) per share.

Non-current liabilities

EUR 1,000	30-Jun-25	31-Dec-24
Interest-bearing loans and borrowings	1,943	1,384
Employee benefits	548	652
Deferred tax liabilities	91,578	90,811
Other non-current liabilities	566	566
Total non-current liabilities	**94,635**	**93,413**

Interest-bearing loans and borrowings of €1.9 million (2024: €1.3 million) consist of the financial lease liabilities of €1.6 million (2024: €1.1 million) and bank loans of €0.3 million (2024: €0.3 million).

Other non-current liabilities represent contingent consideration payable to former Linkverse S.r.l. NCI shareholders, conditional upon the achievement of future regulatory and commercial milestones.

Current liabilities

EUR 1,000	30-Jun-25	31-Dec-24
Interest-bearing loans and borrowings	756	817
Trade payables	11,027	10,570
Current tax liabilities	20,115	19,954
Other current liabilities	16,821	16,927
Total current liabilities	**48,719**	**48,268**

The interest-bearing loans and borrowings pertain to current portion of bank loans.

Other current liabilities mainly include social security payables, withholding tax and accruals of deferred pay elements related to employees, calculated on the basis of the collective labour agreements currently in force.

2.2 FINANCIAL REVIEW CONTINUED

Cash flow

EUR 1,000	H1 2025	H1 2024 (Restated)[1]
Profit/(loss) for the period before tax	(670)	80,543
Adjustment for non-monetary item	7,905	7,667
Operating cash flows before changes in working capital	**7,235**	**88,210**
Change in net working capital	(6,024)	4,448
Cash flows from operating activities	**1,211**	**92,658**
Income taxes paid	(311)	(2,850)
Net cash flows from operating activities	**900**	**89,808**
Investments in property, plant and equipment ('PPE')	(2,624)	(1,428)
Investments in other intangible assets	(627)	(738)
Net inflows/(outflows) from the investment in/disposal of financial assets	45,225	(77,954)
Cash flows from investing activities	**41,974**	**(80,120)**
Interest payments	(36)	(32)
Payment of loans and leases	(462)	(409)
Distributions paid, net of withholding tax	(24,512)	–
Purchase of treasury shares – net	(4,693)	(427)
Payment of contingent consideration related to Linkverse acquisition	(4,500)	(4,500)
Cash flows from financing activities	**(34,203)**	**(5,368)**
Net increase in cash and cash equivalents	**8,671**	**4,320**
Cash and cash equivalents at the beginning of the period (at 31 Dec. 2024)	**44,296**	**50,275**
Net foreign exchange difference on cash and cash equivalents	**(2,218)**	**(39)**
Total cash and cash equivalents at the end of the period	**50,749**	**54,556**

EUR 1,000	30-Jun-25	31-Dec-24
Cash and cash equivalents	50,749	44,296
Short-term investments in funds and bonds	75,876	98,667
Long-term investments in bonds	6,707	27,461
Total cash, equivalents and investments[2]	**133,332**	**170,424**

2 Excluding investment in equity instruments

The net cash inflow from operating activities was €0.9 million (H1 2024: €89.8 million), reflecting a €6.0 million working capital outflow (H1 2024: €4.4 million) and €0.3 million in income tax payments (H1 2024: €2.9 million). The year-on-year change was primarily driven by the €92.5 million ($100 million) project-based revenue milestone received from Medtronic in H1 2024.

Capital investments in PPE totalled €2.6 million (H1 2024: €1.4 million) mainly in land, buildings, plant, machinery and equipment, while €0.6 million (H1 2024: €0.7 million) was invested in intangible assets, primarily patents and rights.

Net cash inflow from financial asset investments was €45.2 million (H1 2024: €78.0 million outflow), primarily related to sales and purchases of bond and fund investments.

Net outflows from financing activities of €34.2 million (H1 2024: €5.4 million) largely includes a €24.5 million cash distribution to shareholders (net of withholding tax, based on a gross distribution of €2.05 per ordinary share), €4.5 million in contingent consideration paid to former Linkverse NCI shareholders, and €4.7 million in net treasury share purchases (H1 2024: €0.4 million). Loan, lease and interest payments totalled €0.5 million (H1 2024: €0.4 million).

2.3 RISK MANAGEMENT

How we manage risk

The Board of Directors of Cosmo (the 'Board') is responsible for determining Cosmo's risk tolerance and for ensuring that risk management systems and internal control are in place.

To this end, the Board has implemented a comprehensive risk management framework in order to ensure that internal controls are adequate, that financial reporting is reliable, that all laws and regulations are complied with and that the assets of the Company are protected.

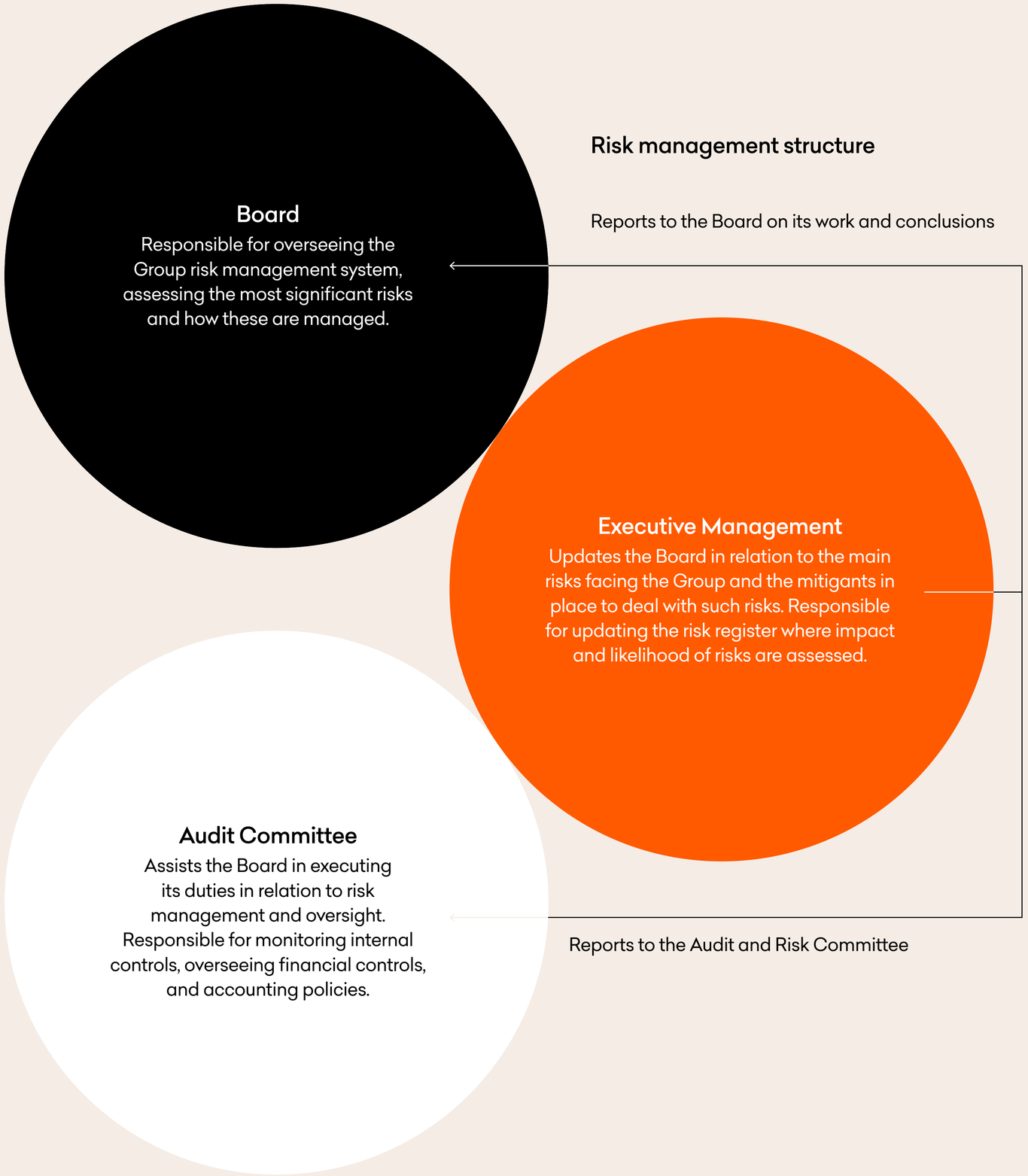
Risk management

The Group's risk management framework is designed to identify, evaluate and mitigate 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 the 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.

Risk factors

The following sets out certain important risk factors associated with the business that have been identified through the Company's risk management and control systems.



2.3 RISK MANAGEMENT CONTINUED

Strategic risks

Strategic risks relate to the Company's future business plans and strategies, and includes risks associated with the environment in which we operate, intellectual property ('IP') and risks including the demand for our products, competitive threats, information technology and public policy.

Risk area	Description of risk	Mitigation
Generic competition and IP rights	All pharmaceutical companies face generic competition when their products lose patent or other IP protection. The Company takes active measures to protect its patents, trademarks and other IP, and to extend product life cycles.	The Company has a dedicated patent department which manages its IP assets and is supported by the services of specialist IP law firms based in the countries where we primarily operate.
Research and development, and new product development	The future growth of our business is dependent on our ability to develop new products that address unmet medical needs and are accepted by patients and physicians. New products must also be reimbursed by payers. The process to develop new products is costly and can take considerable time. At each stage in the development of new products obstacles may be encountered. There is no guarantee that clinical endpoints will be attained or regulatory approval obtained, forcing us to abandon a product. Artificial Intelligence ('AI') is transforming our operations and reshaping the market landscape. At the same time, its rapid advancement coincides with the introduction of new AI regulations on a global scale. Adhering to these regulations may incur substantial costs or limit our ability to leverage such technologies. Furthermore, uncertainties surrounding the successful integration of AI in our operations, along with potential data security and privacy risks, pose challenges to maintaining our competitiveness and continued success.	The Company has a demonstrated track record of successfully concluding clinical trials and developing products which meet unmet clinical needs. The unique characteristics of our MMX® technology has enabled us to develop new products using chemical entities that are already on the market. We initially focused on inflammatory bowel disease but our most recent products have been developed by focusing on unmet needs in the treatment of colon diseases, and we believe that this provides ample new product development opportunity. Where possible we seek to improve the safety profile, efficacy or make more patient or user-friendly molecules that are already on the market in order to reduce new product development risk. We implement stringent data governance, continuous algorithm validation, and regulatory compliance measures to mitigate risks related to data integrity, bias, and patient safety. Our interdisciplinary approach—combining AI expertise with clinical oversight—ensures that we meet the highest standards of accuracy, reliability, and ethical AI deployment, reinforcing our commitment to enhancing patient outcomes through safe and effective technology.
Commercial success of our products	The Company's ability to grow depends on the commercial success of our products. The success of our products could be impacted by several factors beyond our control, including new competing products, pricing pressures, loss of IP protection and changes in physician prescribing habits. We rely on our partners to market, sell and distribute our products. The failure of our products to achieve commercial success could have a material adverse impact on result of operations, our business or our financial condition.	We place a heavy emphasis on selecting the right partner for our products and take steps to ensure that we have different partners for each product or class of products.
Pricing and reimbursement	The commercial success of our products depends on the ability of our partners to establish appropriate reimbursement for our products. Across the world, governments and payers continue to seek ways to reduce expenditure in the face of rising healthcare costs.	We believe that our focus on quality and on developing products which improve clinical outcomes and patient safety maximises the potential to achieve appropriate reimbursement for our products.

2.3 RISK MANAGEMENT CONTINUED

Operational risks

Risk area	Description of risk	Mitigation
Manufacturing of finished products and supply of raw materials	Any issue with our manufacturing processes could have serious consequences for the health of patients and damage our reputation. Our manufacturing facilities are subject to strict regulatory requirements. If we fail to meet our regulatory requirements there is a risk that we would have to temporarily suspend or cease production. Any interruption to the supply chain of our raw materials could impair the supply of our products and consequently damage sales.	The manufacturing process at the Company's manufacturing facility in Lainate, Milan, is controlled with respect to raw materials, process parameters and final product quality. The controls are in accordance with procedures that comply with the provisions of current good manufacturing practices ('cGMP') and stringent regulatory compliance with FDA, EMA, and WHO guidelines.
Continuity of supply	The supply chain for our products is subject to regulatory requirements. Any failure on our part, or failure on the part of our partners, to meet supply chain regulatory requirements could disrupt the supply chain and result in product shortages and loss of revenue.	Build close relationships/partnerships with established, reputable suppliers and maintain regular communication on any potential supply chain challenges. Disaster plan is in place to manage supply chain issues.
IT security, data and information systems	We are dependent on information technology infrastructure and systems. The loss of sensitive or confidential information and/or other security breaches or data leakages could have an adverse effect on our financial position or financial results. Our use of IT systems at times involves gathering personal information relating to patients, customers, vendors, employees and others. A breach of our systems or any other failure to protect personal information held on our systems could expose the personal information to unauthorised persons. Any such breach could result in liability and reputational damage.	The Company has committed and continues to commit significant management focus and resources to the protection of its data and information technology systems.
Human resources	The Company relies on recruiting and retaining highly skilled employees to meet its strategic objectives. The Company faces competition for highly qualified personnel from other companies and organisations, and the supply of people with the necessary skills may be limited. If the Company is unable to retain key individuals or recruit new employees with the necessary skills and experience, the implementation of the Company's strategic objectives could be adversely impacted and as a consequence the Company's financial performance or financial position could be adversely impacted.	The Company seeks to ensure that remuneration packages are competitive with the market and has an employee stock ownership plan ('ESOP') for Directors, employees, co-workers and administrators of the Company or a Group company, and a bonus scheme in place.

2.3 RISK MANAGEMENT CONTINUED

Financial risks

The Group is exposed to various financial risks in the normal course of business. The principle financial risks to which it is exposed include credit risks related to the creditworthiness of its customers and counterparties of its investment portfolio, with which it invests surplus cash funds, liquidity risks associated with the availability of sufficient capital resources, foreign currency risks, including both translation and transaction risk, and interest rate risk.

The Group measures and manages financial risks in accordance with Group Policy. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identity and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence limits. The Audit Committee of the Board periodically reviews the policies and adequacy of the risk management framework in regards to the risks faced by the Group.

Risk area	Description of risk	Mitigation
Credit risk (1)	The Group has a credit risk exposure in respect of the creditworthiness of its customers.	The Group has series of long-standing customers and has established ongoing monitoring for risk of credit deterioration. Credit risk for new customers is managed by ensuring strict credit procedures. For instance, in the event where a new customer's credit rating is not available, the customer is required to provide a bank reference. If the Company is unable to reach sufficient comfort over the customer's creditworthiness the Company will transact based on prepayment basis only.
Credit risk (2)	Credit risk exposure also exists in relation to investment by the Group in financial assets and the cash, which the Group places on deposit with financial institutions.	The Group actively manages these risks by investing in financial assets and placing deposits with financial institutions in accordance with strict credit risk management policies and controls, as specified by the Group's Board of Directors. The Group's cash and cash equivalents as at 30 June 2025 was held on deposit with banks whose Fitch credit rating ranged from BBB to A-.
Liquidity risk	The Group's primary objectives in managing liquidity are to ensure adequate resources to fund its continued operations; availability of sufficient resources to sustain future development and growth of the business; and maintain sufficient resources to mitigate risks and unforeseen events that may arise.	The Group manages risks associated with liquidity by investing its cash in short-term deposits and short-term financial investments which can be readily realised into cash. Where the Group has entered into long-term financial investment obligations, the maturity dates are spread out evenly in order to attain the most effective rate of liquidity.
Currency risk	Given the global nature of its operations, the Group is subject to a number of foreign currency risks for transactions that are denominated in a currency other than its functional currency (Euro). The Group is also subject to increased exposure to fluctuation in exchange rates between U.S. Dollar and Euro due to its expansion in operations in the U.S. market.	The Group manages its foreign exchange exposures with natural hedging and effective management of foreign currency cash inflows and outflows.
Interest rate risk	The Group is exposed to interest rate risk in respect of its cash and cash equivalents, investment in financial assets, bank loans and financial leases with variable interest rates. There were no material hedging activities, such as interest rate swaps, utilised during the financial period under review.	Except for a very small level of debt, our interest rate exposure is restricted to our investments. We primarily invest in fixed rate instruments with maturities varying according to our liquidity needs. This process is overseen by an investment committee and implemented by an external expert investment manager. More information on financial risks is provided in Note 32 of the Consolidated Financial Statements in the Annual Report 2024.

2.3 RISK MANAGEMENT CONTINUED

Legal, compliance and regulatory risks

Legal, compliance and regulatory risks relate to the legal and regulatory environment within which we operate.

Risk area	Description of risk	Mitigation
Laws and regulations governing the sale and marketing of our products	Where we have licensed our products, the responsibility to comply with law and regulations governing the sale of our products rests with our licensees. Any failure on the part of our licensees to comply with laws and regulations governing the marketing and selling of our products could impact on our revenues and profitability.	As we are conscious that any failure on our part to comply with laws and regulations governing the sales and marketing of our products could impact on our revenues and profitability, the Company ensures that the agreements with our partners/licensees bear strong contractual obligations and representation and warranties present in order to ensure the highest standards of compliance the Company expects and requires as per its core values. Moreover, the Company has committed and continues to commit significant management focus and resources to enhance awareness, sensitivity, and processes to ensure full compliance with applicable laws and regulations governing the pharma and MD industry.
Regulatory approval for new products and approvals for new indications for existing products	Our future commercial success depends on gaining regulatory approval for new products and obtaining approvals for existing products for new indications. The Company outsources certain tasks required as part of the approval process.	The Company takes commercially reasonable steps to ensure that we engage with quality outsource partners. However, notwithstanding the steps that we take, there is no guarantee that regulatory approval will be obtained for new products or new indications for existing products.
Tax	We operate in a number of tax jurisdictions and are taxed accordingly. The Organisation for Economic Co-operation and Development ('OECD') has proposed a number of tax law changes under its Base Erosion and Profit Shifting ('BEPS') Action Plans.	We have taken steps and continue to take steps to be in compliance with the evolving tax initiatives. Such tax law changes could require us to adapt our tax structure, increase our effective tax rate and adversely affect our financial performance.

2.3 RISK MANAGEMENT CONTINUED

Risk on geopolitical developments and global uncertainties

The Group is exposed to risk arising from geopolitical conflicts and various global issues given the nature of its operations. These threats, which include interstate conflict, social unrest and trade restrictions, among others, could potentially disrupt our supply chain.

The potential impact on the overall business of the Group is dependent on the severity and magnitude of the geopolitical developments on a global scale. While the situation continues to evolve, the recent developments do not have a significant impact on the Group's business operations. The Group continues to actively monitor these events.

We believe that the Group's ability to adapt to global threats and geopolitical conflicts is anchored on our strategy of developing and creating products within our expertise and carefully selecting our partners for these products.

Fraud risk

The Group is aware of the inherent risk of fraud that it faces, both internally and externally, in carrying out its activities.

Fraud risks are included in our risk register and are categorised, prioritised and assigned to risk owners who are required to continually monitor, evaluate and report on the risks to the Audit Committee.

In 2025, the Group prepared a fraud risk analysis which showed that there is a low to moderate risk of non-compliance in some areas of its business operations.

The Company recognises the need for its employees, consultants and contractors to always act with integrity. The Company has developed a Code of Conduct as a tool in guiding employees to make the right decisions.

Our financial processes include segregation of duties, which prevents only one person from initialising, authorising, processing and settling transactions or liabilities and having access to assets in an uncontrolled manner. Controls are in place to ensure adequate record-keeping, documented substantiation, and authorisation of journal entries which help prevent and ensure early detection of fraud in the financial reporting system.

The Company has a whistleblowing policy and a whistleblowing platform which enables the anonymous reporting of any potential fraud.

In recent years, there have been increased occurrences of cyberattacks, ransomware cases and data breaches. Information security is a high priority for Cosmo and the Group has put systems in place to protect itself against cyber-attacks and ransomware. Dedicated security tests are performed by our IT department periodically in order to evaluate the robustness of our security measures and to ensure that no data breaches occur.

Conclusion

The Group is of the opinion that necessary controls and procedures are in place to mitigate fraud risk. No fraud incidents were noted during the period.

2.4 RESPONSIBILITY STATEMENT

In accordance with Section 5:25d(2)(c) of the Dutch Financial Supervision Act, the Board of Directors of the Company hereby declare that, to the best of their knowledge:

1. the Half-Year Condensed Consolidated Financial Statements as of and for the six months ending 30 June 2025 give a true and fair view of the assets, liabilities, financial position and the profit/(loss) of the Company and its consolidated entities; and

2. the mid-year Directors' Report for the first half of this financial year gives a true picture of:
   a) the most important events which have occurred in the first six months of this financial year and of the effect of those on the mid-year financial statements;
   b) the most important transactions with related parties which were entered into during this period; and
   c) the main risks and uncertainties for the remaining six months of the financial year in question.

The Board of Directors

Mauro Ajani
Alessandro Della Chà
Giovanni Di Napoli
John O'Dea
Maria Grazia Roncarolo
Niall Donnelly
Silvana Perretta

Dublin, Ireland, 22 July 2025

3. Condensed Consolidated Financial Statements And Notes

AS OF AND FOR THE SIX MONTHS ENDED 30 JUNE 2025

3.1 CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2025

EUR 1,000	Notes	H1 2025	H1 2024 (Restated)[1]
Revenue	4	**51,720**	**136,237**
Cost of sales		(25,571)	(23,150)
Gross profit		**26,149**	**113,087**
Other income[1]	5	4,701	1,122
Research and development costs[1]		(17,997)	(19,137)
Selling, general and administrative costs		(14,264)	(16,323)
Net operating expenses		(27,560)	(34,338)
Operating profit/(loss)		**(1,411)**	**78,749**
Financial income	6	3,242	1,851
Financial expenses	6	(2,501)	(57)
Net financial income		**741**	**1,794**
Profit/(loss) before taxes		**(670)**	**80,543**
Income tax	7	(1,360)	(9,366)
Profit/(loss) for the period		**(2,030)**	**71,177**
Profit/(loss) attributable to:			
Owners of the Company		(2,006)	71,239
Non-controlling interest		(24)	(62)
Earnings/(loss) per share[1]:		**EUR**	**EUR**
Basic	8	(0.126)	4.423
Diluted	8	(0.126)	4.423

The accompanying notes form an integral part of the Half-Year Condensed Consolidated Financial Statements.

[1] Restated H1 2024 comparative figures to reflect the impact of change in accounting policy on internal development costs. See note 3 of the notes to the condensed consolidated financial statements.

3.2 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2025

EUR 1,000	Notes	H1 2025	H1 2024 (Restated)
Profit/(loss) for the period (A)		**(2,030)**	**71,177**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on equity instruments measured at FVOCI		162	(70)
Remeasurement of defined benefit liability		**(2)**	8
Total items that will not be reclassified subsequently to profit or loss (B1)		**160**	**(62)**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		125	(39)
Gain/(loss) on debt instruments measured at FVOCI		(241)	26
Income tax	7	19	(9)
Total items that may be reclassified subsequently to profit or loss (B2)		**(97)**	**(22)**
Total other comprehensive income/(loss), net of tax (B1+B2)=(B)		**63**	**(84)**
Total comprehensive income/(loss) (A)+(B)		**(1,967)**	**71,093**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(1,943)	71,155
Non-controlling interest		(24)	(62)

The accompanying notes form an integral part of the Half-Year Condensed Consolidated Financial Statements.

3.3 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 30 JUNE 2025

EUR 1,000	Notes	30-Jun-25	31-Dec-24
ASSETS			
Non-current assets			
Property, plant and equipment		29,774	29,088
Goodwill	9	24,005	24,005
Other intangible assets	10	329,126	331,925
Financial assets	11	11,247	31,840
Deferred tax assets		19,682	18,716
Other receivables and other assets		9,270	8,940
Total non-current assets		**423,104**	**444,514**
Current assets			
Inventories		12,379	13,510
Trade receivables		21,616	18,941
Current tax and other tax assets		9,121	9,967
Other receivables and other assets		17,485	16,877
Current financial assets	11	75,876	98,667
Cash and cash equivalents		50,749	44,296
Total current assets		**187,226**	**202,258**
TOTAL ASSETS		**610,330**	**646,772**

EUR 1,000	Notes	30-Jun-25	31-Dec-24
EQUITY			
Share capital	12	4,562	4,562
Share premium		243,565	243,565
Reserves		(100,704)	(72,861)
Retained earnings		312,816	323,064
Equity attributable to owners of the Company		**460,239**	**498,330**
Non-controlling interest		**6,737**	**6,761**
TOTAL EQUITY	12	**466,976**	**505,091**
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	13	1,943	1,384
Employee benefits		548	652
Deferred tax liabilities		91,578	90,811
Other non-current liabilities	14	566	566
Total non-current liabilities		**94,635**	**93,413**
Current liabilities			
Interest-bearing loans and borrowings	13	756	817
Trade payables		11,027	10,570
Current tax liabilities		20,115	19,954
Other current liabilities	14	16,821	16,927
Total current liabilities		**48,719**	**48,268**
TOTAL LIABILITIES		**143,354**	**141,681**
TOTAL EQUITY AND LIABILITIES		**610,330**	**646,772**

The accompanying notes form an integral part of the Half-Year Condensed Consolidated Financial Statements.

3.4 CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2025

EUR 1,000	Notes	H1 2025	H1 2024 (Restated)[1]
Profit/(loss) for the period before tax		**(670)**	**80,543**
Adjustments for:			
Depreciation and amortisation	5	6,263	6,119
Share-based payment expenses		1,228	803
Interest income recognised in profit or loss (net)		(1,074)	(21)
Gain on fair valuation of investments in funds (net)		(749)	(754)
Change in employee benefits/pension provision		(106)	20
Increase in fair value of contingent consideration liability	14	–	1,500
Unrealised foreign exchange gain on cash and investments		2,343	–
Operating cash flows before changes in working capital		**7,235**	**88,210**
Change in inventories		1,131	296
Change in trade receivables		(2,675)	4,805
Change in trade payables		457	3,115
Change in other receivables and other assets		(608)	(2,087)
Change in deferred income		–	(72)
Change in other liabilities		(3,777)	(147)
Change in current and deferred tax assets/liabilities		(1,142)	(1,333)
Change in withholding tax receivables		590	(129)
Cash flows from operating activities		**1,211**	**92,658**
Income taxes paid (net)		(311)	(2,850)
Net cash flows from operating activities		**900**	**89,808**
Investments in property, plant and equipment (excluding right-of-use assets)		(2,624)	(1,428)
Investments in other intangible assets		(627)	(738)
Investments in bonds and funds		(23,287)	(77,970)
Proceeds from disposal of investments in bonds and funds		67,784	–
Interest received from investments in bonds and funds		728	16
Cash flows from investing activities		**41,974**	**(80,120)**

EUR 1,000	Notes	H1 2025	H1 2024 (Restated)[1]
Repayments of loans and leases and related interests		(498)	(441)
Purchase of treasury shares	12(B)	(7,915)	(2,442)
Sale of treasury shares	12(B)	3,222	2,015
Distributions to shareholders – net of withholding tax		(24,512)	–
Payment of contingent consideration related to Linkverse acquisition		(4,500)	(4,500)
Cash flows from financing activities		**(34,203)**	**(5,368)**
Net increase in cash and cash equivalents		**8,671**	**4,320**
Cash and cash equivalents at the beginning of the period		**44,296**	**50,275**
Net foreign exchange differences		(2,218)	(39)
Cash and cash equivalents at the end of the period		**50,749**	**54,556**
Cash at hand		7	12
Bank accounts		50,742	54,544
Total cash and cash equivalents at the end of the period		**50,749**	**54,556**

The accompanying notes form an integral part of the Half-Year Condensed Consolidated Financial Statements.

[1] Restated H1 2024 comparative figures to reflect the impact of change in accounting policy on internal development costs. See note 3 of the notes to the condensed consolidated financial statements.

3.5 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company												
EUR 1,000	Number of shares (n)	Share capital	Share premium	Legal and other reserves	Treasury shares	Stock option plan reserve	Fair value reserve	Employee benefits actuarial gains/losses reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Net equity as at 1 January 2025	**17,543,522**	**4,562**	**243,565**	**50,532**	**(104,109)**	**34,364**	**(54,285)**	**(221)**	**858**	**323,064**	**498,330**	**6,761**	**505,091**
Total comprehensive income/(loss) for the period													
Profit/(loss) for the period	–	–	–	–	–	–	–	–	–	(2,006)	(2,006)	(24)	(2,030)
Other comprehensive income/(loss) for the period	–	–	–	–	–	–	(60)	(2)	125	–	63	–	63
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(60)**	**(2)**	**125**	**(2,006)**	**(1,943)**	**(24)**	**(1,967)**
Transactions with owners of the Company													
Cash distribution/dividends payment	–	–	–	–	–	–	–	–	–	(32,683)	(32,683)	–	(32,683)
Personnel cost for stock options	–	–	–	–	–	1,228	–	–	–	–	1,228	–	1,228
Expired stock options	–	–	–	–	–	(24,309)	–	–	–	24,309	–	–	–
Exercised stock options	–	–	–	–	–	(141)	–	–	–	141	–	–	–
Purchase of treasury shares – net	–	–	–	–	(4,684)	–	–	–	–	(9)	(4,693)	–	(4,693)
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**(4,684)**	**(23,222)**	**–**	**–**	**–**	**(8,242)**	**(36,148)**	**–**	**(36,148)**
Net equity as at 30 June 2025	**17,543,522**	**4,562**	**243,565**	**50,532**	**(108,793)**	**11,142**	**(54,345)**	**(223)**	**983**	**312,816**	**460,239**	**6,737**	**466,976**

The accompanying notes form an integral part of the Half-Year Condensed Consolidated Financial Statements.

3.5 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) CONTINUED FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company												
EUR 1,000	Number of shares (n)	Share capital	Share premium	Legal and other reserves	Treasury shares	Stock option plan reserve	Fair value reserve	Employee benefits actuarial gains/ losses reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Net equity as at 1 January 2024	**17,543,522**	**4,562**	**243,565**	**50,479**	**(101,307)**	**33,324**	**(55,121)**	**(214)**	**830**	**220,699**	**396,817**	**6,806**	**403,623**
Total comprehensive income/(loss) for the period													
Profit/(loss) for the period	–	–	–	–	–	–	–	–	–	71,239	71,239	(62)	71,177
Other comprehensive income/(loss) for the period	–	–	–	–	–	–	(53)	8	(39)	–	(84)	–	(84)
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(53)**	**8**	**(39)**	**71,239**	**71,155**	**(62)**	**71,093**
Transactions with owners of the Company													
Personnel cost for stock options	–	–	–	–	–	803	–	–	–	–	803	–	803
Expired stock options	–	–	–	–	–	(926)	–	–	–	926	–	–	–
Purchase of treasury shares – net	–	–	–	–	(516)	–	–	–	–	89	(427)	–	(427)
Movement in legal reserves	–	–	–	53	–	–	–	–	–	(53)	–	–	–
Total transactions with owners of the Company	**–**	**–**	**–**	**53**	**(516)**	**(123)**	**–**	**–**	**–**	**962**	**376**	**–**	**376**
Net equity as at 30 June 2024	**17,543,522**	**4,562**	**243,565**	**50,532**	**(101,823)**	**33,201**	**(55,174)**	**(206)**	**791**	**292,900**	**468,348**	**6,744**	**475,092**

The accompanying notes form an integral part of the Half-Year Condensed Consolidated Financial Statements.

3.6 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

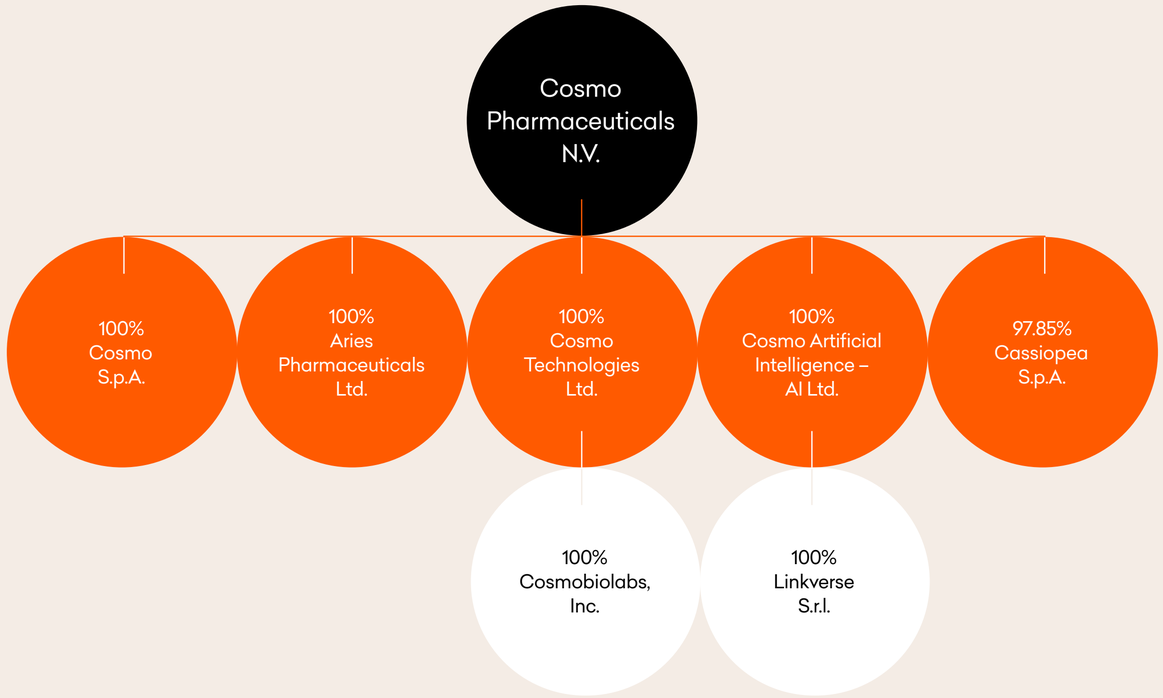
1 General information

Cosmo Pharmaceuticals N.V. with its subsidiaries and associates, ('Cosmo' or 'Cosmo Pharmaceuticals' or 'Company' or 'Group') is a speciality pharmaceutical company registered in the Netherlands with its seat of management at Riverside II, Sir John Rogerson's Quay, Dublin, Ireland, and is listed on the SIX Swiss Exchange (SIX: COPN) and Xetra exchange (C43. COSMO PHARMACEUT). The Company has a Swiss branch located in Lugano, Switzerland. The Company is registered at the Dutch trade register under number 65617738.

Cosmo is a life sciences company focused on MedTech AI, dermatology, gastrointestinal diseases, and contract development and manufacturing (CDMO). Cosmo designs, develops and manufactures products that address critical medical needs and raise the standard of care. These products are distributed globally by its partners.

Since 12 March 2007, Cosmo Pharmaceuticals' shares have been publicly listed on the Swiss Stock Exchange (SIX: COPN). The Company's stock market capitalisation as at 30 June 2025 was equal to CHF 998.2 million (€1,068.0 million).

Group structure as of 30 June 2025:



2 Basis of preparation

A Authorisation of Condensed Consolidated Financial Statements

These Half-Year Condensed Consolidated Financial Statements, together with notes, of Cosmo Pharmaceuticals N.V. at 30 June 2025 were authorised for issuance by the Board of Directors on 22 July 2025.

B Basis of preparation

These half-year Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim statements do not include all the information and disclosures required in the annual financial statements, but they contain selected explanatory notes to highlight key events and transactions relevant to understanding changes in the Group's financial position and performance since the last annual financial statements. Accodingly, these interim statements should be read in conjunction with the Group's most recent annual Consolidated Financial Statements as at 31 December 2024 ('last annual financial statements').

These Half-Year Condensed Consolidated Financial Statements are prepared under the historical cost method, modified as required for the measurement of certain financial instruments, as well as on the basis that it will continue to operate as a going concern. In this respect, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1 – *Presentation of Financial Statements)* exist about its ability to continue as a going concern.

For presentation of these Half-Year Condensed Consolidated Financial Statements, the Group uses a classification based on the function of expenses, rather than based on their nature, as it is more representative of the format used for internal reporting and management purposes and is consistent with international practice in the pharmaceuticals sector. The statement of financial position has been prepared presenting assets and liabilities as current and non-current; the statements of cash flows present cash flows from operating activities using the indirect method and the statement of changes in equity includes all the changes in equity.

These Condensed Consolidated Financial Statements are expressed in thousands of Euros, unless stated otherwise, rounding the amounts to the nearest thousand.

3.6 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 Significant accounting policies

The accounting policies applied in the preparation of the Half-Year Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual Consolidated Financial Statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. These new standards, amendments or interpretations do not have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

New standards and amendments – applicable 1 January 2025:

- Lack of Exchangeability - Amendments to IAS 21

Change in accounting policy

As disclosed in the 2024 Consolidated Financial Statements (see Note 4. Accounting Policies, 'Restatement of Consolidated Financial Statements – Change in accounting policy'), the Group implemented a change in accounting policy regarding the treatment of internal development costs under IAS 38. The revised policy requires that such costs be expensed to "Research and Development" in the consolidated income statement in the period in which they are incurred, until regulatory marketing approval in a major market is obtained, at which point capitalisation may begin.

This change was applied retrospectively in accordance with IAS 8, and prior periods were restated. For full details of the policy change and its financial impact, refer to the 2024 Annual Report.

If there had been no change in accounting policy, the H1 2024 consolidated net operating expenses would have decreased by €8.2 million, tax expenses would have increased by €3.3 million, and profit for the year would have increased by €4.9 million.

The summary table below summarises the impact of the change in accounting policy on the Half-Year Condensed Consolidated Financial Statements of the Group.

EUR 1,000	Impact on Income Statement H1 2024
Research and development costs increase	(8,313)
Other income related to R&D tax credit increase	108
Net operating expenses increase	**(8,205)**
Operating income decrease	**(8,205)**
Income tax expense decrease	**3,324**
Loss for the year increase	**(4,881)**

4 Revenue

EUR 1,000	H1 2025	H1 2024
Recurring:		
Manufacturing:		
Manufacturing of own products	27,256	25,350
Manufacturing of generic products, speciality drugs and related services	6,746	8,871
Royalties	7,343	7,085
Other revenues from sales	580	1,073
Recurring revenue	**41,925**	**42,379**
Project -based:		
Licence fees, up-front fees and milestones	9,795	93,858
Project-based revenue	**9,795**	**93,858**
Total revenue	**51,720**	**136,237**

EUR 1,000	H1 2025	H1 2024
GI Genius™ (Medtech AI)	**8,714**	**3,825**
Winlevi® (Derma)	**7,409**	**6,013**
Lialda®/Mezavant®/Mesavancol®	14,035	16,256
Uceris®/Cortiment®	2,416	5,090
Eleview®	1,263	1,181
Rifamycin®	719	54
Contract manufacturing (CDMO)	6,789	8,857
Others	–	30
Gastro & CDMO	**25,222**	**31,468**
Digital Trust services - recurring	485	802
Others	95	271
Other revenue	**580**	**1,073**
Recurring revenue	**41,925**	**42,379**
Project-based revenue	**9,795**	**93,858**
Total revenue	**51,720**	**136,237**

4 Revenue Continued

Recurring Revenue

Recurring revenue in H1 2025 was €41.9 million (H1 2024: 42.4 million).

Genius™ (Medtech AI) recurring revenue increased by 128% to €8.7 million in H1 2025 (H1 2024: €3.8 million), primarily driven by higher supply volumes.

Winlevi® (Derma) recurring revenue increaed by 23% to €7.4 million (H1 2024: €6.0 million), driven by increase in supply sales and royalties.

Gastro & CDMO and other recurring revenue declined by 21%, mainly due to lower volumes and pricing for Lialda®/Mezavant®/Mesavancol® and Uceris®/Cortiment®, driven by increased generic competition. This was partially offset by:
- €0.7 million (+1231%) increase in Rifamycin®,
- €0.1 million (+6.9%) increase in Eleview®,
- €0.7 million (+27.3%) increase in Lialda® (Japan),
- €0.6 million (+199%) increase in Lialda® (U.S.), and
- €0.5 million (+7.8%) increase in Mezavant®.

Project-based Revenue

Project-based revenue in H1 2025 totaled €9.8 million (H1 2024: €93.9 million), comprising €1.4 million from Winlevi® (Derma) milestones (€1.3 million from Glenmark for the U.K. market and €0.1 million from Hyphens for Malaysia and Singapore markets), €0.2 million from Adalvo for Rifamycin® milestone, and €8.3 million from a Digital Trust software sale to an existing customer. The year-on-year movement was mainly driven by the €92.5 million upfront fee recognized in Q1 2024 for exclusive license and distribution rights for GI Genius™ (Medtech AI).

5 Net expenses

Net expenses in the table below represent cost of sales and net operating expenses by nature of the expenses:

EUR 1,000	H1 2025	H1 2024 (Restated)[1]
Other income[1]	4,701	1,122
Changes in inventories of finished goods and work in progress	241	(802)
Raw materials and consumables used	(13,091)	(9,224)
Personnel expenses	(16,950)	(19,997)
Outsourced preclinical and clinical trial costs[1]	(8,182)	(11,624)
Other operating expenses	(13,587)	(10,844)
Depreciation and amortisation[1]	(6,263)	(6,119)
Total net operating expenses	**(53,131)**	**(57,488)**

[1] The H1 2024 comparative figures were restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the notes to the condensed consolidated financial statements.

A Raw materials and consumables used and changes in inventories

Expenditure on raw materials, consumables used and changes in inventory remained steady slightly increased to €2.8 million largely due to increased volume in GI Genius™ costs, offset by €0.3 million decrease in various consumables and supplies.

B Outsourced preclinical and clinical trial costs

This expenditure primarily relates to clinical trial costs, including the following:

- Clascoterone solution for Androgenetic Alopecia ('AGA') in males - phase III trials amounting to €6.5 million (H1 2024 restated: €9.3 million),
- Bile Acid Diarrhoea - phase II proof-of-concept study amounting to €1.0 million (H1 2024: €0.5 million),
- Distal Ulcerative Colitis - phase II study amounting to €0.8 million (H1 2024: €0.5 million), and
- Solid Tumours - phase I study amounting to €0.7 million (H1 2024: €1.1 million).

C Personnel expenses

EUR 1,000	H1 2025	H1 2024 (Restated)[1]
Salaries and wages	10,348	8,905
Social security contributions	2,773	2,412
Incentives	2,175	6,795
Employee benefits	427	406
Stock options	1,142	1,051
Other costs	85	428
Total personnel expenses	**16,950**	**19,997**

[1] The H1 2024 comparative figures were restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the notes to the condensed consolidated financial statements.

Personnel expenses decreased by €3.0 million, primarily due to lower incentives and ESOP costs. These were partially offset by a €1.8 million increase in salaries and wages, reflecting higher average headcount in H1 2025 compared to H1 2024.

The average number of staff for the period ended 30 June 2025 was as follows:

Average no. of staff by function	H1 2025	H1 2024
Research & Development	91.5	87.0
Production & Logistics	203.0	199.5
Selling, General, Adm. & Finance, IT and others	41.0	42.5
Total average number	**335.5**	**329.0**

3.6 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5 Net expenses continued

C Personnel expenses continued

The average number of staff headcount by category for the period ended 30 June 2025 was as follows:

Average no. of staff by category	H1 2025	H1 2024
Managers	12.0	10.5
Junior managers	42.0	39.0
Employees	156.5	149.0
Workers	125.0	130.5
Total average number	**335.5**	**329.0**

The number of staff headcount by category as at 30 June 2025 was as follows:

No. of staff	30-Jun-25	30-Jun-24
Managers	13	11
Junior managers	46	38
Employees	153	160
Workers	120	130
Total number	**332**	**339**

D Other operating expenses

EUR 1,000	H1 2025	H1 2024 (Restated) [1]
Consultancy services and investor relations[1]	4,128	2,459
Maintenance and utilities	3,152	2,994
Advertising and marketing	1,805	92
Patent costs	267	381
Audit fees	370	682
Sub-contracting and other services in relation to the manufacturing	606	817
Travel expenses	463	337
Software and hardware assistance costs	398	297
Freight and customs	305	241
Tax, other than income tax	736	141
Loss on contingent consideration	–	1,500
Other costs	1,357	903
Total other operating expenses	**13,587**	**10,844**

[1] The H1 2024 comparative figures were restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the notes to the condensed consolidated financial statements.

Consultancy services and investor relations increased by €1.7 million primarily due to costs related to Artificial Intelligence application development, as well as higher administrative and pharmacovigilance costs.

Advertising and marketing costs increased by €1.7 million, mainly driven by rebranding initiatives and market research activities undertaken in H1 2025.

6 Financial income and expenses

EUR 1,000	H1 2025	H1 2024
Financial income:		
Interest received on cash and cash equivalents	278	892
Interest received on listed bonds and securities at FVOCI	443	77
Net foreign exchange gains	–	128
Gain on investments in funds mandatorily in FVTPL	1,890	754
Gain on sale of listed bonds at FVOCI	631	–
Total financial income	**3,242**	**1,851**
Financial expenses:		
Interest on medium and long-term bank loan	(1)	(1)
Interest on financial lease payables	(62)	(25)
Net foreign exchange loss	(2,321)	–
Loss on investments in funds mandatorily in FVTPL	(81)	–
Loss on sale of listed bonds at FVOCI	(1)	–
Other	(35)	(31)
Total financial expenses	**(2,501)**	**(57)**
Net financial income/(expense)	**741**	**1,794**

Financial income increased to €3.2 million (H1 2024: €1.9 million), largely due to gains from the revaluation and sale of bonds and fund investments.

Financial expenses increased to € 2.5 million (H1 2024: €0.1 million), primarily driven by foreign exchange loss from the weakening of USD against Euro.

3.6 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

7 Income tax expenses

A. Income tax recognised in profit or loss

EUR 1,000	H1 2025	H1 2024 (Restated)[1]
Income tax	(1,487)	(12,318)
Changes in estimates related to prior years	–	–
Current income tax	**(1,487)**	**(12,318)**
Deferred tax assets	926	2,036
Deferred tax liabilities	(799)	916
Deferred tax	**127**	**2,952**
Total income tax	**(1,360)**	**(9,366)**

[1] The H1 2024 comparative figures were restated to reflect the impact of change in accounting policy on internal development costs. See note 3 of the notes to the condensed consolidated financial statements.

B. Income tax recognised in other comprehensive income

EUR 1,000	H1 2025	H1 2024
Deferred tax		
Arising on income and expense recognised in other comprehensive income:		
Fair value on remeasurement of equity instruments at FVOCI	19	(9)
Total income tax recognised in other comprehensive income	**19**	**(9)**

8 Basic and diluted earnings per share

A. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit/(loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Basic earnings per share are as follows:

	H1 2025	H1 2024 (Restated)
Net profit/(loss) attributable to shareholders (in EUR 1,000)	(2,006)	71,239
Weighted average number of outstanding ordinary shares	15,970,541	16,105,126
Basic earnings/(loss) per share (in EUR)	**(0.126)**	**4.423**

B. Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after adjustments for the effects of all dilutive potential ordinary shares. In relation to the stock option plans (see Note 15 for details), the potential number of ordinary shares is represented by the shares that would be issued as a consequence of the conversion of all options into ordinary shares.

Potential ordinary shares from the exercise of stock options only have a dilutive effect if the new ordinary shares from the exercise of stock options leads to a lower result of earnings per share.

	H1 2025	H1 2024 (Restated)
Net profit/(loss) attributable to shareholders (in EUR 1,000)	(2,006)	71,239
Weighted average number of outstanding ordinary shares	15,970,541	16,105,126
Incremental shares with dilutive effect	–	–
Adjusted weighted average number of outstanding ordinary shares	15,970,541	16,105,126
Diluted earnings/(loss) per share (in EUR)	**(0.126)**	**4.423**

9 Goodwill

The carrying amount of goodwill arises from the acquisitions of Cassiopea S.p.A. ('Cassiopea') in 2021 and Linkverse S.r.l. ('Linkverse') in 2018.

The carrying amount of goodwill is allocated to the following cash-generating units ('CGUs'):

EUR 1,000	30-Jun-25	31-Dec-24
Winlevi®	11,283	11,283
Clascoterone solution for Androgenetic Alopecia in males (CB-03-11)	11,283	11,283
GI Genius™	1,439	1,439
Closing carrying amount	**24,005**	**24,005**

The Group tests whether goodwill has suffered impairment annually at year-end. As there were no indicators of impairment for any of the CGUs, management has not updated any of the impairment calculations.

10 Other intangible assets

EUR 1,000	30-Jun-25	31-Dec-24
Patents and rights	4,580	4,242
Winlevi® (U.S.) licensing and royalty agreements	101,455	104,538
Winlevi® (Non-U.S.)	51,928	51,935
Clascoterone solution for Androgenetic Alopecia in males (CB-03-11)	170,268	170,268
Eleview® (CB-17-04)	895	942
Total other intangible assets	**329,126**	**331,925**

Patents and rights relate to the cost of filing and extending patents owned by the Group. They are amortised over their useful lives based on their respective expiry dates.

Winlevi® and Clascoterone solution for Androgenetic Alopecia (CB-03-11) were acquired through the 2021 acquisition of Cassiopea.

CB-03-11 is classified as In-Process Research and Development (IPR&D), with its Phase III clinical program progressing as planned. Top line six-month safety and efficacy results needed for the NDA submission to FDA expected in Fall 2025 and top line twelve-month safety and durability results expected in H1 2026. Management continues to support the recoverability of capitalised costs based on anticipated future economic benefits.

Winlevi® (U.S. and non-U.S. rights) and Eleview® (CB-17-04) are classified as Marketed Products and are amortised over their estimated useful lives.

11 Financial assets

A Financial assets – non-current

EUR 1,000	30-Jun-25	31-Dec-24
Investment in bonds measured at FVOCI	6,707	27,461
Equity instruments measured at FVOCI – AIMM and RSouth shares	4,284	4,284
Equity instruments measured at FVOCI – Eagle Pharma shares	238	45
Equity instruments measured at FVOCI – RedHill shares	12	40
Equity instruments measured at FVOCI – PAION AG shares	6	10
Non-current financial assets	**11,247**	**31,840**

Investments in bonds measured at FVOCI amounting to €6.7 million (2024: €27.5 million) relate to long-term, high-grade corporate bonds. These bonds have credit ratings ranging from BBB to A- and are quoted using closing prices in the regulated market.

The equity instruments at FVOCI represent investments that the Group intends to hold for long-term for strategic purposes. The equity instruments are measured at fair value using market rate as of reporting date except for the AIMM and RSouth shares which are measured at fair value using value-in-use approach (DCF).

B Financial assets – current

EUR 1,000	30-Jun-25	31-Dec-24
Investment in funds measured at FVTPL	74,694	80,682
Investment in bonds measured at FVOCI	1,182	17,988
Current financial assets	**329,126**	**98,670**

Investments in funds consist of investments in 'Money market', 'Corporate short duration' and 'Floating rate credit' funds. Gains and losses arising from the adjustment to the fair value were recognised in profit and loss.

The Group sold €67.2 million worth of investment in bonds and funds in H1 2025.

12 Total shareholders' equity

EUR 1,000	30-Jun-25	31-Dec-24
Share capital	4,562	4,562
Share premium	243,565	243,565
Other reserves	47,845	47,845
Legal reserves	2,687	2,687
Treasury shares	(108,793)	(104,109)
Stock option plan reserve	11,142	34,364
Fair value reserve	(54,345)	(54,285)
Employee benefits actuarial gains/losses reserve	(223)	(221)
Currency translation reserve	983	858
Retained earnings	314,822	189,873
Profit for the period	(2,006)	133,191
Equity attributable to owners of the Company	**460,239**	**498,330**
Non-controlling interest	6,737	6,761
Total equity	**466,976**	**505,091**

12 Total shareholders' equity continued

A Share capital

	Ordinary shares	Preference shares
In issue at 1 January 2024 – fully paid	17,543,522	17,543,522
Exercise of share options	–	–
In issue at 31 December 2024 – fully paid	**17,543,522**	**17,543,522**
Authorised at 31 December 2024 – par value €0.26	**36,047,457**	**36,047,457**
In issue at 1 January 2025 – fully paid	17,543,522	17,543,522
Exercise of share options	–	–
In issue at 30 June 2025 – fully paid	**17,543,522**	**17,543,522**
Authorised at 30 June 2025 – par value €0.26	**36,047,457**	**36,047,457**

No new shares were issued upon the exercise of share options; the corresponding shares were sourced from treasury shares.

B Treasury shares

As at 30 June 2025, the Group held 1,604,597 treasury shares at an average purchase price of CHF 71.44 (€67.8) per share.

During H1 2025, the Group purchased 123,597 treasury shares at an average purchase price of CHF 60.32 (€64.04) per share and sold 47,426 treasury shares at an average selling price of CHF 72.23 (€68.12) per share.

The number of issued shares, after adjusting for treasury shares, was as follows:

EUR 1,000	Ordinary shares
In issue at 1 January 2024 – fully paid	17,543,522
Treasury shares	(1,490,681)
Outstanding at 1 January 2024 – fully paid	**16,052,841**
Issue of new shares	–
Treasury shares sold	46,011
Treasury shares purchased	(83,756)
Outstanding at 31 December 2024 – fully paid	**16,015,096**
In issue at 1 January 2025 – fully paid	17,543,522
Treasury shares	(1,528,426)
Outstanding at 1 January 2025 – fully paid	**16,015,096**
Treasury shares sold	47,426
Treasury shares purchased	(123,597)
Outstanding at 30 June 2025	**15,938,925**

C Stock option plan reserve

The stock option plan reserve relates to the stock option plan of Cosmo Pharmaceuticals N.V. Refer to Note 15 for further details.

D Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity and bond investments designated at FVOCI.

E Dividend

In H1 2025, a cash distribution out of Cosmo's freely distributable reserves in the amount of €2.05 per ordinary share on the 15,942,925 shares outstanding as at 4 June 2025 (ex-distribution date), was approved at the Annual General Meeting on 30 May 2025. The Company paid €24.5 million, net of withholding tax, in June 2025. The withholding tax of €8.2 million was paid in July 2025.

F Non-controlling interest

Non-controlling interest refers to minority interest in Cassiopea, representing 2.15% of the equity interest of Cassiopea as of 30 June 2025.

3.6 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13 Loans and borrowings (non-current and current)

A Non-current

EUR 1,000	30-Jun-25	31-Dec-2024
Bank loans	284	282
Lease liabilities	1,659	1,102
Total interest-bearing loans and borrowings (non-current)	**1,943**	**1,384**

B Current

EUR 1,000	30-Jun-25	31-Dec-2024
Bank loans	139	139
Lease liabilities	617	678
Total interest-bearing loans and borrowings (current)	**756**	**817**

Non-current and current bank loans pertains to borrowings from UBI Banca.

14 Other liabilities (non-current and current)

A Non-current

EUR 1,000	30-Jun-25	31-Dec-2024
Contingent consideration	566	566
Total other non-current liabilities	**566**	**566**

Contingent consideration represents amounts payable to former Linkverse S.r.l. NCI shareholders, conditional upon the achievement of future regulatory and commercial milestones. This liability is is mandatorily measured at fair value through profit or loss (FVTPL).

B Current

EUR 1,000	30-Jun-25	31-Dec-2024
Social security payables	1,010	833
Withholding tax for employees	729	657
Dividend withholding tax	8,171	–
Contingent consideration	–	4,500
Other liabilities	4,787	8,693
Refund liabilities	1,133	1,132
Accrued expenses and deferred income	991	1,112
Total other current liabilities	**16,821**	**16,927**

In H1 2025, the Group paid €4.5 million in contingent consideration to former Linkverse NCI shareholders following the achievement of AI-related product development milestones reached in December 2024.

15 Share-based payments

Stock option plan of Cosmo Pharmaceuticals N.V.

In H1 2025, the costs related to stock options amounting to €1.2 million (H1 2024: €0.8 million) were recognised in the consolidated income statement.

The table below presents the movement in the share options of Cosmo Pharmaceuticals N.V. during the period.

	Number	Weighted average exercise price (CHF)
Outstanding as at 1 January 2025	**1,276,891**	**71.02**
Granted during the period	204,467	53.25
Forfeited during the period	(15,999)	62.57
Excercised during the period	(46,667)	64.00
Expired during the period	(390,941)	78.77
Outstanding as at 30 June 2025	**1,027,751**	**64.99**
Exercisable as at 30 June 2025 (included in above total)	**403,007**	**73.01**

15 Share-based payments continued

The following is a breakdown of the outstanding share options of Cosmo Pharmaceuticals N.V. as at 30 June 2025.

Option series	Issue date	Number	Grant date	Vesting date	Expiry date	Exercise price (CHF)	Fair value[1] (CHF)
12	13 March 2019	43,746	13/03/2019	13/03/2024	13/03/2027	83.15	21.29
14	2 September 2019	1,334	02/09/2019	02/09/2022	01/09/2025	84.10	16.22
15	16 March 2020	12,000	16/03/2020	16/03/2023	15/03/2026	58.70	11.84
18	2 April 2020	1,333	02/04/2020	02/09/2022	01/09/2025	64.00	11.90
20	25 January 2021	133,436	25/01/2021	25/01/2023	24/01/2026	80.30	14.59
21	25 January 2021	137,672	25/01/2021	25/01/2024	24/01/2027	80.30	17.64
23	30 September 2021	2,000	30/09/2021	30/09/2024	30/05/2027	80.50	17.82
24	31 January 2022	115,232	31/01/2022	31/01/2025	30/01/2028	57.20	13.31
25	30 September 2022	2,000	30/09/2022	30/09/2025	29/09/2028	46.15	12.86
26	31 January 2023	119,032	31/01/2023	31/01/2026	30/01/2029	66.50	18.58
27	30 September 2023	2,000	30/09/2023	30/09/2026	29/09/2029	39.90	10.72
28	8 December 2023	90,000	08/12/2023	08/12/2027	07/12/2030	43.90	13.28
29	31 January 2024	122,499	31/01/2024	31/01/2027	30/01/2030	64.00	16.09
30	5 July 2024	41,000	05/07/2024	05/07/2027	04/01/2023	72.40	18.38
31	3 January 2025	25,400	03/01/2025	03/01/2028	02/01/2031	64.20	16.64
32	4 April 2025	179,067	04/04/2025	04/04/2028	03/04/2031	51.70	13.04
Outstanding as at 30 June 2025		**1,027,751**					

[1] At grant date.

In H1 2025, Cosmo granted 25,400 share options under Option Series 31 and 179,067 share options under Option Series 32. The table below outlines the inputs used to measure the fair value at the grant date for these options under the Cosmo Pharmaceuticals N.V. stock option plan:

Option series	31	32
Issue date	03/01/2025	04/04/2025
Share price at grant date (in CHF)	64.20	51.70
Exercise price (in CHF)	64.20	51.70
Expected volatility	32.00%	31.00%
Employee exit rate	0.00%	0.00%
Option life	4.5 years	4.5 years
Risk-free interest rate	2.8096%	2.8422%
Dividend yield	2.00%	2.00%

The fair value of the options granted has been determined on the basis of the binomial tree generated by the Fincad programme, a technique similar to the Black-Scholes valuation model. The expected volatility of the underlying instrument measures the expected fluctuations in price/value for a given period. The indicator that measures volatility in the model used to evaluate the options is the annualised standard deviation of the compound returns of a share.

16 Related party transactions

At 30 June 2025, Cosmo Holding S.a.r.l., a Luxembourg company controlled by Mauro S. Ajani, the Chairman of the Company, held 6,147,252 shares in 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.

17 Fair value measurement

A Qualitative information

The fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants (i.e. not as part of the compulsory liquidation or a below cost sale) as at the measurement date. Fair value is a market measurement criterion, not specifically referring to a single entity. Underlying the definition of fair value is the assumption that the Company is carrying out normal operations, without any intention of liquidating its assets, significantly reducing the level of operations or carrying out transactions at unfavourable conditions.

An entity has to measure the fair value of an asset or liability by adopting the assumptions that would be used by market participants when pricing an asset or liability, presuming that they act with a view to satisfying their own economic interest in the best way possible.

The fair value of financial instruments is determined according to a hierarchy of criteria based on the origin, type and quality of the information used (IFRS 13). In detail, this hierarchy assigns top priority to quoted prices (unadjusted) in active markets and less importance to unobservable inputs. Three different levels of input are identified:

- level 1: input represented by quoted prices (unadjusted) in active markets for identical assets or liabilities accessible by the entity as at the measurement date;
- level 2: input other than quoted prices that are directly or indirectly observable for the assets or liabilities to be measured; and
- level 3: unobservable input for the asset or liability.

A market is regarded as active if quoted prices, representing actual and regularly occurring market transactions considering a normal reference period, are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency.

In specific cases, research is carried out in order to verify the significance of official market values. In the event of a significant reduction in the volume or level of operations compared with normal operations for the asset or liability (or for similar assets or liabilities) highlighted by a number of indicators (number of transactions, limited significance of market prices, significant increase in implicit premiums for liquidity risk, expansion or increase of the bid-ask spread, reduction or total lack of market for new issues, limited publicly-available information), analyses of the transactions or of the quoted prices are carried out: if the conclusion is reached that the market is inactive, the asset or liability is reclassified to level 2 of the fair value hierarchy.

The following table shows the fair value hierarchy for financial assets and financial liabilities that are measured at fair value on a recurring basis:

	30-Jun-25				31-Dec-24			
EUR 1,000	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Investment in bonds	6,707	–	–	6,707	27,461	–	–	27,461
Equity instruments – AIMM and other shares	–	–	4,284	4,284	–	–	4,284	4,284
Equity instruments – Eagle Pharma shares	238	–	–	238	45	–	–	45
Equity instruments – RedHill shares	12	–	–	12	40	–	–	40
Equity instruments – PAION AG shares	6	–	–	6	10	–	–	10
Current financial assets								
Investment in funds	74,694	–	–	74,694	80,682	–	–	80,682
Investment in bonds	1,182	–	–	1,182	17,985	–	–	17,985
Total financial assets	**82,839**	**–**	**4,284**	**87,123**	**126,223**	**–**	**4,284**	**130,507**
Contingent consideration	–	–	(566)	(566)	–	–	(5,067)	(5,067)
Total financial liabilities	**–**	**–**	**(566)**	**(566)**	**–**	**–**	**(5,067)**	**(5,067)**

17 Fair value measurement continued

B Assets and liabilities that are measured at fair value on a recurring basis

The following are considered as level 1 financial instruments:

- shares valued using official closing prices and/or fixing provided by regulated stock exchanges;
- bonds and shares of funds valued using official closing prices and/or fixing provided by local authorities (central bank, monetary authority or local stock exchange); and
- investments in funds quoted on Multilateral Trading Facility (i.e. the EuroTLX or NASD TRACE circuit) or for which it is possible to continuously derive the quotation from the main price contribution international platforms.

When no quotation on an active market exists or the market is not functioning regularly, that is, when the market does not have a sufficient and continuous number of trades, and bid-ask spreads and volatilities that are not sufficiently contained, the fair value of the financial instruments is mainly determined through the use of valuation techniques whose objective is the establishment of the price at which, in an orderly transaction, the asset could be sold or the liability transferred between market participants, as at the measurement date, under current market conditions.

In the case of level 2 inputs, the valuation is based on prices taken from official listings of instruments which are similar in terms of risk profile. There are no level 2 financial assets as at 30 June 2025.

Level 3 consist of the following:

- equity investments for which there is no quoted market price in an active market. The fair value has been calculated using a value in use approach ('DCF') model, which considers the present value of expected future cash flows, discounted using a risk-adjusted discount rate of 10.00%. The estimated fair value would increase (decrease) if the expected cash flows were higher (lower) or if the risk-adjusted discount rate were lower (higher). The resulting fair value calculation resulted to an immaterial increase in the carrying value of the investment, however the change was not recognised in the financial statements for prudence;
- contingent consideration in relation to the acquisition of Linkverse S.r.l. The present value of future expected payments (expected payments discounted using a risk-adjusted discount rate of 4.98%) have been recorded as contingent consideration. These payments are contingent upon occurence of future events such as regulatory approval milestones and commercial milestones. The estimated present value would increase (decrease) if the expected payments were higher (lower) or if the risk-adjusted discount rate were lower (higher).

During H1 2025, there were no significant transfers between levels 1 and 2 or between level 2 and 3 in the fair value hierarchy and the changes were due to a change in the market values.

C Assets and liabilities not measured at fair value on recurring basis

This table shows the comparison of fair values versus carrying amounts of financial assets and liabilities not measured at fair value, as required by IFRS 7.

		30-Jun-25		31-Dec-24	
EUR 1,000	Classification	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	Amortised cost	21,616	21,616	18,941	18,941
Cash and cash equivalents	Amortised cost	50,749	50,749	44,296	44,296
Total assets		**72,365**	**72,365**	**63,237**	**63,237**
Subsidised loans	Amortised cost	(423)	(628)	(421)	(628)
Trade payables	Amortised cost	(11,027)	(11,027)	(10,570)	(10,570)
Other current liabilities[1]	Amortised cost	(2,124)	(2,124)	(2,244)	(2,244)
Total liabilities		**(13,574)**	**(13,779)**	**(13,235)**	**(13,442)**
Unrecognised loss			205		207

[1] Only financial liabilities.

For financial instruments represented by trade receivables, trade payables and other current liabilities, for which the present value of future cash flows is also taking into account the credit risk of the counterparties, does not differ significantly from carrying value, we assume that the carrying value is a reasonable approximation of the fair value.

The carrying amount of cash and cash equivalents, which consist primarily of bank current accounts and time deposits, approximates fair value.

For lease liabilities, unsecured bank loans, the carrying amount represents the fair value calculated based on the present value of future principal and interest cash flows, discounted at the Group's incremental borrowing rate.

The fair value of subsidised loans, included at level 2, has been estimated with discounted cash flow models. The main inputs used are year-end market interest rates.

18 Events after the reporting period

As at the date of this report, no material events have occurred after the balance sheet date that would require adjustment to these financial statements. Cosmo continues to operate in line with its plans and scheduled activities.

3.6 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The Board of Directors

Mauro Ajani
Alessandro Della Chà
Giovanni Di Napoli
John O'Dea
Maria Grazia Roncarolo
Niall Donnelly
Silvana Perretta

Dublin, Ireland, 22 July 2025

3.7 CONTACTS AND ADDRESSES

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