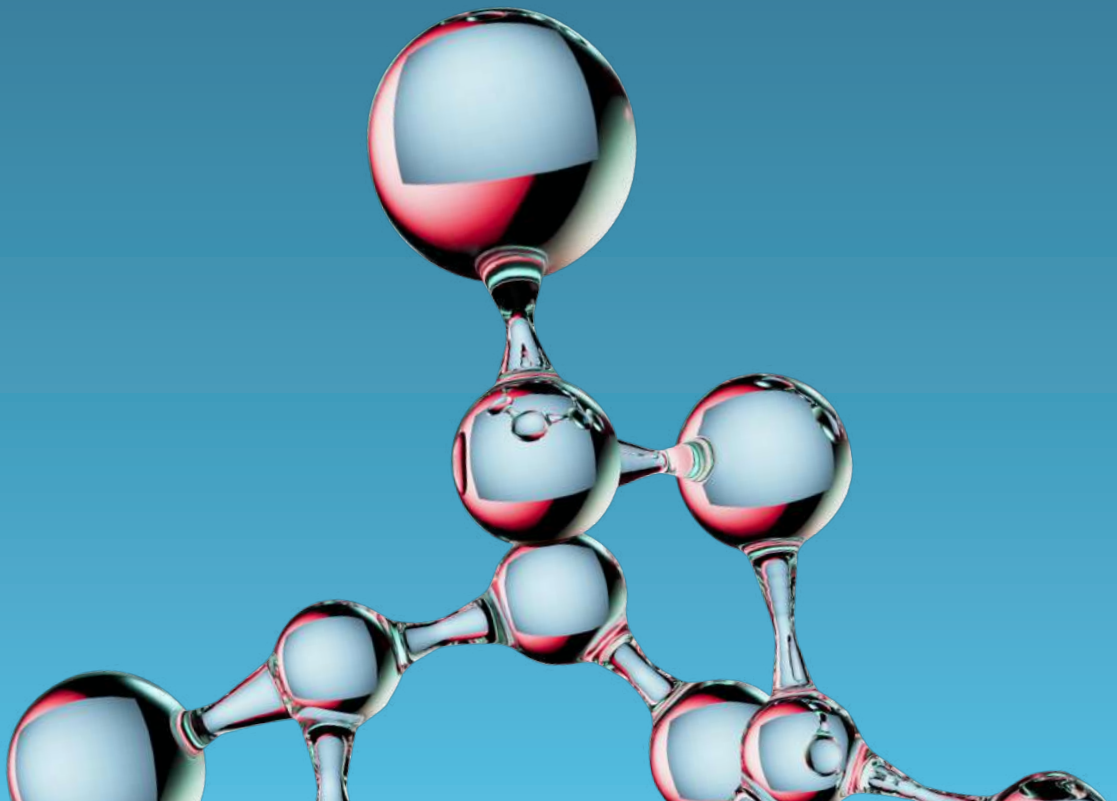




Science you Trust,
Results that Matter

Annual Report and Financial Statements for the year ended 31 December 2025



F.I.S. Fabbrica Italiana Sintetici S.p.A.

Annual report
and Financial
Statements for
the year ended
31 December 2025

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Directors' Report



Company Profile

F.I.S. – Fabbrica Italiana Sintetici S.p.A. is an Italian company specializing in the development of chemical products and has been operating internationally since its founding in 1957. With almost 70 years of experience, since its pioneering beginnings F.I.S. has always been able to thrive into the market and industrial segment with strategic insights and continuous innovative choices of progressive development, which have enabled it to achieve a leading position in the industry.

The Company's core business is divided between:

- **Custom manufacturing synthesis**, including the exclusive production of intermediates and APIs in all stages of development and commercial production of patent-protected pharmaceuticals (both human and animal health);
- the **established market**, namely the exclusive production of intermediates and active pharmaceutical ingredients (APIs) for patent-expired drugs, represented by a portfolio of generic active pharmaceutical ingredients (APIs) encompassing various therapeutic classes, including anxiolytics, tranquillizers (controlled substances), antibacterials, anticonvulsants, anti-inflammatory agents and others.

With the support of approximately 250 R&D experts, F.I.S. can provide a series of integrated services that range from the optimization of the synthetic process and scale-up to large-scale commercial production.

F.I.S. – Fabbrica Italiana Sintetici S.p.A. has a global production capacity of more than 3,500 m³ and about 2,000 employees, divided into three manufacturing sites in Italy:

- the F.I.S. plant in Montecchio Maggiore (Veneto), historic headquarter and main production facility, houses the research, development and production of active ingredients for pharmaceutical companies, accredited by the Italian Ministry of Health since 1958 and inspected by FDA since 1968;
- the F.I.S. plant in Termoli (Molise), initially involved in the production of intermediates, now also produces active ingredients and is equally accredited by the Italian Ministry of Health and the FDA;
- the F.I.S. plant in Lonigo (Veneto), which became part of the company following the acquisition of the Zach System business unit, which produces active ingredients and is accredited – as the other sites – by the Italian Ministry of Health and the FDA.

The Company is part of Bain Capital Private Equity. In terms of corporate structure, F.I.S. is wholly owned by Molecule (BC) BidCo S.p.A. which, in turn, is wholly owned by Molecule (BC) HoldCo S.p.A.. In Molecule (BC) HoldCo S.p.A., the previous shareholders reinvested part of the proceeds from the sale, so the Company is 86% owned by a Bain Capital Private Equity fund and 14% owned by Ferrari family vehicles companies.

Company Bodies

Board of Directors

Chairman of the Board	Daniele PIERGENTILI
Counsellor	Manuel BARRECA
Counsellor	Michela SCHIZZI*

**Board member appointed on 17 December 2025*

Board of Statutory Auditors

Chairman of the Board of Statutory Auditors	Luca VALDAMERI
Standing Statutory Auditor	Luca NICODEMI
Standing Statutory Auditor	Marco MICHIELON

Supervisory Body

Chairman of the Supervisory Body	Fabio SERGI
External component	Alberto COTTA RAMUSINO
Internal component	Maddalena LEON

Independent Auditors

PricewaterhouseCoopers S.p.A.

Background

The evolution of the reference context and market remains positive and in line with the growth expectations assumed within the framework of the Business Plan, despite the persistence of some external mega-factors, such as the protraction of conflicts in Ukraine and the tensions in US-China trade relations, and the introduction by the United States of duties on pharmaceutical products and intermediates, which continue to generate uncertainty in global supply chains, have not allowed a complete return of the cost inflation recorded in previous years.

Overall, it remains among the few sectors from the decisive support to GDP generation, playing an essential role in ensuring the continuity of drug supply, albeit under conditions of objective difficulties related to supply chain criticalities, due to the current geo-political and economic context.

Within this context, F.I.S. and its staff carried out constant and distinctive production efforts by introducing 19 new projects, which are fundamental to the Company's future growth. The Generics sector also held up in terms of volume, registering growth in margins driven by an important process, already begun in the past few years, of optimizing the generic product portfolio.

A further relevant element of the competitive context concerns the geopolitical and regulatory dynamics linked to the security of pharmaceutical supply chains. On the one hand, U.S. pharma companies continued to accelerate "supply chain resilience" initiatives already undertaken in response to the BioSecure Act, to reduce pharma-

ceutical manufacturing's dependence on India and China and promoting reshoring processes towards geographic areas considered more reliable from a geopolitical perspective, on the other hand, in 2025, the prospects of introduction or escalation of U.S. tariffs on specific categories of pharmaceutical products and intermediates, could affect the production location choices of companies in the sector.

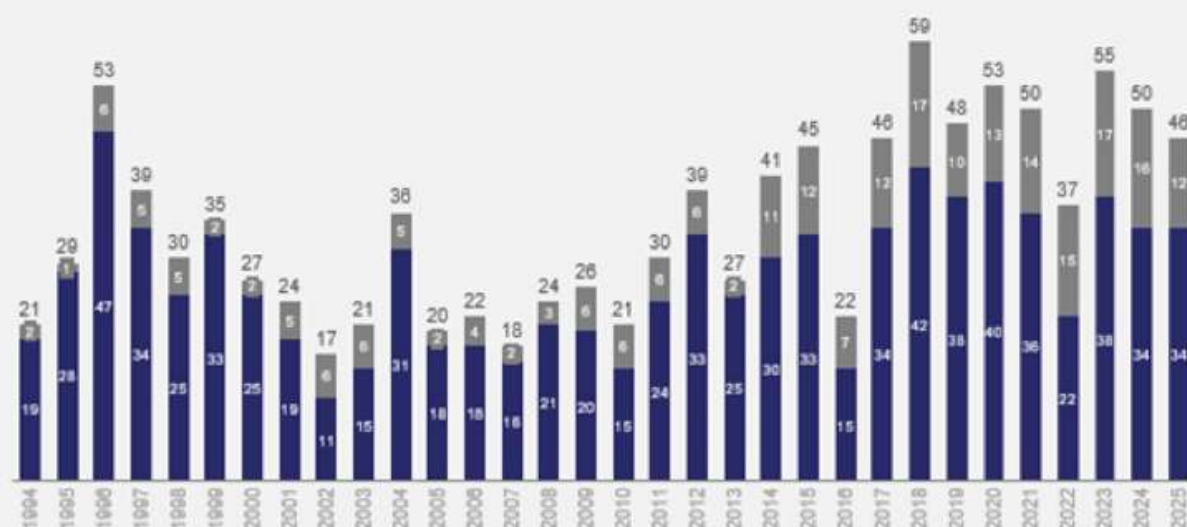
On the **custom products** front, a stabilization was recorded with respect to new drug registrations in the U.S. market, traditionally a driver of innovation, after the peak observed in 2023.

In 2025, the FDA (*Food and Drug Administration*) approved 46 NCEs (*New Chemical Entities*), of which 34 were Small Molecules and 12 Biological, representing a slight decrease compared to 50 approvals in 2024. Small *molecules*, accounting for 74% of the total, continue to be the largest segment even though Biologics have been growing steadily since 2019 (source: *fda.gov*). F.I.S. is supplier in one of these new products and in negotiations for another.

Some trends already present appear to be confirmed: new drug development is no longer the preserve of large multinationals but is increasingly being undertaken and led to success by mid-sized companies or start-ups as well. In 2025, the majority (68%) of these turn out not to be from "*Big Pharma*" companies, but rather from the "*Biotech/ Small Pharma*" branch. During 2025, consistent with 2024, F.I.S. significantly strengthened its positioning in the Small Pharma segment, recording

Novel FDA approvals since 1993

NMEs BLAs



growing interest from new customers and receiving approximately 20 new requests for proposal (RFP) during the year, which have already resulted in the acquisition of 4 new projects and the opening of further commercial opportunities currently in the development and negotiation phase.

Also, in 2025 F.I.S.'s positioning as a strategic supplier to leading international operators active in the obesity and diabetes therapeutic area is confirmed. This role does not concern exclusively the production of small molecules, an area in which the Company has consolidated expertise, but has progressively extended, starting from 2024, also to the peptide fragments segment, which represents for the Company a new area of activity that intercepts a field characterized by significant growth in demand at the global level, further strengthening F.I.S.'s competitive positioning in a high value-added segment.

At the same time, the strategic reorganization process undertaken by several multinationals continues in the direction of a strong push to outsource chemical and production development activities, to the point of establishing real strategic partnerships with selected CDMOs. A key requirement to be considered in such partnerships is to have an industrial set-up, expertise and capability available and in line with the highest industry standards. Still of note, in countertrend, are some capacity acquisitions (*fill & finish and API*), by large groups to address specific supply deficiencies in the metabolic/cardiovascular area and in particular for new drugs against diabetes and obesity.

The trend observed in past few years continues of increasing specialization and strategic focus of pharmaceutical players as opposed to the previous decades, which were marked by numerous phenomena of acquisitions and aggregations. The underlying strategic motivation appears to be the need to focus investment and innovation capacity in distinctive business areas, recovering resources and divesting areas of business that are no longer core.

The **generic** market in 2025 grew at a rate of 2.5% compared to 2024, in line with the expectations, while the forecast for the next 10 years stands at growth percentages between 2.5% and 3.5%. The source of generics is obviously the patent-protected drug market, for which for CDMOs it remains fundamental to foresee the "genericization" of products currently under patent, in order to plan: contractual variations, industrial adaptations and possible entries into interesting generic markets and suited to the strategy of the individual company.

India remains the most important market for generics, both for established generics and new ones, while the most valuable end market, and therefore the most attractive for a generic pharmaceutical manufacturer, remains the United States due to the high public value of pharmaceutical products. Asian markets (including China) continue to be of interest for their volume, though they remain difficult to access for Western Generic CDMOs due to competition from local producers, mostly Indian and Chinese. Europe and Japan remain attractive end markets for Western Generic CDMOs. However, both Europe and Japan, in order



to remain competitive in the market, increasingly favour low-cost Asian supplies, maintaining minority positions in the West and only to protect the supply chain from events that could be beyond their control.

The **animal health** market continues to record a growth trend, due to several factors, including the strong growth of the *companion animal sector* in more developed and mature countries. However, the growth that is occurring in the livestock sector in emerging countries should not be underestimated.

Furthermore, there is a restructuring process of the supply chain to ensure adequate levels of quality and continuity and an increasing number of regulatory and quality requirements.

Overall, some elements of risk remain in the scenario. Among these, the issue of the fragility of the drugs supply chain, structurally dependent on certain geographies of East Asia for the supply of raw materials, is a geo-political issue of strong attention together with reshoring phenomena, which aim at increasing degrees of regionalization, if not nationalization of drug production. The shift

of innovation increasingly towards biotech and small pharma will presumably require ever greater versatility and integration due to the fragmented nature of this market of players without assets and therefore totally dependent on outsourcing. Their need for support goes beyond simple production and generally presupposes a CDMOs entry into projects at an earlier stage of clinical development (Phase 1-2) than the traditional F.I.S. placement (Phase 2-3).

Comments on the management performance

2025 saw the completion of some transformation processes that were started at the same time as the change of ownership of the Company, as well as the start of other project areas, aimed at improving the Company's economic and financial performance and the growth underlying the Strategic Plan. The results of such projects are evident when examining the main economic and financial indicators, all of which showed growth compared to the previous year.

From the point of view of the corporate organization, the structure defined at the time of closing, which took place at the end of 2023, is confirmed.

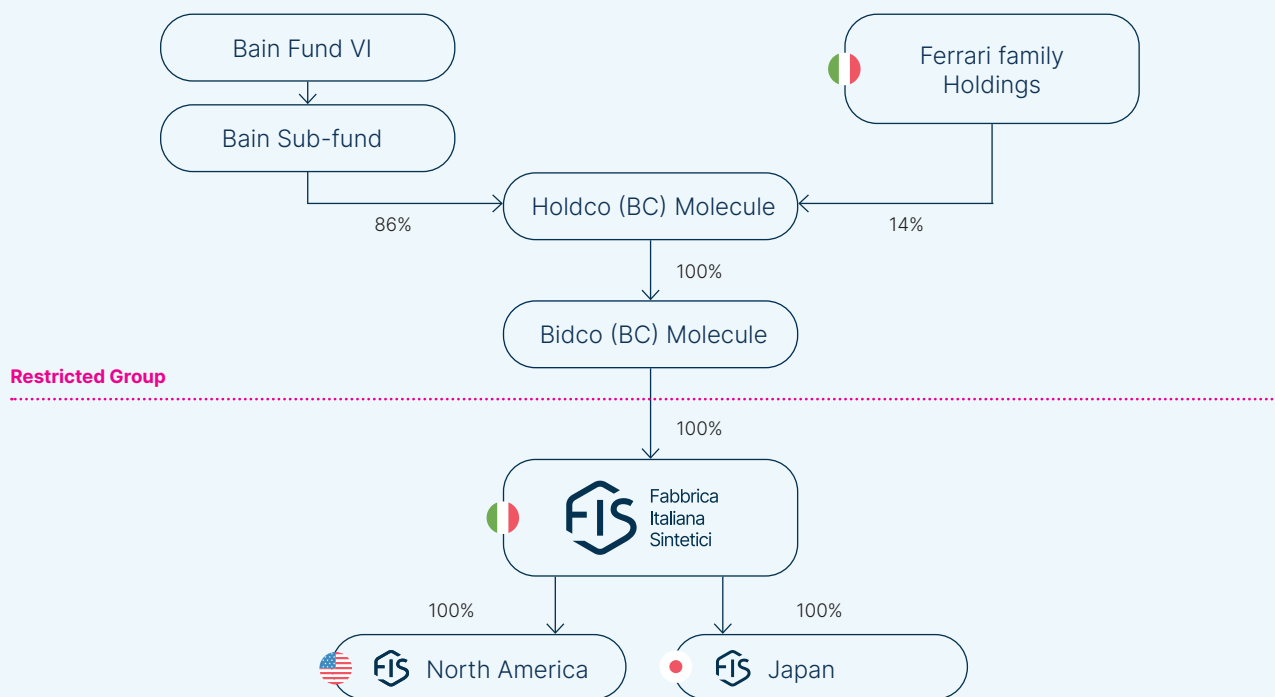
From a governance point of view, the composition of the Board of Directors changed and, following the cessation of Board Member Michele Gavino, saw the appointment of Michela Schizzi, General Counsel of the Company on 17 December, 2025.

From a business and macroeconomic trend perspective, the main events to report are as follows.

The statement and implementation of the tariff policy, implemented by the Trump administration did not impact the Company's business development in the US. In fact, on one hand the generics segment is exempt from tariffs, while the custom segment, although impacted by the same, nonetheless saw the majority of American Big Pharma players obtain an exemption from the Trump

administration. Certainly, more interesting is the consequent reshoring phenomenon, for which, in the future, it could be of strategic importance for the Company to have a production site in the United States.

The CDMO (*Contract Development Manufacturing Organization*) market confirmed a growth trend that stands, and will continue to stand in the coming years, at a level equal to a CAGR comprised between 5% and 7% with double-digit growth rates in specific therapeutic areas, in which F.I.S. has been investing for several years, with a view to diversifying its product and customer portfolio and in order to outperform the market. The Company has consequently recorded a higher year-on-year growth, equal to about 10%, thanks to its positioning in *the custom* field in high-growth therapeutic areas, thanks to its recognized ability to support *Big Pharma* in extremely complex and high value-added R&D and production processes, also thanks to the contribution given both by new projects acquisition, combined with existing portfolio management. As anticipated, an important contribution also came from the process of diversifying the customer and product portfolio while, speaking of generic APIs, from the focus on high value-added markets and from the optimization of the product portfolio. A further growth lever, and one that represents a new element compared to past financial years, is given by the development of new business with the so-called Small Pharma



which, unlike Big Pharma, often require greater speed and flexibility and end-to-end support of their processes. The results of this new growth lever will nonetheless be seen in the years to come.

Given the aforementioned growth, standing slightly below 10% year on year, production volumes and batches were substantially in line with 2024, testifying to a qualitative growth of the product portfolio, which is integrating existing products with a product portfolio with high added value and high chemical and production complexity.

From a technological point of view, Research and Development, also thanks to the strengthening of the teams, has supported the Company in the development of technological applications strongly requested by the Pharma market (e.g. Flow Chemistry, Spray Drying). The ability to develop new technological applications and the recognized expertise of our R&D team continues to be a distinguishing factor of the Company.

The supply chain has strengthened a process of diversification of chemical raw material suppliers, with the aim of derisking not only because of the greater breadth of the panel of providers, but also geographically, with less dependence on Chinese dealers, and a greater weight acquired by Indian ones. From a procurement cost perspective, Indian suppliers, who are still heavily dependent on the Chinese supply chain, are not yet as competitive

as Chinese ones, but the diversification pursued by the Company has nevertheless compensated for this.

Also during 2025, to support Company's current and prospective growth a strong focus has been placed on personnel development. From the point of view of external skills, training and growth have been important objectives for the development of F.I.S.'s staff already in the Company. In addition to this, key professionals have joined the company to support F.I.S. in the development and growth path envisaged in the Strategic Plan.

Finally, it is worth mentioning F.I.S.'s commitment to important issues such as Sustainability and Cybersecurity.

Regarding sustainability, investments to support it are going on, as well as initiatives aimed at continuously strengthening the corporate culture from an ESG perspective, also with the support of dedicated projects and activities with internal and external stakeholders. In recognition of these efforts, F.I.S. achieved the EcoVadis Platinum Medal in 2025, placing the Company among the world's top 1% of companies for sustainability performance. This achievement reflects the robustness of our management systems and our commitment to embedding sustainability throughout all F.I.S. operations.

On the other hand, regarding the increasingly important issue of cybersecurity, F.I.S. has implemented a wide range of activities. The sophistication of cyber threats, made possible by the increasingly aggressive operations of organized international groups, makes it necessary to constantly adapt the Company's defences and processes to safeguard its IT assets, as a further element of protection of the Company's industrial know-how and market competitiveness. A mature approach to cyber security is also essential to support the strategic development of the Company, as it is characterized by increasing technological complexity. F.I.S. has taken measures to contain these risks, drawing on best practices in governance systems and continuously monitoring the management of infrastructure and applications.

Concerning the principal events occurring after the financial year-end, two matters should be mentioned:

- Completion of the refinancing of the Company's previous financial structure;
- Monitoring, management and mitigation of potential impacts arising from the current geopolitical situation in the Middle East.

With respect to the refinancing process, in order to effectively support its financial strategy and optimize its capital structure, the Company decided to revise its sources of funds. Specifically, given that a significant portion of the Company's existing debt was approaching its contractual maturity, the Company decided to proceed with the refinancing of such debt by issuing senior secured notes as the most suitable tool for its purposes. This refinancing operation allowed the Company to extend the maturity profile of its debt and to reduce the overall cost of financing. The process was coordinated by a team supported by leading international financial and legal advisors and two leading banks as global coordinators. The pre-marketing, public roadshow and pricing activities took place between 19 January and 4 February 2026, with international institutional investors involved.

On 5 February 2026, the Company issued €300 million of Senior Secured Fixed Rate Notes due 2031 bearing interest at 5.250% per annum and €470 million of Senior Secured Floating Rate Notes due 2031 bearing interest at three-month EURIBOR plus 3.250% per annum.

The proceeds from the Notes issuance were used to repay in full the Company's €350 million aggregate principal amount of 5.625% Sustainability-Linked Senior Secured Notes due 2027 and the Company's €50 million aggregate principal amount of Sustainability-Linked Senior Secured

Floating Rate Notes due 2027, including accrued and unpaid interest thereon and applicable step-up premiums. Additionally, the proceeds were used to repay in full the €53.1 million convertible bond issued by the Company, with any remaining portion expected to be used for general corporate purposes.

In connection with the Notes issuance, the existing revolving credit facility agreement has been increased from €80.0 million to €160.0 million, with maturity extended to the earlier of (i) four years and nine months after the issue date and (ii) three months prior to the maturity date of the Notes.

In the context of the issuance, the Company has received a Corporate Family Rating (CFR) upgrade from Moody's (from B3 with positive outlook to B2 with stable outlook) and an Issuer Default Rating (IDR) upgrade from Fitch Ratings (from B with positive outlook to B+ with stable outlook), while Standard and Poor's affirmed the Issuer Credit Rating (ICR) of B with stable outlook.

Regarding the geopolitical situation in the Middle East, the Company established a dedicated team in early March to continuously monitor and develop mitigation plans for any potential impacts. As of the date of this report, we have not experienced any disruption to our supply chain or delays in raw material deliveries. With respect to costs, the Company is experiencing increases in utility procurement (electricity and natural gas), largely offset by the hedging policy in place for the past couple of years. Regarding the purchase of core raw materials for our production process, the majority are contracted at fixed prices for 2026, thus with no near-term impact. The only percentage-wise material increase, though not significant in absolute terms, concerns solvents, where cost increases of 10% to 20% are anticipated. Overall, 2026 impacts are currently immaterial, given the above factors (hedging, fixed prices) and our contractual ability to pass through any cost increases. The Company will continue to monitor the situation and, if necessary, implement mitigation measures over the longer term should the current environment persist.

Transformation Projects

The Transformation Office function, supported by a Chief Transformation Officer role, was established to lead and manage various transformation initiatives while ensuring coherent alignment between the organization's strategic and operational objectives.

For 2025, the organization outlined a series of core activities spanning all business functions, focused on four key pillars:

1. **"Secure solid foundation"**: Strengthening the organization's strategic and operational foundations by ensuring financial stability, process efficiency and management of critical success factors, thereby consolidating competitive positioning over the medium to long term.
2. **"Grow our core business"**: Enhancing established business areas through strengthened commercial development processes, improved profitability and execution of necessary investments to deliver expected growth.
3. **"Innovate and expand"**: Identifying new market opportunities through development of innovative technical solutions and focus on organic and inorganic growth initiatives in high-potential areas, to diversify and strengthen the corporate portfolio.
4. **"Build a great team"**: Creating a strong and capable organization by investing in people development, attracting and nurturing talent, and embedding the "FIS Purpose" throughout the organization.

In executing these activities, the Transformation Office played a crucial role in establishing and im-

plementing governance processes to monitor and direct initiative progress. Key practices included:

- Monthly **Business Transformation Review** meetings, where activity leaders present significant updates to Executive Committee members and collaborate to address roadblocks and accelerate projects.
- Development of an **operational Scorecard** incorporating key performance indicators, used for monthly monitoring of initiative progress.

Beyond coordinating transformation initiatives, the Transformation Office led several significant projects, including:

- **Five-year strategic plan refresh**: updating growth directions and business priorities based on analysis of key macroeconomic trends and evolving competitive and regulatory landscape.
- **Acquisition target due diligence**: coordinating assessment of potential synergies and risks associated with inorganic growth opportunities, including development of supporting business cases and post-acquisition integration plans.
- **Design and establishment of new business functions**: defining strategic mandate and responsibility scope, designing operational workflows and cross-functional coordination mechanisms, and structuring organizational design.

Additionally, the Transformation Office managed the operations and administration of external advi-

sors engaged in transformation initiatives, directly overseeing the dedicated cost center. Finally, the function worked on a series of workplace projects, including definition and implementation of activities to enhance existing facilities as well as identifying and opening new locations in response to anticipated organic growth (Boston for F.I.S. North America Inc. and Vicenza).



Sales & Business Development

The global API (*Active Pharmaceutical Ingredients*) *Contract Development & Manufacturing* business recorded an increase in line with forecasts, confirming itself as profitable, stable, and far from its maturity. The growth forecast in the next 5 years is estimated at a C.A.G.R. of 7%.

The Company confirmed a new and strong growth in the Custom business of 16% compared to 2024 both through consolidated products, which have performed favourably, and thanks to the evolution and strengthening of the pipeline, whose preparatory activities (R&D services) have shown an extremely positive trend. In fact, the growing market demand for sophisticated technologies and complex molecules, as well as the need for speed of execution and flexibility, has made F.I.S. a point of reference to ensure rapid registration processes.

In 2024, the Company's commercial strategy of consolidating and expanding partnership relationships with strategic customers continued. This strengthening has allowed the Company to acquire new projects and opportunities in the commercial phase and to strengthen its focus on Biotech, a sector that will fuel growth in the coming years.

An attempt was also made to balance the customer portfolio by promoting and strengthening collaborations with new customers, in order to diversify the portfolio and reduce the Company's dependence on its main customers (*derisking*). The search for new customers was conducted in a targeted manner, selecting clients with the greatest development potential and whose project portfolio is compatible with the technologies, experience,

knowledge, and production capacity offered by the company. The company is strongly committed to reaching new clients active in therapeutic areas that are highly topical and strategic for the coming years.

During 2025, 13 new projects were acquired by companies with different profiles, ranging from large pharmaceutical multinationals to small start-ups belonging in Europe and Americas, confirming the derisking activity described in the previous paragraph.

These projects are expected to contribute, with pilot and/or commercial-scale production activities, to the growth of the product portfolio in the years 2026-2030.

The new products' pipeline is mainly represented by cardiovascular/metabolic, oncological, and nervous system care active ingredients, for which F.I.S. has a leading position in the market. It is worth noting that F.I.S. is present in the main areas of growth and innovation such as diabetes and obesity, as well as in a frontier area such as non-opioid painkillers.

In the **generics** segment, F.I.S.'s strategic model evolves while maintaining strong alignment with its historical positioning. Specifically, while preserving a strategy centred on a specialized, high value-added portfolio focused on priority markets particularly the United States the Company has introduced a new growth direction. This involves targeted planning to increase market share for specific products identified as "high runners,"

characterized by strong turnover and significant capacity to absorb production capacity. These products play a strategic role as “fillers,” enabling optimization of production lines that would otherwise be difficult to fully utilize.

Concurrently, with the objective of refreshing and enhancing the generics portfolio largely inherited from F.I.S.’s past the Company plans to introduce 1 to 2 new APIs annually on a regular basis. These new developments may encompass both high value-added molecules with moderate volumes and more labour-intensive products, particularly suited for facilities with operational constraints or limited flexibility.

From an execution perspective, the adopted model is characterized by a high degree of outsourcing of technical activities, particularly research and development (R&D). This approach enables the Company to maintain flexibility and cost control while ensuring high quality standards. Outsourced activities are, however, continuously supervised, validated and coordinated by F.I.S.’s internal departments, which ensure alignment with strategic objectives and compliance with regulatory and industry requirements.

The **animal health** market continues to record a positive growth trend, due to several factors, including the strong growth of the companion

sector in more developed and mature countries, as well as the growth of the livestock sector in emerging countries. It is a purely custom business, where the generic part weighs only 20%. The limits of FIS’s growth in this category remain linked to production capacity, which often has to be implemented in special dedicated plants and not in multi-purpose plants typical of the *Custom Human Business*.

The growing regulatory pressure, the attention to product safety and the increasing focus on the sustainability of production and the correct use of products for animal use, constitute a particularly favourable environment for a CDMO like FIS, which is able to offer an integrated offer and distinctive and cutting-edge R&D skills, in full compliance with *Good Manufacturing Practice* (GMP), from the early stages of API development to scale-up and commercialization.

FIS, leveraging on the consolidated relationships with its customers, on a production and business structure dedicated to *Animal Health* and on its technical and commercial skills in the sector, has in turn highlighted an important and distinctive growth rate over the last 2 years, and above all is forecasting an even more significant growth rate for the next 3-5 years, thanks to the progressive completion of important projects and the continuous acquisition of new projects with many of the world’s top 20 players in the sector.

Production

During 2025, operations' performance demonstrated greater consistency across all three facilities with respect to the prior year, notwithstanding a highly intensive operational environment marked by elevated introduction of new processes across development, regulatory validation and production campaigns. Enhanced planning, procurement and S&OP processes, coupled with establishment of the Industrial Operations Excellence function and strengthened governance of operational metrics, facilitated consolidation of results and achievement of, or in numerous instances surpassing of, the majority of predetermined objectives.

Production activities were carried out at full capacity, despite increased complexity from product mix fluctuations and the rollout of numerous new processes. Overall batch output settled just above 10,000 units, aligning with year-start projections, with strong activity sustained across all sites and solid operational continuity throughout the period.

However, the employment rates of the plants sustained high levels, as were those of saturation of the workforce. Specifically, Montecchio achieved strong absorption rates, reaching peaks above 90% during periods of peak production intensity; similarly, Lonigo maintained consistently high levels, while Termoli operated near full capacity. Throughout 2025, particularly at certain sites, sustaining this operational intensity required careful

management of workforce turnover and integration of new personnel.

Absenteeism rates in production departments were essentially in line with previous year ones in all three sites, averaging approximately 4-6%.

Regarding the PA (Planning Adherence) service index, 2025 showed a widespread improvement compared to 2024. In particular, at Montecchio the figure returned to significantly stronger levels than the previous year, while at Lonigo it remained consistently high, and at Termoli it recorded a strong recovery, stabilising above 90%.

Montecchio OTIF performance settled at solid levels, approximately 85%, amid an environment characterized by considerable operational complexity and pronounced product mix variability. Lonigo metric was only marginally below prior-year levels, attributable primarily to challenges isolated to a single product, while maintaining robust performance near 90%. Termoli service index, in turn, positioned just above 90%.

Research and Development

The Research and Development structure is a strategic area for Company's continuous growth; the inclusion of new projects and products aims at maintaining and increasing Company's turnover through the continuous renewal and expansion of FIS's product portfolio, with a consequent increase in turnover and average margins, in line with the objectives of the new 2026-2030 Strategic Plan. Over the years, F.I.S. has invested in the evolution of the Research and Development department which, to date, has about 270 researchers, divided into numerous teams, dedicated to different projects, in the various phases of development of new drugs (clinical phases 1, 2, 3 and commercial). This structure is a recognized strength of the Company, placing it among the top in Europe for its ability to manage, develop and industrialize complex new R&D projects/products. Since 2024, as part of an overall transformation plan that began with the acquisition of the Company by Bain Capital Private Equity and in line with the new strategic growth objectives, the R&D function saw an increase in staff, equal to approximately 10% and additional 10% in 2025 through reallocation of internal R&D resources from generic product development to the Custom Synthesis business line. In conjunction with the numerical expansion, a digitalization plan has been defined aimed at increasing efficiency and productivity, to be implemented over the next 1-2 years. In 2025, the Company approved an investment in an Electronic Laboratory Notebook application from Sapio Sciences, with full deployment across R&D targeted for 2026.

The department was strongly committed during 2025. Revenues from services for custom projects met budget expectations, with service revenues of 22.7 million (+ 9.15% compared to 2024) due to timely management of project timelines and as

a consequence of the increase in margins in the sales phase of the services of new projects started in 2025. Revenues from R&D services trend is constantly monitored in the *Sales and Operations Planning* (S&OP) cycle, through a system for recording and reporting the costs and revenues of active projects, interfaced with the management system.

A new R&D laboratory opened in 2025 featuring a Procept 4M8-Trix Spray Dry unit to advance Spray Dry Solid Dispersion technology, which boosts bioavailability of complex new molecules in development. F.I.S. views this as a strategic capability and plans to expand industrial capacity by installing a new PSD4 line at Montecchio. The Company also continued investing in Flow Chemistry, adding a new skid to support industrialization of a new product.

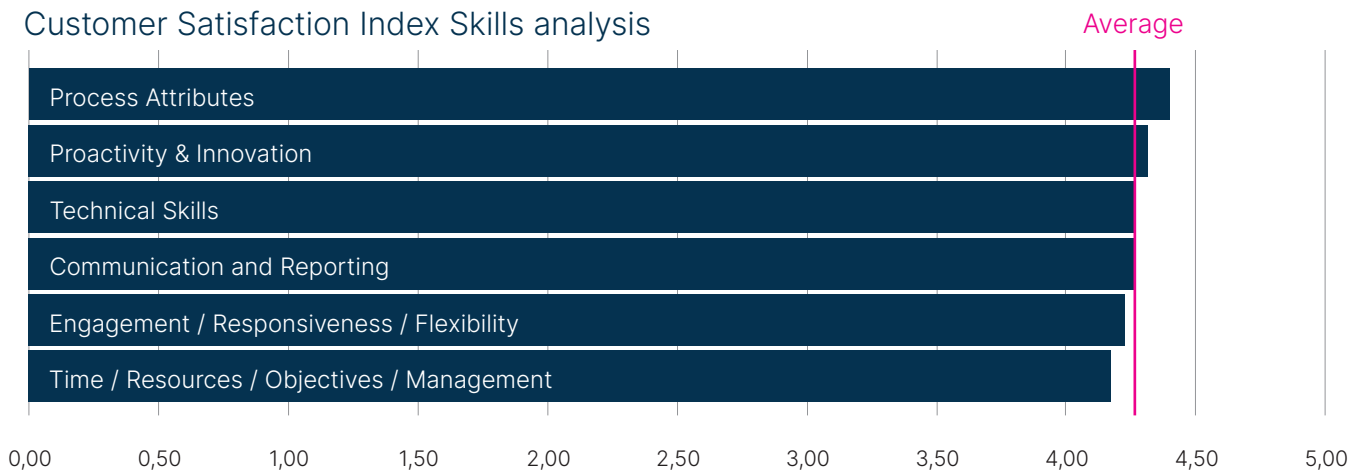
In 2025, 14 new projects were launched, with the entire portfolio consisting of 34 main projects grouped into: Toll Manufacturing (6 projects, 3 in the industrialization phase from 2024 and 3 newly initiated), Advanced Phase (23 projects, 10 newly initiated in 2025), several of which represent breakthrough therapies in HIV, multiple sclerosis, LDL dyslipidemia, and GLP-1 agonists; in the veterinary area, 1 new project and 1 first commercial campaign post-validation), Early Phase (1 project), and a new spray drying project was initiated for a novel API for chronic pain treatment. Additionally, two products for GLP-1 agonist peptide fragment production were successfully validated. The New Product Analytical Unit (NPAU) at Montecchio Maggiore and Lonigo managed 23 production campaigns, 12 for new product manufacturing across various clinical phases and 11 for process validation campaigns.

On the sustainability front, starting in 2022 R&D has introduced the calculation of the PMI (Process Mass Intensity) parameter to assess the ability to develop more sustainable processes. The R&D goal for 2025 was to reduce the PMI by 15% in the entire new active project portfolio. The result was an average reduction of 22.3% in the PMI for 75% of the projects analysed.

Since 2022, F.I.S. R&D prepared a structured questionnaire to ask customers for a formal evaluation of the performance of the R&D teams related to projects managed and completed during the year. The result in 2025 was very positive, the average overall index achieved stood at 4.3 points vs 3.9

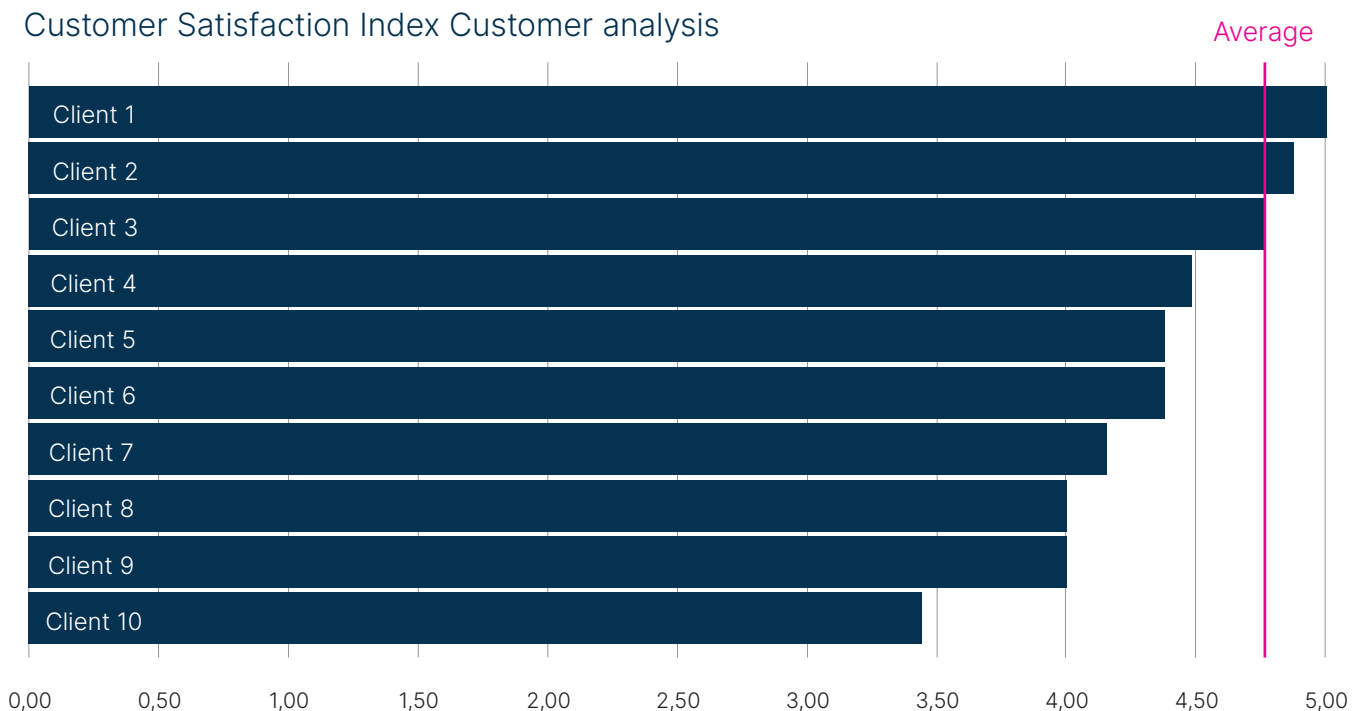
in 2024 on a scale of 1-5 (1 = far below expectations, 2 = below expectations, 3 = in line with expectations, 4 = above expectations, 5 = far above expectations). The performance expectation is evaluated on six parameters that include: technical capacity, involvement, responsibility and operational flexibility, communication and reporting, proactivity and innovation, time, resources and management, process parameters' study.

Customer Satisfaction Index Skills analysis



Average of KPI by Skills

Customer Satisfaction Index Customer analysis



Average of KPI by Customer

In 2025, the Company maintained ongoing collaborations with national academic institutions started. Overall, the following collaborations are active:

- University of Bologna (since 2016) – Faculty of Industrial Chemistry – Prof. Luca Bernardi, for consultancy and internal training in F.I.S. R&D in the field of Organic Chemistry.
- University of Venice (2022) – Faculty of Chemistry – PhD in Higher Education for the development of sustainable *synthetic cross-coupling* methodologies using water as a solvent.
- EU (2023) *Horizon (NextBase)* project funded by the European Community in which F.I.S. participates in a Research Consortium with four European Universities (Milan, Graz, Caen, Rostock) and a second industrial partner (J&J). The objective of the research program, implemented by six PhD students, one for each partner, refers to the development of sustainable synthesis methodologies in organic chemistry that replace the use of precious metals (Platinum, Palladium, Rhodium) with “vile” and common metals (Iron, Copper, Nickel) in chemical reactions in which metal catalysts are used.
- University of Padua (2023) – Faculty of Chemical Engineering, with the co-funding PNR-R/F.I.S. of a PhD that involves the development of Statistical analysis and *Process Modelling methodologies* and their applications to the industrialization of new production processes.
- University of Trieste (2023) – Faculty of Chemical Engineering, with the co-funding of PNR-R/F.I.S. of two PhDs in the analytical field that provide for the development of methodologies for quantitative analyses with Raman spectroscopy and gold nanoparticles to be applied to the determination of APIs in wastewater and on the surfaces of industrial reactors (*cleaning*).
- University of Trieste (2024) - Department of Chemical and Pharmaceutical Sciences, with the co-funding of a PhD program, which has as its topic “Computational applications/artificial intelligence to support the profiling of the biological activity of molecules related to the synthesis of *Active Pharmaceutical Ingredients (APIs)*”. The use of these computational approaches, if successful, will allow F.I.S. to become autonomous in the determination of the limit concentrations of APIs in wastewater (PNEC) and in the categorization and management of active substances, currently entrusted to external consultants.
- Politecnico di Torino (2025) - Department of Applied Science and Technology with PNR-R/F.I.S. co-funding for a PhD in Chemical Engineering on the topic “*Precipitation and Isolation of New Chemical Modalities*”, which has as its field of application peptide derivatives or carriers for RNA therapies in which F.I.S. is active with new projects.

Project management

The project management structure consists of a team of eleven people who play a strategic role for the Company. Project managers have the ultimate responsibility for ensuring that multifunctional work groups deliver projects on time, on cost, on allocated resources, on goals, and on the quality of the finished product. The projects they manage are both in the custom and generic areas and include the different phases of the life of the products: from the initial phases of research, development, and optimization of the new processes to the execution of the first industrial production campaigns, up to the validation of the new process and the approval by the competent regulatory authorities for subsequent commercial production. They are also responsible for coordinating the activities related to the first commercial campaign of the new products, so as to be able to transfer their knowledge and experience, gained during the development of the project, to what will then become a series production in large quantities.

In 2025, the project management team was responsible for the oversight of 40 projects.

The listing of new offers is managed by a team of 4 people. In 2025, the team handled approximately 100 new Requests for Proposal.

The proposal drivers' group is also responsible for supporting project managers in defining and quoting change orders. Changes to contracts are often necessary because of changes that projects undergo during the development and industrial scale-up phase.

Supply Chain

With reference to the Chinese market, the prices of chemical raw materials fell by 4.7% year-on-year and those of non-chemical raw materials by 2.6%. Prices continue to benefit from an excess of supply, due to investments in the sector and economic policy interventions, facilitating greater use of negotiation leverage and competition between the various historical producers, thus bringing benefits to the Company's purchasing strategies.

As for the Indian market, there is a greater presence of local suppliers, which has brought several benefits in the diversification of the supply chain and has stimulated greater competitiveness throughout the Asian market. Costs remain higher than those of Chinese competitors, given India's strong dependence on Chinese imports.

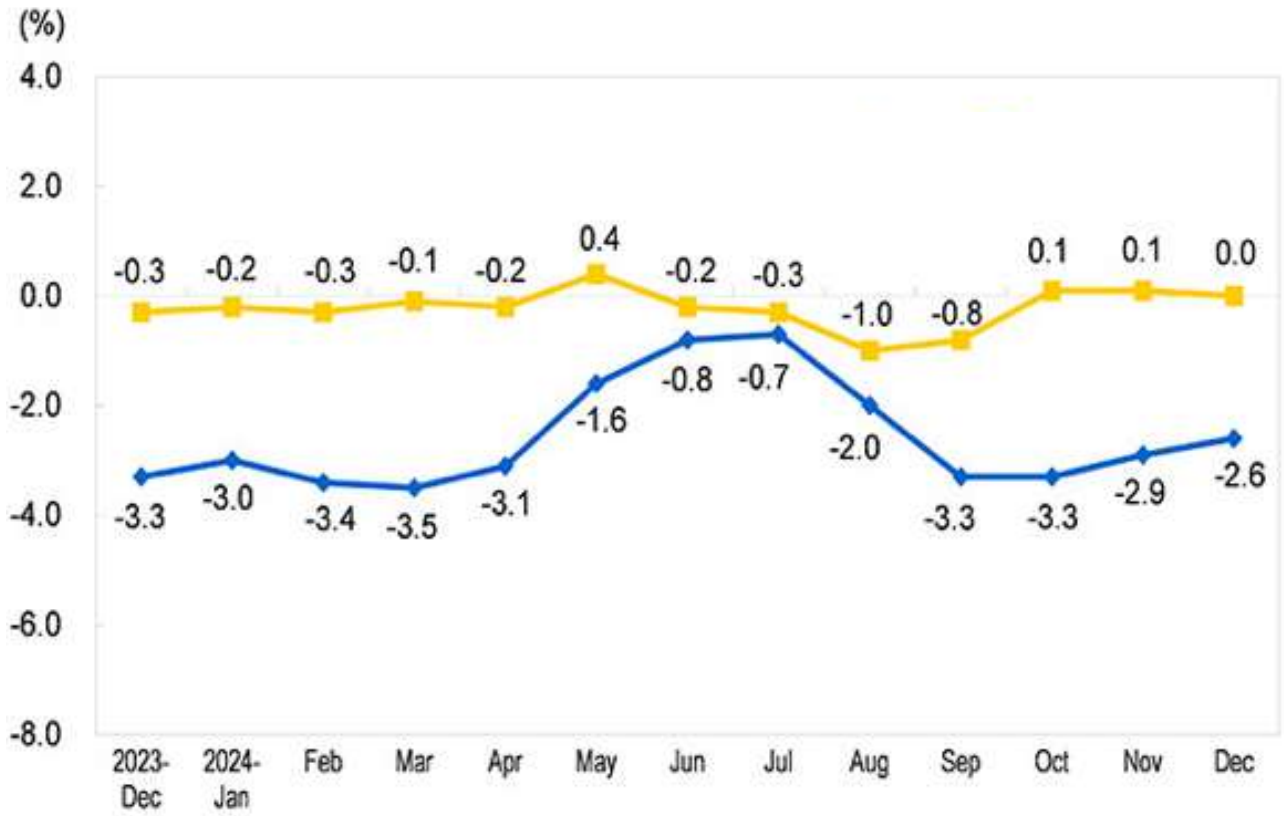
In 2024, European solvents and commodities market went through a particularly difficult period, in which the largest manufacturers worked at reduced operating rates. This reduction in production capacity was mainly due to three macro factors:

- Abundant supply from Asian markets;
- European demand still weak;
- High production costs (also resulting from high energy costs).

While at the beginning of 2024 there was a fair amount of optimism that demand for solvents and commodities would recover, demand remained weak throughout the year. As for energy, European markets continue to be particularly unstable and fragile, with Italy recording some of the highest gas and energy prices in Europe. Geopolitical tensions and dependence on liquid gas from the United States have led energy-intensive companies to incur electricity and gas costs that are still double than 2021 values.

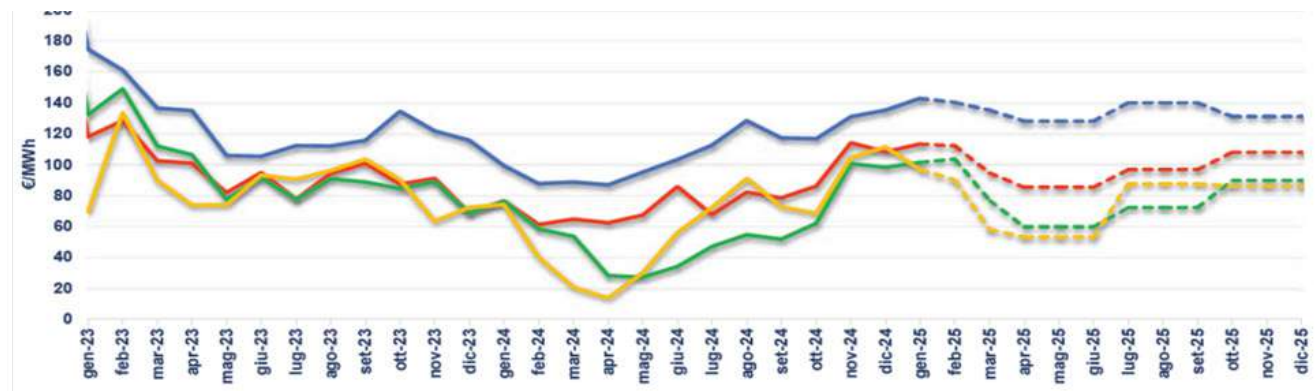
Producer Price Index For Means of Production

Y/Y M/M



Energy spot prices on European markets

ITA GER FRA SPA



Logistics

Throughout 2025, global logistics remained severely disrupted by the Red Sea crisis, triggered by repeated Houthi attacks that rendered passage through the Bab el-Mandeb Strait and Suez Canal unsafe. Most shipping lines consequently maintained the Cape of Good Hope diversion, extending transit times by 10 to 14 days. This resulted in significantly reduced traffic through the Suez Canal compared to 2023-2024 levels. Asia-Europe freight rates trended downward versus the prior year, reflecting excess capacity relative to demand, prompting carriers to implement blank sailings to mitigate the impact.

Between May and June, recovering global demand combined with rerouting adjustments created

severe congestion at major ports, particularly Singapore, where over 60% of vessels were waiting with berthing times exceeding one week and a 30% increase in container dumping compared to early year levels. Similarly, European ports such as Rotterdam and Antwerp experienced dwell times of 7-9 days.

In December 2025, the typical year-end seasonality caused a further peak in freight rates, exacerbating the shortage of available capacity. Overall, transit times from Shanghai extended to eight weeks, representing an increase of approximately 60% compared to the traditional Suez route, adversely impacting working capital and cash flows.

China/East Asia to Mediterranean

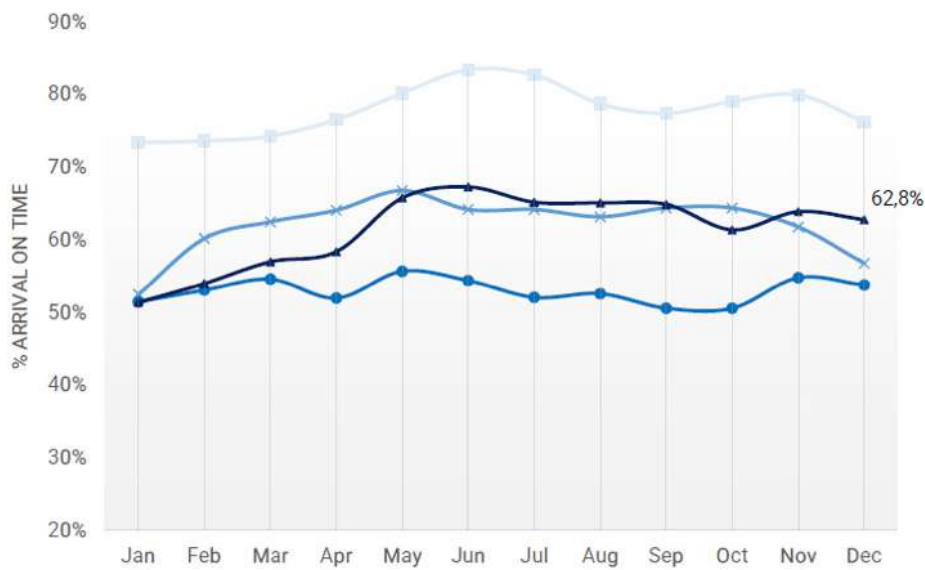


2025 was also marked by a significant restructuring of maritime alliances: MSC exited the 2M alliance with Maersk, launching a standalone East-West network and contributing to a broader redesign of Mediterranean routing. This reorganization is creating a period of adjustment in the sector, with potential further impacts on service reliability.

Compared to 2024, the Company experienced a modest improvement in the performance level by the main carriers, relative to the prior year, achieving average punctuality of 60%, driven by the introduction of new routing by major carriers as highlighted in the preceding section.

Average Carriers Reliability (Arrival on time within one business day)

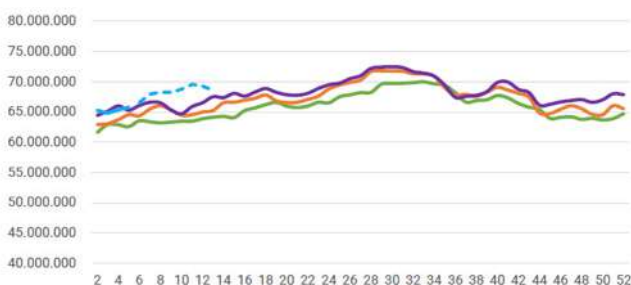
2019 2023 2024 2025



The trend of the air freight is comparable to that of the previous year, with a good availability of cargo hold.

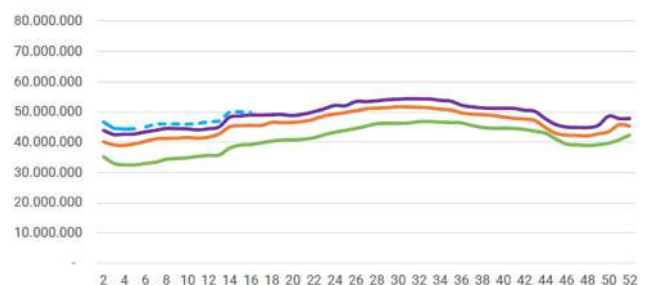
Domestic Seats

2023 2024 2025 2026 2026 Schedule



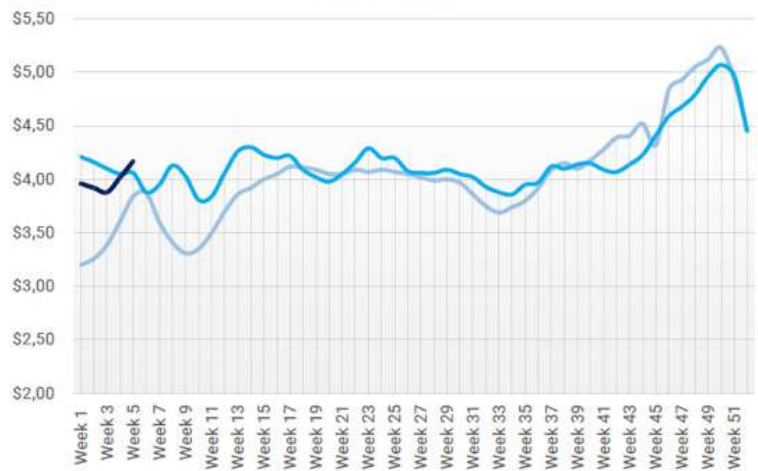
International Seats

2023 2024 2025 2026 2026 Schedule



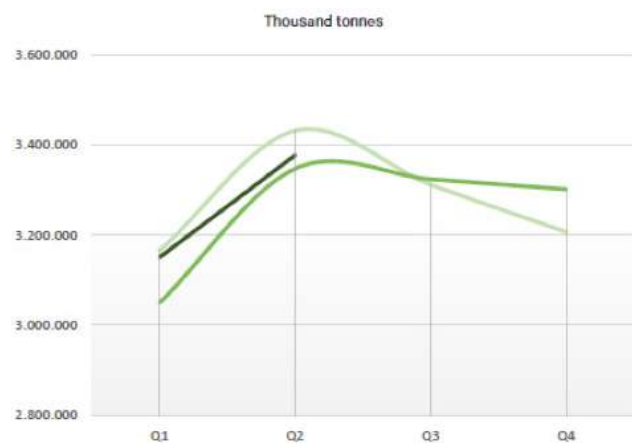
In terms of freight rates, the trend is comparable to that of 2024, characterized by strong year-end seasonality.

China to Europe

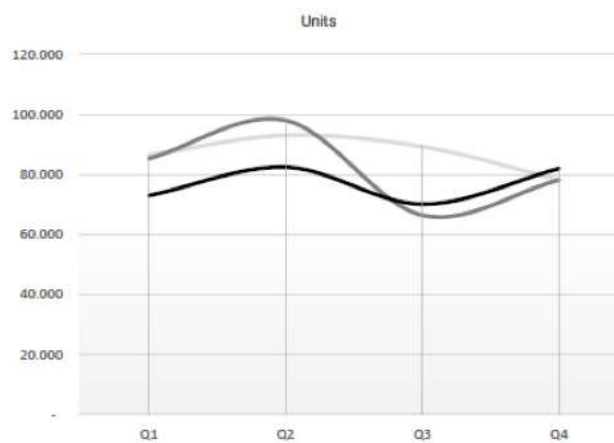


Finally, for road transportation, the capacity index is in line with the seasonality of 2024. Operating costs remain at a decidedly high level, with no particular signs of reduction.

Road Freight Transport Volume



New Truck Registrations



The Company shall continue its market monitoring to proactively anticipate potential impacts on the supply chain.

Quality (QA, QC) and Regulatory Affairs (RA)

During 2025, a total of 68 inspection activities were completed, including inspections of entities and customer audits, for all three sites (35 at the Montecchio Maggiore plant, 18 at the Lonigo plant and 15 at the Termoli plant).

The Company has also implemented a corporate audit program across its 3 sites and launched an inspection readiness program. This program includes visits and gemba walks aimed at preparing the SMEs, Front room, back room, and Rapid Response team, with subsequent follow-up on inspection actions.

As far as regulatory bodies are concerned:

- in April (7-18 April) the *Certiquality* surveillance audit for the Montecchio Maggiore, Lonigo and Termoli sites was carried out with regard to the four systems (ISO 9001, ISO 14001, ISO 45001 and ISO 22301), which was successfully passed;
- in June (16-20 June) the AIFA inspection of the Lonigo plant took place. The inspectors reported significant progress compared to previous visits, issuing a report with 8 observations, of which only 2 were major. The inspection process has been closed and the new GMP certificate has already been issued;
- In December (15-16), the Min Sal inspection for veterinarians was conducted with a positive outcome. The issued report included only 6 observations, all minor.

Consistent with 2024, the number of batches produced (intermediate and finished products) and

purchased (raw materials) in 2025, shows an overall decreased as an aggregate figure in the three sites. The drop in batches was observed in Montecchio and Lonigo sites, while Termoli remains unchanged. On the other hand, despite a decrease in batches, there is an increase in the complexity of analytical methods (long management times of instrumental analysis and sample management) and an ever-increasing complexity of managing the variety of project phase and type of product. A rising trend is noted for 2025 in batches of raw materials from new suppliers (and a small portion of reanalysis following the passing of retest periods). In the early part of the year is confirmed a greater peak in workload in Montecchio, moderating due to production planning, before peaking in the last quarter to support planned sales completion.

The testing of raw materials in Montecchio in 2025 had a marginal improvement in execution time, this due to the "reduced testing" protocols following new supplier inclusion and heightened support activities for Termoli's raw material analysis, which demanded elevated testing complexity.

Given the continuing emergency situation in the raw materials market and the *derisking* project launched by Procurement, the number of changes opened during 2025 remained substantial (almost 400 in 2025), consistent with the previous year. The number of supplier audits remain high in 2025 (57 in 2025 compared to 63 in 2024). In 2025, with the aim of supporting the *derisking* project and managing a large number of supplier audits, an additional qualified third party was engaged to support this activity. To continue to support the

introduction of new sources by ensuring adequate direct monitoring of suppliers in China, a new local QA resource selection in China was approved, who will mainly deal with auditing and verifying the compliance status of manufacturers; this resource is expected to join the organization in 2026.

As for the main qualitative KPIs:

- The trend in rejected batch percentages remained aligned with established targets across all three production facilities. Notably, the Lonigo site recorded an improvement relative to 2024, notwithstanding the continued involvement of the same consolidated products that had demonstrated criticalities in previous years. Process optimization efforts implemented throughout 2025 contributed meaningfully to reducing the magnitude of rejections. For most rejected batches, reprocessing represented the final disposition;
- the trends in customer complaints remained broadly aligned with established targets or marginally exceeded them, particularly at the Termoli facility. During the first half of the year, Termoli recorded several complaints with limited product implications, primarily attributable to packaging-related issues; however, performance improved markedly in the second half following the execution of defined corrective and preventive actions (CAPAs). The Lonigo site similarly recorded an increase in complaints, though values remained within the established target parameters. No critical complaints impacting patient health were documented, and no recall events or critical returns occurred;
- the trends in audit non-conformities for all three plants are confirmed in the target. Termoli facility also recorded a marked improvement relative to 2024. During 2025, the Company conducted multiple audits with strategic customers, all of which concluded successfully. These customers specifically acknowledged and appreciated the elevated level of inspection readiness demonstrated across the sites;
- the average batch release time (time between QC approval and batch release for CoA emission and packaging for shipment) resulted in a marked improvement, particularly for the Termoli and Lonigo sites. This result contributed to ensuring compliance with customer-required shipping timelines and was also supported by activities aimed at reducing the backlog of expired records;
- All three sites recorded improvements in KPIs related to deviation management and, notably, timely CAPA closure, with significant reduction in overdue CAPA backlogs, particularly

at Montecchio Maggiore. Weekly monitoring activities, coupled with enhanced governance structures and strengthened inter-functional collaboration, supported by emerging quality culture improvements, facilitated the progressive reduction of deviations and expired CAPAs across all sites. However, further improvement initiatives remain necessary, particularly addressing operational spikes from extended summer and winter shutdowns and strengthening governance of out-of-specification and change management processes, aimed at further reducing overdue record backlogs. Specific strengthening actions have been initiated as of early 2026.

A new quality performance monitoring dashboard was designed in 2025 and implemented at the beginning of 2026, emphasizing leading indicators alongside traditional lagging indicators to enable more proactive quality system monitoring and timely identification of potential issues.

As part of the *Quality Excellence project*, a reloaded program was launched in 2025 to further strengthen the Company's quality system and support the transformation outlined in the Group's strategic plan. The program was structured into five principal strategic workstreams focused on enhancing compliance, quality, and operational process efficiency:

- *Quality Management System (QMS)*: standardization and harmonization of processes and quality systems across sites;
- *Inspection Readiness*: designed to enhance preparation levels for regulatory inspections and customer audits;
- *Data Integrity*: to consolidate data reliability and the centrality of product and process quality;
- *Governance & Metrics*: to foster an increasingly data-driven approach to continuous improvement initiatives;
- *Lab Control System – QC Lean Lab*, focused on optimizing the operational efficiency of quality control laboratory functions.

Regulatory activities in 2025 confirmed the trend that began in previous years, emphasizing support for both custom and generic product registrations.

National Authority engagement focused on finalizing procedures for production and import licenses for new active substances supporting clinical and commercial-phase projects, providing specific information for different product types.

This encompasses the submission of essential and non-essential modification requests to the com-

petent regulatory Authorities; these submissions facilitated the regulatory approval and commissioning of equipment and new production lines across all manufacturing sites;

The regulatory function provided active support during ministerial inspections at Lonigo (AIFA) and Montecchio (Ministry of Health/VET).

For generic products, ongoing project support included registration documentation updates following process and analytical variations, with detailed verification of requirements from new markets of interest (China, Brazil), ensuring proper application within respective dossiers.

The regulatory area contributed to new request for proposal definition and project-level regulatory strategy development to ensure successful project outcomes.

Active involvement in FIS product transfer to Delmar included regulatory and quality document coordination.

Throughout 2025, the function established specific procedures to understand and integrate significant national and international regulatory requirements into Company systems, while implementing monitoring frameworks for nitrosamine derivatives and PFAS determination in active substance production.

Lastly, significant effort was devoted to quality agreement review, negotiation, and finalization, alongside enhanced Legal function support for commercial agreement quality requirements.



Safety, Health and Environment

Ensuring the safety of operations, the health of workers and the protection of the environment are priority elements of F.I.S.'s sustainability from an economic-financial, social and environmental point of view; consequently, risk prevention and man-

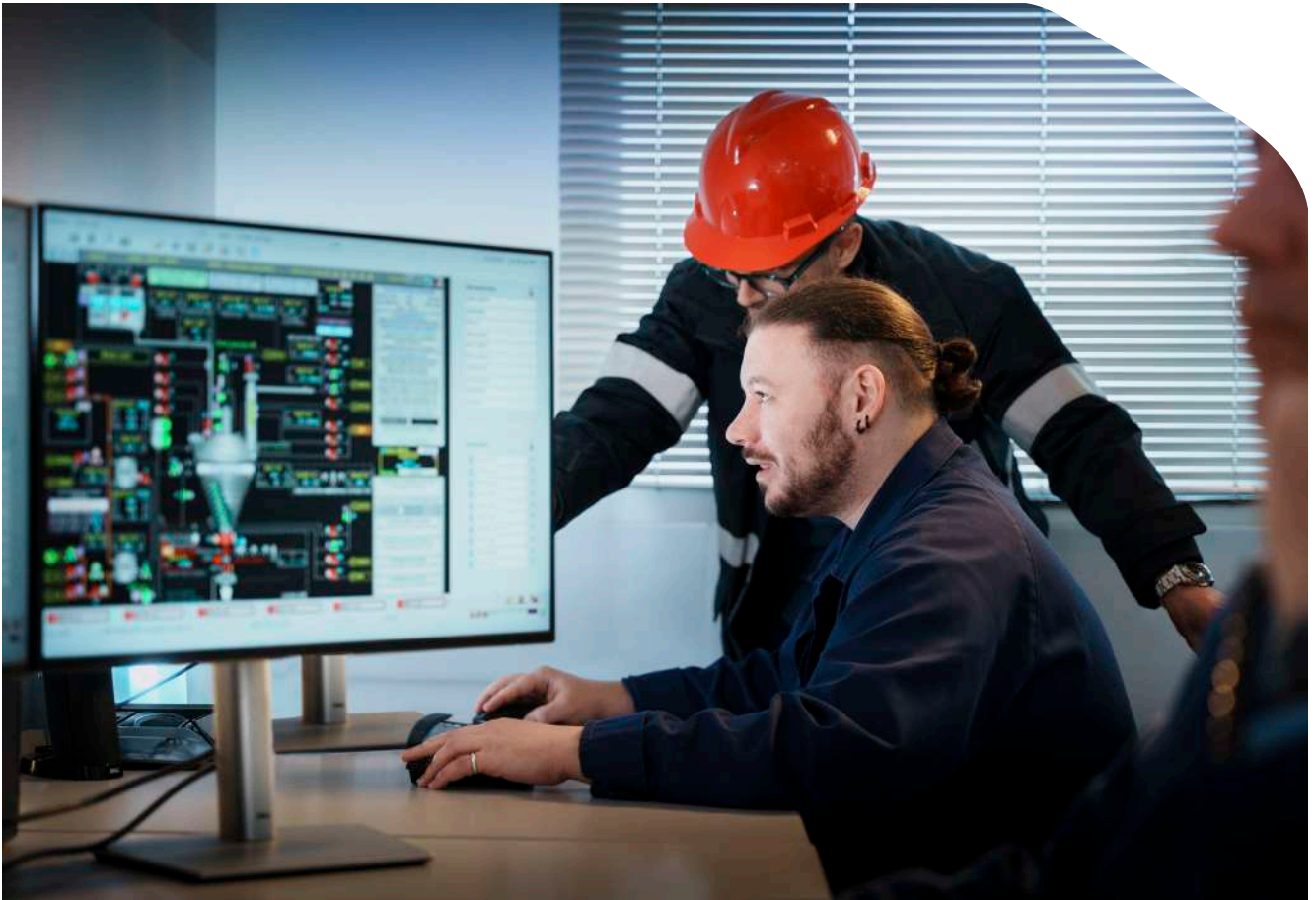
agement are central to the implementation of this policy.

The trend of the main parameters in the field of accidents is summarized in the following tables:

Montecchio Maggiore Plant	2025	2024	2023	2022
Number of injuries	11	10	11	8
Injury rate	5.5	5.3	6.0	4.5
Severity rate	0.10	0.09	0.10	0.04

Termoli Plant	2025	2024	2023	2022
Number of injuries	12	7	9	7
Injury rate	17.8	11.1	15.3	12.3
Severity rate	0.61	0.22	0.43	0.51

Lonigo Plant	2025	2024	2023	2022
Number of injuries	6	6	2	2
Injury rate	9.1	9.8	3.8	3.8
Severity rate	0.17	0.10	0.13	0.10



By company policy, events with a prognosis of more than three days are considered accidents.

With reference to the progressive and cumulative F.I.S. accident indices, these show performance levels at the end of December 2025 that are increasing than those recorded in 2024 as regards the frequency index (8.67 vs 7.35), for the severity index the improvement (0.22 vs 0.12).

In summary, the accidents recorded in 2025 are 29 (23 in 2024):

- 11 in Montecchio (there were 10 in 2024);
- 12 in Termoli (there were 7 in 2024);
- 6 in Lonigo (there were 6 in 2024).

The IF frequency index for the year 2025 sees, compared to the end of 2024:

- at the Termoli site a growing trend, from 11,1 to 17,8, as the number of accidents increased;
- at the Montecchio site a substantial stability, from 5.5 in 2025 and 5.3 in 2024, confirming positioning below national benchmark figure for the sector;
- in the Lonigo site an improvement from 9.8 to 9.1, supported by stable accident frequency and increased working hours.

Specifically, in relation to the Severity Index of the sites, the following is noted:

- overall, an increase in the index at the Termoli site from 0.22 to 0.61, linked to the higher event frequency;
- a substantial stability in the Montecchio plant at 0.10, settling at a value lower than the benchmark figure of the Responsible Care program;
- an increase in the Lonigo plant from 0.10 to 0.17, with two accidents resulting in 79 total lost days, more significant than prior year.

The nature of injuries focuses on four main categories:

- chemical agents: 9 accidents, there were 2 in 2024;
- fall, trip, slip, impact: 5 injuries, there were 8 in 2024;
- cuts, wounds, crushing, bruises with objects: 10 injuries, there were 8 in 2024;
- handling of loads: 4, compared to 1 in 2024.

In the context of accidents that have occurred, multiple initiatives were implemented to reverse the year's trend:

- the "Safety in Action" initiative promoting ac-

- tive personnel engagement in identifying and implementing improvement measures;
- communication, engagement, and training programs fostering safety culture and effective managerial leadership;
- the S.A.F.E. project implementing behavioural safety techniques, with preliminary diagnostics and management preparation in 2025 and multi-year plan development commencing 2026;
- HSE alert systems for event information and solution sharing;
- introduction of enhanced collective and individual protective devices and technical risk controls, including (AI-based anti-collision systems on forklifts).

All incidents undergo investigation and evaluation, with significant events reviewed by cross-functional technical committees for root cause analysis and preventive solutions.

Employee participation is actively promoted through bi-monthly meetings with worker representatives, fostering collaborative dialogue on safety initiatives, incident reviews, and corrective actions undertaken.

In compliance with mandatory regulations, **risk assessment** activities (both General and Specific) continued throughout 2025, with full implementation within the digital platform, thereby standardising the management of assessments across the three sites. As planned, the year also saw the deployment of modules related to the supplier portal and training management, as well as the development of IT procedures to interface with existing systems, enabling the digitalisation of additional processes concerning health, safety, and environmental management.

With reference to the management of **Major Accident Risks** (Legislative Decree 105/2015 “Seveso”), the assessment of the Non-Aggravation of Risk (NAR) of the newly introduced or modified summaries and the installation/start-up of new equipment and/or departments for the 3 sites continues punctually and systematically.

The issue of Environmental Management is a central element in FIS’s sustainable development strategy in the area in which the company operates.

Regarding AIA matter, the 3 sites moved as follows:

Montecchio Maggiore

On 12/04/2023 an application was sent for the renewal of the IEA of the incinerator with a request for authorization for the incineration of liquid waste

from the Lonigo site. On this occasion, a single integrated IEA will be released for activities 4.1 and 5.2.

Currently, the authorities are viewing the documentation both because F.I.S. had asked for priority to be given to the AIA of Lonigo, and because in the meantime in the Province the Environment sector suffers from a lack of staff. This meant that F.I.S. had to send the provincial office a request for a non-substantial modification of the IEA to obtain authorization for the start-up of the *Zero Liquid Discharge plant* (Communication sent to the Province of Vicenza on 28/02/2024 with prot. no. DS/SSA/gm-021-24) to which the province did not respond within 60 days, so the authorization automatically became effective (the principle of silence/consent applies). The Province of Vicenza, with prot. GE72024/0041183 of 06/09/2024, approved the update of the Monitoring and Control Plan (PMC), transmitted by F.I.S. in June 2024, subject to three requested changes.

On 15/10/2025 ARPAV officials visited the ZLD facility to conduct an inspection and review its operational performance throughout the first half of 2025.

Lonigo

On 15/12/2021, the Province of Vicenza with resolution no. 1733/2021 issued the Integrated Environmental Authorization no. 15/2021 to the plant.

IEA Review Application for the new liquid waste incineration furnace submitted on 7 August 2023 via certified email to the province of Vicenza and the competent bodies.

On 15/12/2023 with prot. No. GE 2023/0054608 the Province of Vicenza has communicated the acknowledgment of what has been presented by FIS, sharing the qualification of “non-substantial modification” for the modified interventions communicated (including the construction of the new incinerator).

On 24/07/2024 with prot. GE 2024/0034809 the province of Vicenza, after the positive opinion of ARPAV communicated on 26/06/2024 with prot. n.0059965 ARPAV, has given a favourable opinion for the authorization to align the ranges of the characteristics of liquid waste entering the incinerator (CER 070701* and CER 070704*) for the Montecchio and Lonigo plants.

The AIA inspection by ARPAV has been concluded (4 meetings on 11 April, 14 May, 12 June and 16 September) and after the submission of the required integration documentation following the last inspection on 16 September. Received on 9 December 2024 the final report of the inspection

where 4 proposals for adaptation are requested for the criticalities or discrepancies identified during the inspection.

On 19 August 2025, the official post-inspection determination was formally received. Subsequently, on 19 September 2025, the request for SME manual updating was fulfilled.

Termoli

F.I.S. Termoli submitted an application to the Molise Region for **PAUR** (Single Regional Authorization Measure, or *Provvedimento Autorizzativo Unico Regionale*) at the end of July 2024, relating to the activities “general changes to the plant and local *dispensing*”.

On 25 October 2024, the Region sent a request for supplementary documentation, which was sent on 22 November of that year.

In December 2025, the first Services Conference convened with the Molise Region and ARPA regarding the PAUR (Regional Single Authorization Measure) for the Termoli site. ARPA confirmed positive outcomes for previously analysed contributions including Stormwater-Wastewater and Discharges, Noise, Geology and Groundwater, Bi-

odiversity, and Environmental Impact Assessment. Outstanding contributions on Air Quality, Excavation Soil and Rock, Waste, Raw Materials, and Solvents await examination, with the procedure pending final closure.

The remediation measure’s closure request was approved, incorporating a piezometer monitoring plan (quarterly for year one, semi-annual for year two). The updated health risk analysis, submitted in April 2025, was also approved. Two monitoring campaigns were conducted in 2025 June and October yielding positive results.

Linked to all the above-mentioned aspects, as every year, the surveillance activities of the certification of **the Environmental and Safety Management Systems (EMS and SGS)** continued, according to the recognized standards (ISO 14001 Environment and ISO 45001 Health and Safety). In 2025, the integrated surveillance activity (following the systems integration completed in 2023) was carried out. The Surveillance ended with 26 recommendations for improvement and 0 non-conformities.

Finally, there are no disputes in progress with control bodies in the field of Safety and Health.

Plants and Projects

During 2025, accident indicators demonstrated overall stability at the Montecchio and Lonigo facilities, whereas the Termoli site recorded higher values as compared to the previous fiscal year.

In terms of production rates, the operational activity was intensive and demonstrated greater regularity relative to the previous year, which had been marked by production slowdowns, notably during periods of significant regulatory inspection activity.

The establishment of the Industrial Operations Excellence function in 2025 facilitated the design and deployment of a restructured Governance framework, designed to enable more detailed monitoring of operational performance metrics. This organizational evolution, complemented by ongoing enhancements to planning methodologies, production program development, procurement processes, and S&OP execution, contributed to the consolidation of operational achievements, demonstrated improved performance relative to 2024, and supported the attainment and in numerous instances the surpassing of the majority of predetermined operational objectives.

Complementing the already extensive existing product portfolio, the Company maintained particularly intensive activity in introducing new processing operations directed towards development, regulatory validation, and production campaigns encompassing both pilot-scale and full industrial-scale operations for new products. This activity remained pronounced at the Montecchio and Lonigo facilities, reflecting continuity with initiatives undertaken in the preceding year, and at the Termoli site, supported by the recent allocation of new business from significant customers.

The total expenditure of the three plants was less than the budgeted €94.3 million, coming in at €92.5 million, mainly attributable to reduced operating costs and lower utilities expenses, attributable to both price effects and favourable production mix relative to budgeted volumes, notably at Montecchio. These benefits were partially offset by higher consumable material costs. Excluding price effects, actual results remained below budget at €93.4 million.

Overall maintenance costs across the three sites remained substantially consistent with budget.



Modest increases at Lonigo, reflecting heightened maintenance and equipment setup activities, were offset by lower costs at Montecchio and Termoli, supported by improved planning and coordination of maintenance interventions relative to equipment scheduling.

Utility costs resulted below budget (-6.3%), with the benefit equally distributed between a reduction in unit prices and lower consumption attributable to the reduced number of production batches and the energy efficiency initiatives undertaken.

Also, ecological costs were lower than budget (-4.7%); this reduction was most pronounced at Lonigo and, to a lesser degree, at Montecchio, driven by production volumes below forecast and enhanced operational synergies across the three sites in incinerator utilization.

The executive output of investments in 2025 amounted to €107 million, resulting below the budgeted amount but substantially exceeding the prior year's actual expenditure of €57.6 million. The increase in capital expenditure compared to the prior year was primarily attributable to the initiation

of significant projects for the expansion of certain capabilities at the Montecchio Maggiore site, the construction of a new production facility at the Lonigo site, intended for expansion into new strategic business sectors, the continuous upgrading of existing plants to the highest standards of safety and quality, as well as digitalization initiatives in the OT domain.

Following re-prioritization and rescheduling of certain investment initiatives to future years, management of the substantial initiative portfolio and associated complexity was facilitated by planned expansion of Engineering and Technical Services staffing, enabling enhanced internal execution and adoption of new EPCM (Engineering, Procurement and Construction Management) outsourcing strategies.

Operational performance was further enhanced through implementation of a revised investment management Governance framework, providing granular monitoring of major expenditure categories across industrial and corporate investment programs.

The cumulative enhancement of investment



management processes effectively supported the timely and budget-compliant execution of all significant business-critical investment initiatives:

Montecchio Maggiore

- Increase in the capacity of the second *Spray Drying* line: installation and qualification of a second drying equipment of the industrial line of the *Spray Drying department*;
- Optimization of consumption and performance of the ZLD plant, which treats plant wastewater allowing its internal reuse and drastically reducing discharge to the municipal sewer;
- *Set-up* of the line to produce an important new product.

Lonigo

- Continuation of activities aimed at improving wastewater management in production areas (phase 2 *piping for high-load projects*);
- Continuation of the completion of department 3C: installation and preparation of drying systems and resumption of activities to complete the automatic warehouse;
- Completion of the preliminary activities for the construction of the new production department called 3D;
- Setting up activities for important service areas such as new refrigerated warehouses and warehouse areas for sampling and dispensing.

Termoli

- Equipment for increasing production: filter-dryer in department B;
- Department A utilities upgrade;
- New production set-up to support new product development;
- Upgrade of the Quality Control laboratory equipment;
- Expansion and renovation of the site's parking lots (step 2).

Finally, it is worth mentioning two significant project categories, both implemented across all facilities:

- Containment upgrade initiatives for highly active substances, based on comprehensive equipment mapping and identification of the plants, aimed at increasing both the protection and segregation of products;
- Fit & Finish initiatives focused on production facilities and associated equipment, designed to enhance the quality characteristics of production operations.

In the field of technological innovation, during 2025 the Company maintained its trajectory of consolidating and scaling digital transformation programs initiated in previous years.

The Historian system was successfully deployed across all production facilities, enabling structured multi-site process data collection and integration while enhancing advanced analytical capabilities for operational and quality decision support.

The MES (Manufacturing Execution System) program's Design Phase was successfully completed, establishing the functional architecture and process specifications for batch record digitalization and real-time production operation monitoring. A pilot implementation project for the Termoli site was approved during the year, providing the foundation for subsequent deployment across remaining facilities.

The CVM (Cleaning Validation Manager) system pilot was successfully executed, demonstrating effectiveness in structured GMP activity planning and establishing the foundation for broader-scale deployment.

The Module Digitalization system was successfully deployed at the Montecchio facility, facilitating the dematerialization of an initial portfolio of critical documentation and delivering substantial enhancements in documentation traceability, control mechanisms, and information flow responsiveness.

The Lean functional structure was further reinforced throughout the year, with consolidated presence across all three Company facilities and strategic focus on high-impact initiatives encompassing process simplification, elimination of non-value-added activities, and enhanced fluidity of operational and information processes. The adoption of more rigorous analysis and standardization methodologies, complemented by organizational expansion at the Termoli and Lonigo sites and the establishment of a centralized Governance monitoring dashboard, facilitated greater methodological consistency across facilities and strengthened the organizational commitment to continuous improvement principles.

Montecchio



In 2025, the site produced approximately 557 tons of finished products and approximately 1,718 tons of intermediates, pouring a total of 4,487 batches, some of these intended for use at the Termoli site.

Site production performance was marked by a high rate of new processing introduction with frequent production mix variations, balanced by consistent execution of a long-duration custom manufacturing campaign with substantial volumes, leveraging prior-year development and regulatory validation efforts. The 2025 results confirmed the portfolio expansion trend, supported by sustained order flow and partnerships with major international customers.

Labor absorption maintained elevated levels, averaging 80-90% overall with peaks exceeding 90% during high-intensity periods. Planning Adherence reached approximately 85%, representing marked improvement versus 2024. OTIF (on-time/in-full)

achieved solid performance at approximately 85%. Quality Right First Time exceeded 90%, aligning with expectations.

The average absenteeism rate in the production departments fluctuated around 4-6%, maintaining consistency with the previous year's results.

During 2025, 51,936 tons of special waste (92.4% liquid and 7.6% solid) were produced, with 24,653 tons internally disposed at Montecchio, 2,872 tons at Lonigo, and 24,411 tons by authorized third parties. Additionally, 132 tons of waste from the Termoli site were incinerated at Montecchio. ZLD system benefits consolidation achieved significant reductions in water withdrawals and discharges.

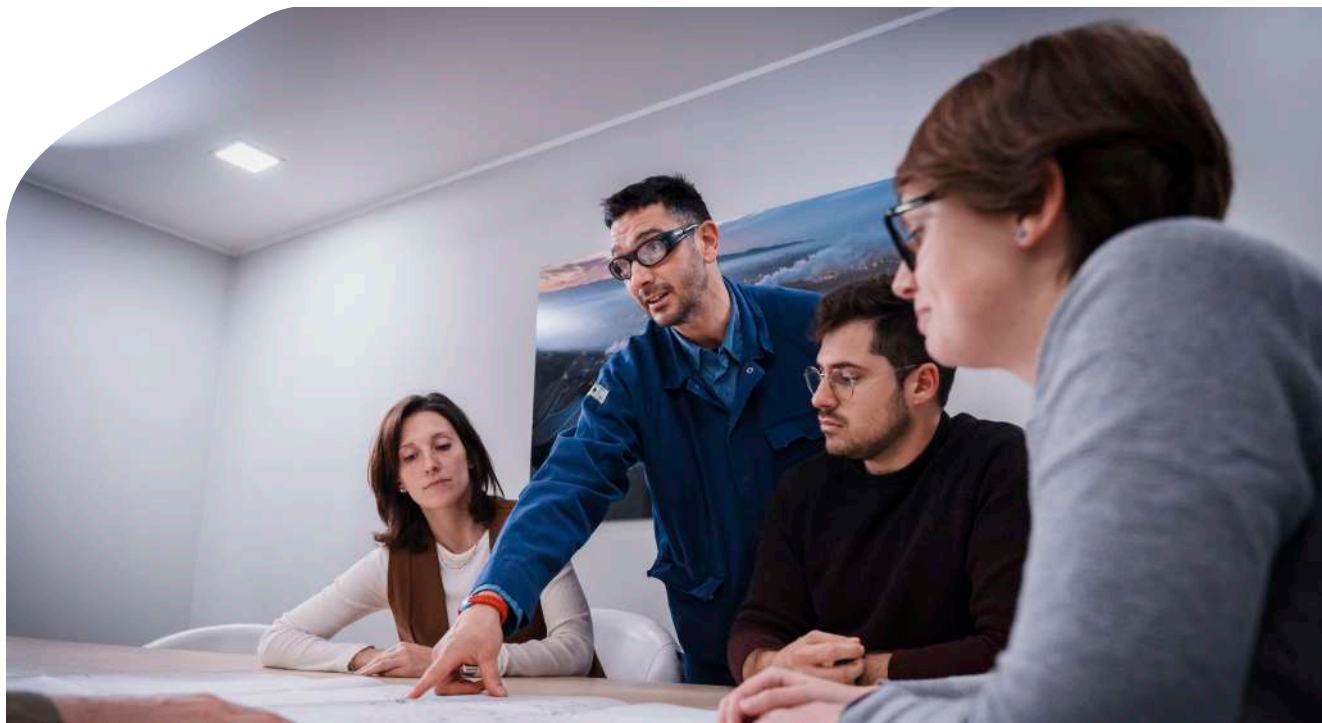
Overall facility expenditures within the production perimeter remained below budgeted levels, supported notably by favourable volume-related impacts on energy consumption. Maintenance costs



similarly remained below forecasted amounts, principally attributable to lower-than-anticipated equipment modification activities.

During 2025, the Company obtained necessary regulatory approvals and initiated expansion activities for Department I, designed to substantially enhance production capacity in spray-drying operations and support potential pre-formulation activities for manufactured active ingredients. The site demonstrated strong investment execution capability, supported by EPCM engagement, delivering actual capital expenditure of €50.2 million for the year (net of internal labor costs).

Lonigo



The Lonigo site produced approximately 813 tons of finished products and 1,414 tons of intermediates in 2025, releasing 3,277 batches, some of which transferred for processing at the Montecchio site.

Production volumes exceeded 2024 levels, with Department 3C operations commencing in a context requiring substantial management effort due to staff turnover and the consequent new hires.

Labour absorption remained at very high levels, averaging above 90%. 2025 proved to be a positive year for the Planning Adherence KPI, which stood at solid levels above 90%. OTIF recorded a decline compared to the prior year, primarily due to issues concentrated on a single production line, but nevertheless remained at solid values, only slightly below 90%. Quality Right First Time was positioned at values above 90%, thus in line with expectations.

Absenteeism ranged 4-6%, consistent with prior year.

In 2025 a total of 30,397 tons (75.9% liquid, 24.1% solid) special waste were generated, with 16,963 tons internally incinerated in Lonigo and 13,434 tons externally disposed; additional incineration of

2,872 tons from Montecchio and 3,085 tons from Termoli occurred.

Two custom product validations initiated in 2024 were completed, with a new veterinary product validation commencing.

The site's capital expenditure execution capability proved effective – also thanks to the use of EPCM – delivering an actual spend in the year of €38.1 million in total (excluding internal labour costs).

On the regulatory front, the AIFA inspection and the SGS-RIR inspection, both conducted in June 2025, concluded successfully with positive determinations.

Termoli



During 2025, the Termoli facility produced approximately 723 tons of finished products and approximately 1,110 tons of intermediates, with a total of 2,499 batches released, some of which were transferred for processing at the Montecchio site.

As far as production output is concerned, budgeted quantities targets were respected, with the facility successfully accommodating additional demand (27 of 180 budgeted tons) for one of its highest-volume products.

Labor absorption reached near-saturation levels, demonstrating marked improvement versus 2024. Planning Adherence achieved strong improvement with respect to the previous year, averaging above 90%. OTIF positioned slightly above 90% with solid performance. Quality Right First Time exceeded 90%, aligning with expectations.

Production department absenteeism ranged 4-6% monthly, consistent with prior-year results.

Plant expenses remained below budgeted levels, with a favourable variance of 0.3%, supported by beneficial price effects.

Special waste generation in 2025 totalized 32,611 tons, comprising (93.7% liquid and 6.3% solid

streams). with 132 tons were incinerated internally at Montecchio, 3,085 tons at Lonigo, and 29,394 tons processed by authorized external operators. Site investments reached €18.7 million (excluding internal labor).

Following 2025 SGS-RIR inspection and CTR report on 29 October 2025, the site closed all prescriptions and submitted a remediation schedule for recommendations, with several already resolved.

Labor relations

During the year 2025, labor relations were characterized not only by the meetings and institutions provided for in the Level II Contract (for example, the Business Observatory, periodic plant meetings, the Canteen Commission), but also by Level II procedure for electing trade union representatives at two of the three plants (Montecchio Maggiore and Lonigo; in Termoli, the procedure for electing trade union representatives is scheduled for 2026).

Staff

Headcount and personnel costs key performance indicators

At the end of the financial year, headcount reached 2,294 HC (2,282.41 FTE), up from (2,149 HC - 2,136.97 FTE) in the prior year. The increase aligns with budget and supports expanded production capacity and strengthened support functions for 2026-2030 Strategic Plan implementation. Headcount expansion represents a strategic investment in business growth and medium-term operational sustainability.

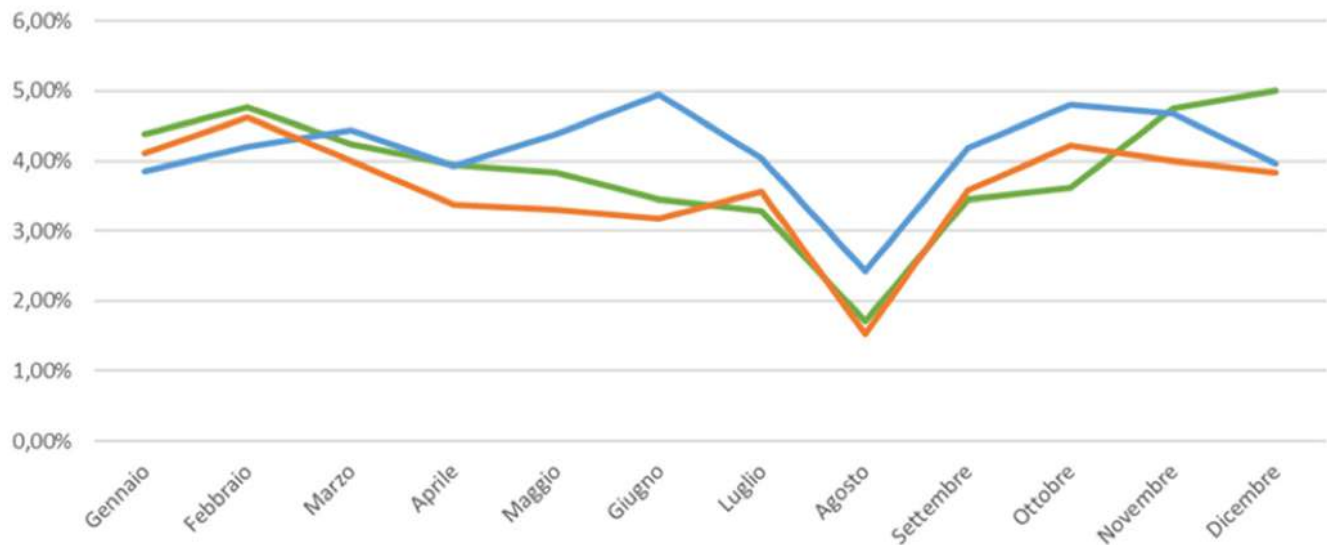
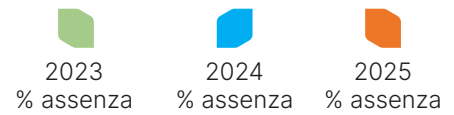
The use of temporary staffing remains stable and under control, increasing from 108 to 115 units while staying below 2023 levels (142 units). This trend reflects the effectiveness of stabilization initiatives undertaken, which have successfully

contained flexibility costs and strengthened the continuity of internal expertise.

A particularly relevant indicator from an organizational efficiency perspective is the sickness absence rate, which declined to 3.61% in 2025, confirming an improvement trend. This reduction positively impacts both productivity and indirect replacement costs.

Overtime hours remained well-controlled at 0.54% of working hours, substantially below the 1% Company target. This performance reflects the effectiveness of workload planning policies and the consolidation of work-life balance principles, integrated into the Company's collective agreements.

Absenteeism 2023_2025



Absenteeism

Review of the 2023-2025 period reveals sustained improvement in the average absenteeism rate, which has stabilized below the 4% benchmark established in Company KPIs. This positive trajectory supports enhanced operational stability, mitigation of indirect costs, and strengthened production efficiency.

Staff turnover

The negative turnover rate of 5.10%, consistent with the prior two-year trend (5.56% in 2024, 4.84% in 2023), reflecting stable and physiological departure patterns relative to Company scale.

Positive turnover of 11.76% substantially offsets departures, driven by strengthened recruitment supported by talent acquisition initiatives. Throughout 2025, strategic measures to attract and retain talent were implemented, including:

- Talent Program strengthening;
- consolidation of partnerships with universities and schools;
- Welfare platform development;
- Open Days and Recruiting Days;
- Enhanced C&B team integration;
- Evolved talent screening and assessment processes.

Collectively, these initiatives delivered meaningful improvements in new hire quality and reinforced the Company's positioning as a competitive employer in the labor market.

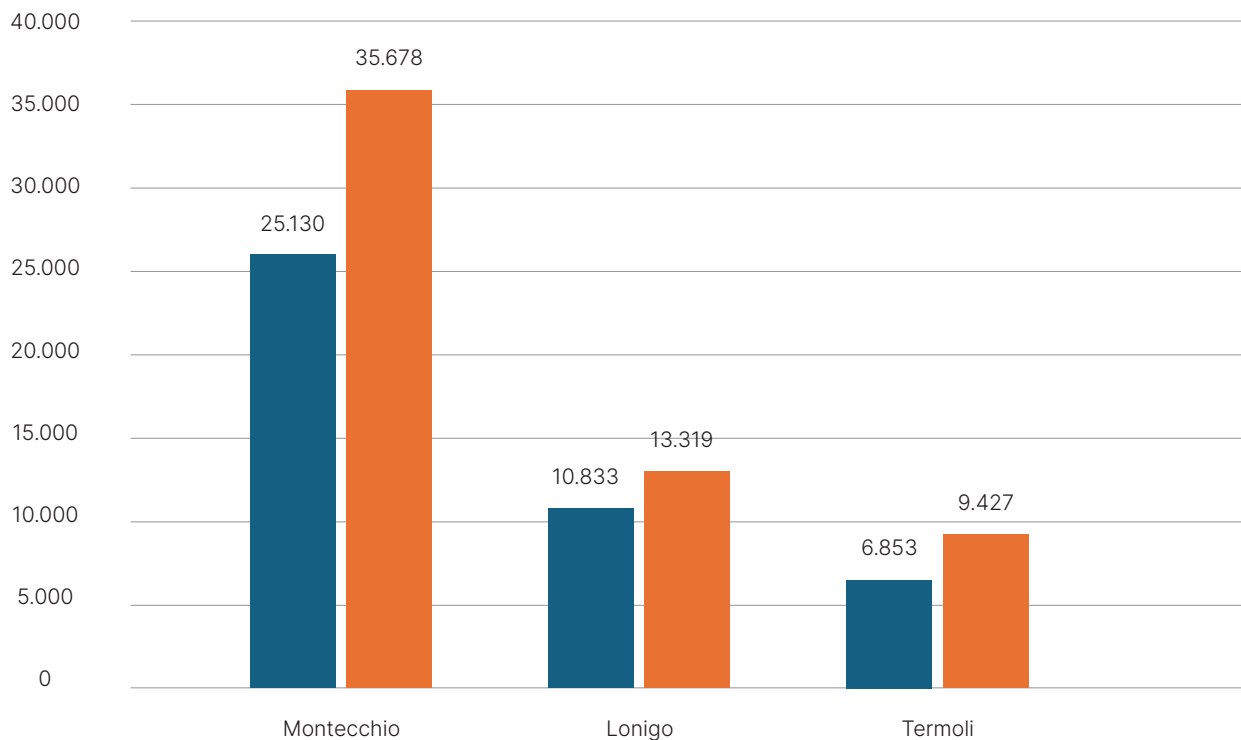
Training

The year 2025 marked a significant **evolution in the Company's training offering**, strategically re-designed to support business development objectives. Reflecting sustained commitment to enhancing internal capabilities, the Company introduced targeted initiatives designed to respond effectively to ongoing organizational transformations.

In 2025, 101,240 training hours were delivered across three facilities (including temporary, foreign, and departing personnel), equating to 5.5 annual days per capita with a 25% increase compared to the previous year driven by new development projects and 240 new hires. The significant personnel expansion underscored the need for structured onboarding to ensure rapid, effective new employee integration.

This process has indeed undergone significant changes, not only to respond to organizational needs, but also to offer a more complete and satisfactory onboarding experience for new hires. To the traditional topics of Quality and Safety, Health and Environment, new topics of priority for the Company have been introduced, such as cyberse-

Formazione Erogata nel 2025



curity, together with a more in-depth description of the Company itself. This includes its history, mission, values and evolution over time, enabling new employees to better understand the context in which they operate and, at the same time, to feel more motivated and aligned with the Company's culture and corporate identity.

Furthermore, to support the integration process, each new hire is paired with a **Buddy** which is an experienced colleague who serves as a strategic guide throughout the initial orientation period. This role represents an essential reference point, facilitating both the learning of organizational flows and processes and the promotion of relational integration, while enabling discovery of the practical and informal aspects that support effective workplace orientation.

Health, Safety and Environment (HSE) training activities maintained consistent delivery throughout 2025. Beyond mandatory training (State-Regions Agreement, Legislative Decree 105/15), certification update and extension initiatives were implemented to enhance operational flexibility and continuity. Multiple Safety Days engaged the entire Company population across sessions. **Quality** training initiatives were strengthened to promote cultural enhancement in Quality and Compliance awareness across all functions.

Among the strategic topics emphasized during 2025 were:

- comprehensive refresher training on **Privacy and data protection**, delivered through targeted sessions for specific groups;
- a dedicated **Business Continuity Plan** pathway;
- **Cyber Awareness** activities essential for maintaining heightened vigilance against cyber threats. A phishing simulation campaign, launched in the second quarter, provided immediate assessment of employee preparedness and identified key improvement areas in Company data protection protocols.

The expansion of Continuous Improvement competencies continues through activation of 13 new **Green Belt Lean Six Sigma** certification pathways distributed across various functions over a twelve-month period, designed to consolidate data analysis capabilities and foster sustained process improvement.

In an increasingly international and interconnected business environment, the Company launched **(GoFluent)** a **digital language learning platform** made freely available to the entire Company population. This initiative exemplifies the Company's commitment to continuous employee competency development, positioning language proficiency as both a technical competency and a meaningful

instrument for fostering inclusion and intellectual openness. The platform enables every employee, irrespective of role or function, to develop their professional profile through flexible, personalized learning. Notably distinctive is the initiative's extension to the private sphere, permitting employees to extend platform access to family members or friends. Since its launch on 30 July 2025, the initiative has achieved substantial engagement, with 815 colleagues registered by 31 December.

In addition to consolidating technical competencies, the Company invested in enhancing soft skills, placing particular emphasis on team cohesion. This commitment materialized through **Team Building** initiatives tailored to specific functions including Top Management, Engineering, Finance, and IT. These customized interventions strategically alternated training and discussion moments with engagement sessions, designed to optimize processes supporting emerging business directions, reinforce cross-functional collaboration, and facilitate integration of new team members.

During 2025, the Company launched a strategic program to **strengthen managerial competencies**, implementing a training program for 76 shift leaders across production sites (2,128 hours total). The program emphasized strategic collaborator management, addressing all leadership dimensions from resource motivation to effective communication, with specific focus on safety communication. Through consolidation of core managerial tools, the initiative equipped line managers to guide teams with enhanced awareness, ensuring operational actions remain aligned with Company objectives.

The **CUOA Development Program for FIS 2025** represents another significant initiative, comprising a one-year General Management training pathway that involved 18 colleagues selected across various Company functions. The program was structured to enhance participants' professional profiles through comprehensive examination of key areas including organizational structure, cost analysis, and strategic leadership. The pathway concluded with a Company Project Work, a strategic analysis aimed at identifying risks and opportunities related to priority (material) topics for FIS. The analysis quantified the economic-financial impact of these topics and defined strategic actions for different short and medium-term scenarios, providing concrete, implementable solutions for the Company.

To supplement collective training efforts, the Company promoted individual **Executive Coaching** pathways where appropriate, designed to strengthen individual professionalism through targeted support. These initiatives offer valuable

opportunities for personalized professional development, supporting the adoption of adaptive behaviours necessary to address role challenges and evolution.

The Company reaffirms its commitment to the protection of individual well-being through the establishment of the **Mindfulness Desk**, a dedicated space designed for dialogue and psychological support services. The service, accessible through both in-person and online modalities, was conceived as an environment of active listening, purposefully designed to advance personal equilibrium and provide evidence-based tools to facilitate improved integration between personal well-being dimensions and work performance outcomes.

Internal Communication and "La Formula FIS"

Throughout 2025, FIS undertook a significant acceleration of corporate identity consolidation, strategically leveraging internal communication as a fundamental mechanism for achieving organizational alignment and fostering meaningful employee engagement around shared objectives and strategic priorities. The cornerstone of this transformational journey was the introduction of the "FIS Formula," a comprehensive framework articulating the Company's distinctive identity through the integration of its Purpose (The Fastest Formula to Reliability for the therapies people really need), Strategic Drivers, and the behavioural competencies essential for sustained excellence within an increasingly sophisticated and dynamic pharmaceutical marketplace.

This transformational pathway reached a pivotal inflection point in September 2025, marked by a strategic convening that assembled over 200 People Leaders representing all organizational functions and production facilities. Within this forum, senior Leadership engaged in substantive deliberation and formal validation of the "FIS Formula" components, simultaneously catalysing the establishment of an Ambassador community and reaffirming its instrumental role as the primary catalyst for FIS's ongoing cultural and values-based evolution.

The "FIS Formula" initiative achieved concrete manifestation during the final quarter through an extensive engagement campaign encompassing the entire 2,000-person organizational ecosystem, including production operations. The Ambassador Community orchestrated comprehensive reflection on corporate identity dimensions across 130+ facilitated workshops, fostering cross-functional dialogue and knowledge exchange. The successful execution of this transformation utilizing

exclusively internal organizational resources not only validates the robustness of our human capital foundation but ensures the authentic embodiment and transmission of corporate values, thereby cultivating organizational belonging and strategic directional awareness throughout all hierarchical levels.

To facilitate this cultural transformation and ensure comprehensive organizational alignment and knowledge dissemination, FIS deployed a sophisticated, integrated internal communication architecture predicated upon sustained, transparent engagement between executive leadership and the broader employee population.

Through a structured programme of internal events led by the Company's senior management — aimed at both the entire organisation and the management community — and by campaigns delivered via an upgraded, pervasive technology ecosystem (intranet, noticeboards and 25 new digital screens across sites), the Company was able to promptly share business results, strategic priorities and key topics.

Concurrently, the communication strategy provided comprehensive support throughout the complete "Employee Lifecycle," enabling meaningful employee engagement at each career stage and amplifying individual and organizational milestones through the Company's LinkedIn presence, strategically positioned to enhance employer brand positioning. This encompassed talent acquisition initiatives during Career Days and Job Fairs, new employee integration processes, Learning & Development programming, and welfare and well-being opportunity promotion.

Beyond the foundational development of human capital, the communication strategy functioned as a catalytic force for disseminating the Company's core cultural and values architecture. Strategic emphasis was directed toward institutionalizing a comprehensive Safety and Quality culture, reinforced through innovative targeted campaigns and structured engagement programming. The comprehensive strategy further ensured systematic communication of cross-functional topics foundational to corporate reputation, including Sustainability and Corporate Social Responsibility (CSR) initiatives and facilitation of appropriate organizational policy adoption in IT and Cybersecurity domains.

Corporate & Product Communication

2025 constituted a significant milestone for FIS, characterized by a comprehensive pathway of organizational construction and strategic positioning, particularly evident in the communication domain.

Since May 2025, with the establishment of the Corporate and Product Communication function, we have begun a structured effort to strengthen the Company's identity, consolidate its positioning, and create coherent communication consistent with the role of Italian CDMO with a global presence.

In the first months, we concentrated on listening and internal analysis to understand F.I.S.'s culture, the distinctive features of the CDMO model, our competitive strengths, and the requirements of different business functions. This exercise confirmed the need to establish robust foundations for corporate and external communication that had previously lacked structured governance.

The first strategic project was the **Brand Refresh**. Starting from the logo FIS — a highly distinctive element — we developed a comprehensive system of new branding guidelines, defining the colour palette, tone of voice, key messages and rules of use.

Presented in July and finalised between September and December, this initiative enabled the Company to:

- development of enhanced corporate presentation materials;
- creation of coordinated communication assets across organizational functions;
- provision of customized area-specific presentations maintaining coherence with corporate identity standards;
- standardization of FIS's organizational image across all institutional communication channels.

The participation in CPHI Frankfurt in October 2025 provided the inaugural substantive validation of this repositioned communication framework. FIS presented itself with refined stylistic elements, comprehensive alignment with updated branding guidelines, and messaging strategically designed to amplify organizational image, technical compe-

tencies, and international operational significance. The brand refresh initiative achieved formal completion in December 2025, establishing the foundational platform for a more expansive communication strengthening trajectory.

Concurrently, we initiated a comprehensive **website redesign initiative**. The existing digital platform no longer satisfies contemporary communicative and digital standards demanded by the pharmaceutical marketplace. The redesigned platform anticipated for deployment in spring 2026 will facilitate:

- enhancement of FIS's digital organizational presence;
- amplification of LinkedIn-based communication strategies;
- more authoritative and transparent presentation of our organizational competencies and technological capabilities;
- optimization of user experience and content accessibility.

In the final quarter of 2025, the organization launched a dedicated initiative focused on **valorising and communicating FIS's technological capabilities**, designed to construct a compelling narrative framework highlighting organizational competencies and technical capacities. This initiative will achieve substantive implementation during 2026.

Overall, 2025 represented a foundational year: the organization established the structural and functional infrastructure enabling FIS to communicate with enhanced systematization, coherence, and distinctive positioning, thereby supporting international expansion and brand consolidation objectives.

Prospectively, 2026 objectives centre on transforming these foundational elements into increasingly sophisticated, digitally enabled communication strategies oriented toward global market positioning, maintaining alignment with organizational evolution and the dynamic pharmaceutical markets in which FIS operates.

Information Technology

During 2025, the IT function formalized the digital transformation plan to support the Group's strategic plan and growth ambitions. Continuing the pathway initiated in the previous year, the plan for implementing new business projects was further accelerated. Beyond the completion of the infrastructure and application solutions renewal program during 2025, numerous initiatives aimed at process efficiency were launched and executed. The IT function further refined governance rules for project portfolio management, defining the methodological approach and implementing tools to support demand and project management processes. With particular attention to safeguarding corporate information, the IT function continued and accelerated the cybersecurity plan.

Cybersecurity

The Company's attention to cyber security has further intensified, in response to the increasing complexity and frequency cyber-attacks are carried out against companies of national and international strategic importance and to the evolution of the regulatory framework.

The complexity of cybersecurity threats, made possible by the increasingly aggressive operations of organized international groups, makes it necessary to constantly adapt company defences and processes to safeguard IT assets, as a further element of protection of the Company's industrial know-how and market competitiveness.

A mature approach to cybersecurity is also essential to support the strategic development of the Company, which is characterized by increasing technological complexity.

F.I.S. has taken measures to contain these risks, drawing on best practices in governance systems and continuously monitoring the management of infrastructure and applications.

For these reasons, in 2025, further impetus was given to the development of F.I.S. cyber security, through:

- the maintenance of the UNI EN ISO 27001;
- a pervasive technological update program, with a reduction in obsolete systems that support business activities;
- the strengthening of *cyber safeguards* on the IT and OT infrastructure, including an *anti-ransomware* protection solution for backups;
- The strengthening of continuous 24/7 security monitoring services through the Security Operations Center (SOC);
- the enhancement of vulnerability and penetration tests;
- the strengthening of a cyber risk insurance policy;
- the execution of assessments for company sites to assess the robustness, reliability and resilience of the physical architecture of the IT and OT system;
- the conduct of annual *Disaster Recovery Tests*, both in the IT and OT fields;
- execution of a "tabletop" exercise with Executive Team specifically aimed to simulate the organization's response to different relevant threat scenarios - and to the management of cyber crises.
- conducting cyber awareness activities to reduce risks related to the "human factor", phishing simulation campaigns and basic cybersecurity training for personnel with key IT and OT roles;
- Deployment of Privileged Access Management (PAM) solution for enhanced centralized control of privileged access to critical IT systems.

Projects

During 2025, ERP upgrade developed in the previous year was finalized, realizing all the benefits envisaged by the project both on the technological side of Digital Evolution and user experience and on the compliance side. The project, which involved all company departments, made it possible to increase the security level of the operating systems and all the technological components of the ERP system.

The 2025 application roadmap continued System

Obsolescence Remediation initiatives, updating software and operating systems to current versions to maintain high security and operational management standards. Notable initiatives included modernization of the TIAMO laboratory system and the CRM platform supporting commercial functions.

In collaboration with the Supply Chain, Quality, and Operations areas, the development activity of JD Edwards functionalities continued to support, in an integrated manner with third-party systems, the movement of raw materials toward external storage warehouses, thereby enabling greater flexibility for the production facilities in managing storage space.

In the Health Safety and Environment (HSE) area, a management system for the digitization of Risk Assessment Documents (RAD) has been adopted in all plants, with continued advancement of the digitalization pathway through system functionalities.

Continuous collaboration with the DIT (Technological Innovation Department) has allowed F.I.S. to complete the Historian software development to transform industrial data into useful information for making informed decisions. Fully interfaced with JD Edwards, LIMS and DELTA V, Historian enables permanent and long-term monitoring of production data to optimize processes, improve quality, reduce costs and strengthen regulatory compliance. The adoption of the system is in progress. In collaboration with the Technology Innovation function (DIT), the DFORM system for production document digitalization was implemented, with adoption advancing through increasing template utilization across production operations.

In collaboration with the Quality function, an important preparatory and activation phase of the digitalization program for the function was conducted, with the adoption of a new technological platform that will enable further consolidation and

optimization of processes across the various sites. With the collaboration of the R&D laboratory, a digitalization program was implemented, prepared, and launched through the introduction of an Electronic Laboratory Notebook solution.

All project initiatives were introduced, shared and approved according to the new project approval and project governance process for project portfolio management.

Organization

During 2025, the function defined a new organizational model and corresponding operating model to enhance operational efficiency and sustainably support the technology evolution roadmap established in the IT strategy.

Internal Control System (ICS) & Internal Audit

F.I.S. prioritizes risk management and the strengthening of the Internal Control System (ICS), considered essential elements to ensure sustainable growth, financial solidity, and protection of corporate reputation. Starting from 2021, with the establishment of the Internal Audit function and its progressive strengthening, the Company initiated a structured pathway for consolidating the culture of control and governance.

Internal Control System

F.I.S.'s Internal Control System consists of an integrated set of protocols, procedures, organizational safeguards, and organizational structures designed to:

- ensure efficiency and effectiveness of business processes;
- protect corporate assets;
- ensure reliability and integrity of accounting and management information;
- compliance with laws, regulations and internal procedures;
- *business continuity* (BC).

The system is built on a comprehensive documentary framework coherent with applicable regulations including Policies, Guidelines, Standards of Business Conduct, Model 231, organizational charts, and operating procedures that define responsibilities, powers, delegations, decision-making flows, and internal controls.

Control Categories

F.I.S. implemented a structured, tiered control framework:

- line controls, performed by operational functions during daily activities;
- risk management controls, aimed at measuring and monitoring exposure to main business risks;
- compliance controls, designed to prevent regulatory violations;
- Internal Audit, an independent function dedicated to assessing the overall effectiveness of the ICS.

The system is subject to periodic updates to ensure it remains aligned with the organisation's evolution.

Enterprise Risk Management (ERM)

F.I.S. has developed a structured and recurring Enterprise Risk Management (ERM) process based on integrated risk mapping, qualitative assessment, and classification of principal business exposures. The Risk Catalogue has been updated in recent years, expanded to Environment, Social and Governance (ESG) aspects, and aligned with chemical-pharmaceutical industry standards.

During 2025, the annual review involved Risk Owners from all principal Company functions: the interviews and collected evidence enabled the updating of risk cards, the assessment of the adequacy of control measures, and the definition of new potential mitigation measures. Risks are represented through heat maps and classified by severity.

Each Risk Owner is responsible for managing risks pertaining to their area, while Internal Audit coordinates the process and promotes the Company's risk culture.

The Company has also adopted a tool that facilitates traceability of risk identification, assessment, and monitoring activities, introducing, among other things, specific indicators for Business Continuity.

CSRD Integration

Over the past two years, the pathway for alignment with the requirements of the Corporate Sustainability Reporting Directive (CSRD) has been initiated.

Accordingly, a revision of the ERM methodology was carried out to better support the identification and assessment of ESG risks, considering the requirements introduced by the Corporate Sustainability Reporting Directive (CSRD) in terms of assessment of impacts, opportunities, and analysis time horizons (short, medium, and long-term) through:

- possible identification of a list of potential ESG opportunities and definition of the related assessment scale, taking into account the Strategic Plan and the sector of reference;
- identification of a list of potential long-term ESG trends and risks, taking into account the Strategic Plan and the sector of reference.

Internal audit

The Internal Audit function, which reports functionally to the Board of Directors, performs independent assurance and consulting activities, with the objective of evaluating and improving the

effectiveness of internal control processes, risk management, and governance.

Internal Audit utilizes digital tools for integrated management of audit activities.

The activities include:

- definition of an annual audit plan that identifies processes subject to verification based on risk level (risk-based audit plan) and in consideration of the rotation principle;
- on-site and documentary verifications;
- assessment of existing control measures;
- identification of any anomalies or inefficiencies;
- preparation of Audit Reports shared with Management that highlight areas for improvement;
- monitoring of suggested and shared corrective actions (follow-up)

In 2025, audits were conducted on various operational areas with the involvement of processes relevant to the three production facilities.

The Internal Audit function also coordinates the activities of the Audit & Controls Committee (currently composed of CEO, Head of Internal Audit, Chief HR Officer, CFO, and General Counsel) to which it regularly presents the activities performed and those planned.

Integrated audit system

The production sites are regularly subjected to internal and external audits (by customers, regulatory authorities, and certification bodies) and operate in compliance with Good Manufacturing Practices (GMP) regularly verified through inspections by competent national and international authorities.

As confirmation of a structured approach to the management of operational, environmental, reputational, and digital risks, the Company has adopted an integrated management system that includes the following certifications:

- ISO 9001 (Quality);
- ISO 14001 (Environment);
- ISO 45001 (Occupational Health and Safety);
- ISO 22301 (Business Continuity);
- ISO/IEC 27001 (Information Security).

Compliance, Model 231 and Corruption Prevention

The Company has established a comprehensive system of administrative Policies and Procedures ensuring transparency, management correctness, and regulatory compliance. The system includes

the Organization, Management and Control Model pursuant to D.Lgs 231/2001 (Model 231), *Standard of Business Conduct*, Anti-Corruption Policy, *Whistleblowing* Process, Conflict of Interest Policy, and Antitrust Policy, constituting an integrated framework of rules and controls preventing legal and reputational risks.

The 231 Model delineates, with specificity, the sensitive activities and areas at risk of commission of predicate offences, establishing dedicated control protocols, organizational safeguards, and formalized information flows directed to the Supervisory Body (SB), with the objective of ensuring effective oversight of both the adequacy and the substantive implementation of the Model.

The members of the Supervisory Body:

- Fabio Sergi – Chairman and External Member
- Eng. Alberto Cotta Ramusino – External Member
- Dr. Maddalena Leon – F.I.S. Senior Internal Audit and Internal Member

The Company operates a corporate *whistleblowing* platform managing reports with full confidentiality, impartiality, and whistleblower protection, compliant with applicable regulations and internal procedures.

Also, The Company has implemented comprehensive training and awareness programs for all personnel, with specific modules for managers and employees exposed to Public Administration-related risks. These initiatives strengthen legality culture, control awareness, and ethical and compliance-aligned behaviours.

Business Continuity

Considering the increase in extreme climate events, geopolitical crises, and cyber-attacks, F.I.S. has further strengthened its Business Continuity Management (BCM) system, with the objective of:

- ensuring the continuity of critical activities;
- protecting assets and infrastructure;
- ensuring the regularity of deliveries;
- reducing the risk of penalties and operational interruptions.

The BCM system is developed according to the UNI EN ISO 22301:2019 standard and includes:

- *Business Continuity Management* Procedures;
- *Business Continuity Plan* (BCP) Activation Procedures;
- Department BCP Operating Procedures;
- *Risk Assessment and Business Impact Analysis* (BIA);
- establishment of the Crisis Committee, chaired by the CEO;
- identification and setup of Business Continuity Meeting Rooms at all sites;
- Company BCP quick guide.

In 2025, F.I.S. achieved ISO 22301 certification, confirming the solidity of its Business Continuity Management System. During the year, in addition to the planned system audit, a table-top exercise was conducted on multiple scenarios, including cyber-attack events, and the training program for personnel involved in BCPs continued.

The integration with the PRO ERM Tool introduced a specific indicator (BCP Impact) designed to systematically measure the resilience of business processes.

Financial management

During 2025, the Company maintained an average cash position exceeding €150 million, without considering the €80 million Revolving Credit Facility, which remained available and unused throughout the year.

Compared to previous years, the liquidity fluctuation resulting from working capital peaks, primarily linked to inventory growth typical of the first half, proved more linear throughout the fiscal year, precisely thanks to improved inventory management resulting from more precise production planning and procurement.

This situation therefore enabled an optimization process of the economic-financial conditions on cash holdings, as well as a process of defining short-term liquidity placements, in order to maximize returns, using instruments assimilable to liquidity (*cash deposits and money market funds*). In particular, the Company consistently maintained approximately 80% of liquid available funds invested in *cash equivalent* instruments, which generated interest income during the year.

No changes were made to the strategy adopted for foreign exchange risk hedging, which is based on prudence criteria and implemented, as provided for in the Company's policy, through a combination of multiple transactions entered into at different times throughout the year rather than a single transaction. This approach has ensured the Company with adequate hedging coverage that, once again, has enabled the achievement of performance superior to the average market performance.

From the perspective of process improvements, the Company consolidated short-term planning on a 13-week rolling basis, aimed at more accurate forecasting of cash flows and more efficient management of existing liquidity.

Finally, as extensively described in other sections of this Report, in order to adequately support its financial strategy and optimize its capital structure, the Company reviewed its financing sources. In particular, considering that a significant portion of the Company's existing debt was approaching its contractual maturity, the Company decided to proceed with the refinancing of such debt by resorting to senior secured bonds as the most suitable instrument for its objectives. This refinancing operation enabled the Company to extend the debt maturity profile and reduce its overall cost of financing.

On 5 February 2026, the Company issued senior secured bonds at fixed rate for an amount of €300 million maturing in 2031 with an interest rate of 5.250% per annum, as well as senior secured bonds at floating rate for an amount of €470 million maturing in 2031 with an interest rate equal to three-month EURIBOR plus 3.250% per annum.

The proceeds from the issuance of the bonds were used for the full repayment of the Company's bonds for an amount of €350 million at the rate of 5.625% maturing in 2027 and floating-rate bonds for an amount of €50 million maturing in 2027, including accrued and unpaid interest and related step-up premiums. Furthermore, the proceeds were used for the full repayment of the convertible bond issued by the Company for an amount of €53.1 million, with the residual allocated to general corporate purposes.

In conjunction with the issuance of the bonds, the amount of the existing revolving credit facility was increased from €80.0 million to €160.0 million, with maturity set at the earlier of (i) four years and nine months from the issuance date and (ii) three months before the maturity date of the bonds.

Economic and financial performance for the year

Reclassified profit and loss statement - €'000	2025	2024
Production revenues	878,926	812,115
Cost of Sales*	(628,343)	(602,343)
Gross profit	250,583	209,772
Marketing and selling expenses*	(10,788)	(9,737)
Administrative expenses*	(56,061)	(53,069)
Research and development costs*	(3,792)	(2,579)
Other operating income	773	1,266
EBITDA [pre-non-underlying charges]	180,715	145,653
Non-underlying charges	(34,652)	(45,094)
EBITDA [Post non-underlying charges]	146,063	100,559
Depreciation and amortisation	(30,513)	(26,270)
EBIT [operating profit]	115,550	74,289
Net financial charges	(31,718)	(33,828)
Fair value gains on revaluation of derivatives	15,527	3,970
Other gains and losses	5,386	3,536
Pre-tax profit	104,745	47,967
Income taxes	(27,062)	(20,822)
PROFIT FOR THE YEAR	77,683	27,145

* These amounts are shown net of amortisation/depreciation.

The revenues overall performance continues to show a trend of constant growth, both thanks to the development of product sales and the increase in sales of Research and Development services.

The combination of the two aforementioned variables showed a growth of about 8% compared to the previous financial year, while overall sales, including items not strictly related to products and services, grew by approximately €66,8 million, in line with the growth recorded during 2024 (+68 million, equal to + 9%), which is in addition to what the Company expressed in the previous 2 years (+9% in 2023 +20% in 2022).

The extremely positive performance in 2025 is the result of the continuous development of the top line, mainly due to the development of the portfolio of new molecules and the management of the existing product portfolio.

The *Custom* division (+14%) continues to be the growth driver 2025, while for *Established* division the portfolio optimization process continued, with a further strong increase in margins.

Revenues from the sale of R&D services, aimed at both the optimization of synthesis processes and large-scale production, increased compared to the previous year, for approximately €22.7 million, with a growth of approximately 6% compared to the previous year. At the date of preparation of this financial statement, the pipeline presents a significant number of projects, supporting the further business development expected in the coming years.

The trend in the cost of goods sold shows an increase of about €29 million (+5% compared to the previous fiscal year), not proportional to the growth in revenues. This trend is the result of numerous factors, both internal and external. While it is true that some cost of sales factors have recorded trends in line with the previous year or slightly deflationary, on the other hand the process carried out by the Company to increase purchasing and sourcing costs efficiency, together with a constantly improving product portfolio, has contributed to a progressive increase in margins.

This latter factor is fundamental to the Company's growth pathway: the sector in which the Company operates is physiologically exposed to life cycles linked to patent protection of its customers' products; the capacity demonstrated by F.I.S. to constantly renew its product and customer portfolio serves to consolidate growth objectives in terms of revenue and profitability for the years to come.

The result is a significant increase in the gross margin, which grew by about €41 million (+20%).

Reported EBITDA and EBIT were influenced by non-recurring items or items not related to normal operations, as fully described in the Explanatory Notes to the Financial Statements. These non-recurring items are nonetheless in progressive decline, as the processes and transformation projects initiated following Bain Capital's entry as shareholder of the Company are progressively being completed, with results that are evident in economic and financial terms. *Adjusted* EBITDA, net of the above-mentioned non-recurring items, amounted to €180.7 million, an increase of approximately €35 million (+24%), reflecting the Company's growing performance in recent years.

Depreciation has been calculated in continuity with the model adopted in the previous year, when the useful lives of fixed assets were redefined and extended, in order to make the depreciation process coherent with the duration of the useful life itself.

Net financial expenses include interest on loans and financing, which represent interest on financial liabilities held at amortised cost, as well as charges relating to factoring. Financial income mainly includes interest income deriving from the use of liquidity on cash equivalent instruments (time deposit and money market fund).

During the year, the Company also adjusted the fair value of the embedded derivative in the outstanding bond loan as of 31 December 2025.

From a tax burden point of view, the Company has capitalized what is established by the law in terms of super and hyper-amortisation for relevant projects in the Industry 4.0 context.

Reclassified balance sheet - €'000	2025	2024
Net working capital	119,876	183,985
Tangible fixed assets	457,291	370,210
Intangible fixed assets	36,748	34,871
RoU assets	13,338	13,663
Financial fixed assets	23,633	8,106
Other non-current assets	19,714	39,403
Provisions and other non-current payables	(9,337)	(14,952)
Net invested capital	661,263	635,286
Net short-term financial position (debt)	(181,940)	(137,318)
Net medium to long-term financial position	407,850	414,386
Convertible bonds	52,482	52,806
Net equity	382,871	305,412
Sources of funds	661,263	635,286
Sources of funds	661,263	635,286

Net invested capital shows a slight increase compared to the previous financial year (+€26 million), the main driver is linked to the increase in the value of tangible assets, resulting the increased value of the investments, which amounted in the fiscal year to approximately €109 million, in support of the Company's growth plan as defined in the 5-year Strategic Plan. This increase has offset the further decrease in net working capital, which decreased from €184 million to €120 million. This decrease was driven by significant optimization in the management of inventory levels, resulting from an improved production planning process and raw material procurement, as well as a decrease in unit costs of raw materials themselves, resulting from the aforementioned optimization process in procurement costs.

Current net financial indebtedness was positively influenced by cash and cash equivalents at the end of the financial year, amounting to approximately €203 million, compared to €158 million at the end of 2024, as a result of a positive cash flow for the financial year which, together with a positive impact on working capital, allowed the Company to allocate approximately €109 million in investments and increase cash and cash equiva-

lents at the end of the year by approximately €45 million, having also paid the financial flow deriving from interest on outstanding financial instruments. This item also includes €10 million of a short-term financing facility with a local credit institution.

The non-current net financial indebtedness includes, €350 million of senior secured notes and the €50 million of private tap. As previously described in details, this structure was refinanced in February 2026.

The convertible bonds were issued by the Company in 2019. The decrease of €0.3 million at 31 December 2025 compared to 31 December 2024 is attributable to the net interest paid during the year, due to the application of the amortized cost method.

The sources of financing had a medium/long-term horizon, with €400 million in notes maturing in August 2027, and with a committed RCF line until February 2027; a horizon that has been extended to 2031 with the refinancing process completed in February 2026. Relations with the main banking institutions are maintained and indeed remain particularly important, but they are focused on

more operational management, on working capital dynamics and on short-term liquidity management, rather than on activities of a financial nature.

Net Financial Indebtedness is a measure used by management to assess the financial position and liquidity of the business. Unlike in 2024 the Com-

pany now includes convertible loan notes in Net Financial Indebtedness as, subsequent to the financial year-end date, and in conjunction with the closing of the refinancing process, such convertible bonds were repaid.

Net financial position - €'000	2025	2024
Cash and cash equivalents	203,022	157,899
A. Liquidity	203,022	157,899
Current loans and borrowings*	(18,640)	(17,893)
Current lease liabilities	(2,442)	(2,689)
B. Current financial indebtedness	(21,082)	(20,582)
Non-current loans and borrowings**	(400,800)	(410,013)
Non-current convertible loan notes***	(53,545)	-
Non-current lease liabilities	(11,387)	(11,225)
C. Non-current financial indebtedness	(465,732)	(421,238)
D. Net Financial Position (A+B+C)	(283,792)	(283,921)

(*) Current loans and borrowings include € 8,203 thousand in accrued interest in relation to Senior Secured instruments as of December 31, 2025 (€8,203 thousand as of December 31, 2024).

(**) Senior Secured instruments' nominal amounts and related penalty fee. In F.I.S.' IFRS Financial Statements the instruments are measured at amortized cost, classified in non-current loans and borrowings amounting to € 395,664 thousand as of December 31, 2025 (€ 393,148 thousand as of December 31, 2024). Please refer to note 22 "Financial liabilities".

(***) Convertible loan notes' nominal amounts. In F.I.S.' IFRS Financial Statements the instruments are measured at amortized cost, classified in non-current Convertible loan notes amounting to € 52,482 thousand as of December 31, 2025. Non-current Convertible Loan notes include € 445 thousand in accrued interest as of December 31, 2025. Please refer to note 23 "Convertible loan note".

	2025	2024
Net Financial Position (NFP)*/Adjusted EBITDA	1.57	1.95
Net Financial Position (NFP)*/Reported EBITDA	1.94	2.82

(*) Net financial indebtedness calculated considering the nominal amounts of senior secured instruments.

Reclassified cash flow - €'000	2025	2024
Opening net financial debt	(277,068)	(293,731)
Operating cash flow	141,496	102,850
Changes in working capital	60,573	8.920
Changes in net investments	(115,216)	(60,547)
Changes in financing activities	(34,935)	(34,210)
Total changes	51,918	17,013
Effect of foreign exchange rate changes	(760)	(350)
Closing net financial debt	(225,910)	(277,068)

The operating cash flow generated cash inflows of approximately €141 million, an increase of approximately €38 million compared to the previous year.

Despite the release of the advance payment received from a top tier customer during 2024, the Company was able to manage working capital, which generated approximately €61 million, despite an increasing need linked to the increase in business volumes. This, together with the generation of operating cash flow, made it possible to manage approximately €115 million of cash CapEx, as well as the coverage deriving from the payment of interest and financial charges, and further improving the final net financial indebtedness, which amounted to approximately €226 million at the end of 2025.

Outlook

2026 will certainly be a year dedicated to the completion of transformation activities and projects, aimed at supporting F.I.S. in its growth path both from an economic-financial and a management point of view, thus laying the foundations for a further and accelerated development phase in the coming years, as hypothesized in the Strategic Plan.

The management team will therefore be summoned to guide the Company in this fundamental phase of transformation, while remaining focused on the day-to-day management of the business.

From the perspective of risk management governance, which is discussed in the following sections, the Company will continue along the path already initiated for managing “cyber risks” through activities aimed at strengthening and continuously updating defence systems, as well as providing continuous training to all personnel, who represent the first and most important “firewall” for the prevention of such risks.

The Company’s procurement de-risking initiatives, both implemented and ongoing, are designed to reduce the risk of supply-chain inefficiencies and to support ongoing cost and payment-term optimisation. Such initiatives have increased significance amid renewed geopolitical tensions in the Middle East.

In order to guarantee production continuity for itself and its customers, even in the face of ongoing geopolitical stress, the Company has also defined for 2026, with some of its customers, the decision to build safety stocks of raw and intermediate materials, largely financed by the customers themselves. In this way, it is possible to mitigate the risk of shortages in supplies, while at the same time reducing the financial impact for the Company.

A focus dedicated to the development of the top line, with underlying sustainable growth also from a financial point of view and balanced from the point of view of mix and diversification in terms of customers, products and therapeutic areas will

certainly be given by the transformation projects in the field of commercial development.

Supporting the development of the product top line will be the R&D project activity, which already has a significant project pipeline at the beginning of the year, as well as the launch of some fundamental projects for the development of new technologies and new skills.

2026 will also be a year dedicated to the finalization of strategically important processes and tools, aimed at greater transparency of company data, to support a decision-making process based on objective and shared data. To this end, the development of adequate Data Governance processes and systems will also be fundamental, also including Generative AI models.

All the projects and activities mentioned in the previous paragraphs have a continuous investment in the development of FIS people as a common and essential element; and in this sense, in 2026 we will see the outcomes of fundamental activities developed in the Human Resources area, but pervasive throughout the Company, aimed at enhancing human capital, one of the founding values of FIS, grounded in the pillars of the FIS Identity.

FIS’ attention to ESG issues remains strong, with dedicated activities and investments.

Finally, also during 2026, the Company’s efforts will be aimed, as anticipated, at guaranteeing sustainable growth also from the point of view of economic and financial results, with particular attention on developing a balanced portfolio mix to sustain long-term profitability growth, as well as on cash generation and working capital management, which are essential drivers for achieving results that support the Company’s expansion.

Main risks

Information on the main risks to which the Company is exposed

The risk in the custom manufacturing sector is linked to the risks of our customers, where the progress of clinical trials of a new drug affects the needs for API (Active Pharmaceutical Ingredients). Sometimes, however, a change in top management leads to a consequent change in outsourcing strategies, which affects the so-called CMO (Custom Manufacturing Organizations) companies, such as F.I.S.

The strategy therefore consists of cultivating a dynamic portfolio of new projects to be consolidated into products within the clinical-pharmaceutical development of our clients.

And, in this regard, the generic sector is recognized as a stabilizing element to be closely monitored, with particular emphasis on new products and the most profitable niche productions.

To avoid the risk that strict Italian patent regulations prevent the development of an expansion of the line of generics, F.I.S. is continuing its long-standing collaboration with partner companies in territories where these patents have already expired, thus allowing the production and sale of APIs for the launch phase of new generic products. When these patents expire in Italy as well, F.I.S. will be able to take over as second supplier, or main supplier, depending on market demand and the necessary production capacity. In any case, maintaining and continuing the development of a portfolio of new generic APIs is fundamental for the success of this strategic sector for F.I.S.

As already repeatedly noted, subsequent to the financial year-end date, the geopolitical situation in the Middle East has led to the materialization of a risk of emerging inflationary pressure, not only in the costs of certain raw materials and solvents related transportation costs, but also in a trend that has not been experienced for years in the costs of supplying energy factors, such as electricity

and natural gas. In this context, the Company's ability to maintain and consolidate the process of passthrough of these extra costs to customers becomes fundamental, mitigating, in whole or in part, the impact on its products' profitability, as well as to continue with hedging activities on the procurement price of electricity and natural gas.

Cyber risk

In the current context, characterized by increasing digitalization of business processes, cybersecurity-related risks represent a relevant element to be considered in the management of the financial statements. Such risks include, among others, cyber-attacks, data breaches, operational disruptions and potential economic-financial losses, as well as reputational damage.

Such threats, if realised, may have an adverse impact on the Company's going-concern assumption and on the correct representation of its financial position and results. The Company mitigates these risks through measures such as deployment of advanced cybersecurity controls, regular IT infrastructure maintenance, digital-security training for staff and established incident-management and response protocols.

Furthermore, the Company continuously monitors its risk profile and strengthens internal controls, also through periodic audits and compliance with applicable data protection regulations.

Climate risk

Climate changes' effects expose the Company to a range of risks, particularly:

- Transition risks, including the adoption of new regulatory requirements, could lead to further adjustment of our investments in technologies aimed at reducing energy, water consumption and greenhouse gas emissions and/or result in an increase in our direct operating costs or be transferred through the impact on our supply chain.

- Physical risks, such as heat, water scarcity, rising sea levels and flooding caused by extreme weather events, are having an ever-increasing impact in different countries. Furthermore, the increase in the frequency and severity of extreme weather conditions and natural disasters could cause material damage and interruptions to our production operations and distribution channels or to the operations of our suppliers. The company's facilities, however, are not particularly exposed to risk, as they are not located in coastal areas exposed to the risk of rising sea levels and the surrounding areas are not subject to particular risks of flooding.

Although the chance of occurrence of such extreme events is limited, the Company carried out an analysis of possible impact scenarios on its Business Continuity (BC) model; details of these analyses can be found in the dedicated section of the Management Report.

Information on financial risk factors

In accordance with the provisions of Article 2428, paragraph II, no. 6-bis, of the Italian Civil Code, it is specified that the main risks identified and managed by F.I.S. are related to its operations and in particular:

- market risk:** (mainly interest rate risk): derives from exposure to fluctuations in interest rates;
- credit risk:** highlights the possibility of default of a counterparty or any deterioration in the assigned creditworthiness;
- liquidity risks:** express the possibility that the available financial resources may be insufficient to meet their payment commitments;
- Foreign Exchange Risk:** Identifies the risk associated with foreign currency commercial transactions;

F.I.S. constantly monitors the financial risks to which it is exposed, in order to assess the potential negative effects well in advance and take the consequent corrective actions.

The main financial instruments used by F.I.S. include senior secured bonds at both fixed and variable rates, issued after the financial year-end, aimed at reducing the cost of debt while extending the debt maturity to 2031. Concurrently with this issuance, the Company also obtained an upsize of the existing revolving credit facility, thereby providing F.I.S. with additional cash flexibility to manage normal working capital dynamics. In addition to what has just been described, the Company obviously holds a demand and short-term bank deposits. These instruments have the main objective of financing the company's operational

activities. F.I.S. also has the possibility to activate and access other financial instruments, leveraging trade payables and receivables deriving from operating activities. Finally, it should be noted that the Company has implemented a liquidity management procedure which, among other things, sets out guidelines for the investment of excess liquidity in "cash equivalent" instruments (money market funds, time deposits), in order to optimize its utilization.

Interest rate risk

Interest rate risk identifies the unexpected change in the future trend of interest rates, which could lead to higher financial costs for the company.

As of December 31, 2025, the financial debts outstanding, consisting of short-term advances, medium-term bank financing at variable rates and a high-yield sustainability-linked bond, only partially exposed F.I.S. to the risk that potential future increases in reference rates could significantly increase financial expenses. The new issuance of February 2026, having a significant portion at variable rate (€470 million out of a total of €770 million), could increase interest rate risk; to minimize such risk, the Company, as of the date of approval of this financial statement, has implemented a partial hedge relating to the variable rate instrument, thereby reducing on one hand the risk of interest rate fluctuations, while maintaining on the other hand a certain flexibility of the instrument.

The transactions currently in place and their effects are detailed in the Notes to the Financial Statements.

Credit risk

As far as trade receivables are concerned, F.I.S. does not present areas of risk of particular importance, since the customers are mainly made up of multinationals in the pharmaceutical sector, of high standing and, consequently, with low risk of insolvency. In previous years, the value of uncollected receivables is insignificant compared to the volume of turnover generated. It should be noted that, concurrently with the implementation of a new factoring facility at the end of 2023, the Company activated credit insurance, which covers approximately 98% of F.I.S.'s annual turnover, as evidence of the solidity and reliability of the customer portfolio.

Liquidity risk

The objective of F.I.S. is to maintain a balance between the certainty of having the necessary liquidity and flexibility, through the use of bank

loans and other forms of financial funding. The main factors influencing FIS's liquidity situation are the resources generated or absorbed by operating and investment activities, the credit capacity and the maturity and renewal characteristics of financial debt.

With reference to ordinary activities, F.I.S. adopts a series of policies and processes aimed at optimizing the management of financial resources:

- maintaining an adequate level of available liquidity;
- diversification of tools for finding financial needs;
- obtaining adequate short-term credit lines and medium-term financing from the banking system;
- monitoring of prospective liquidity conditions, in relation to the business planning process;
- Investment of excess liquidity in "cash equivalent" instruments, such as money market funds and time deposits.

Exchange rate risk

To mitigate foreign exchange risk arising from operations in foreign currency, the Company adopts a hedging policy during the year based on the analysis of positive and negative currency exposures as well as currency holdings. In particular, the management of foreign exchange risk occurs through the coordination of inflows and outflows in the same currency and through foreign currency trading operations with the objective of mitigating the effects arising from fluctuations in exchange rates.

Control reports

F.I.S. Fabbrica Italiana Sintetici S.p.A. is controlled by Molecole (BC) Bidco S.p.A., based in Milan (Italy), which holds 100% of the Company's share capital.

F.I.S. Fabbrica Italiana Sintetici S.p.A. is subject to the management and coordination of its indirect parent company Molecole (BC) Holdco S.p.A., which, at the date of approval of these financial statements, had filed its financial statements for the year 2024 as set out in section 1.2 Control relationships in the Explanatory Notes to the Financial Statements.

Transactions with the parent company and other companies in the parent company's group are described in detail in the Explanatory Notes to the Financial Statements in the section "Transactions with Related Parties".

Own Shares

The Company does not hold its own shares, nor has it carried out transactions involving them, either directly or through trust companies or intermediaries.

Secondary locations

The company carries out its activities not only at its main headquarters in Montecchio Maggiore (VI), Viale Milano 26, but also at its secondary offices in Termoli (CB), Via Massimo D'Antona 13, and in Lonigo (VI), Via Dovaro.

Montecchio Maggiore – March 24th, 2026

Chairman of the Board of Directors
Daniele Piergentili



Financial Statements as at 31 December 2025



Statement of profit or loss and other comprehensive income
For the year ended 31 december 2025

€	Note	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	5	878,926,339	812,114,920
Cost of sales	7	(653,842,229)	(624,710,970)
Gross profit		225,084,110	187,403,951
Marketing and selling expenses	7	(10,831,956)	(9,790,693)
Administrative expenses	7	(60,147,832)	(56,340,507)
Research and development costs	7	(4,674,872)	(3,156,196)
Other operating income	9	773,208	1,265,956
Other operating expenses (including non-underlying charges)	10	(34,652,499)	(45,094,276)
Other gains and losses	11	20,912,625	7,506,499
Finance income		3,663,088	2,125,605
Finance costs	12	(35,381,269)	(35,953,412)
Profit / (Loss) before tax		104,744,603	47,966,926
Income tax (Expense)/benefit	13	(27,061,633)	(20,822,173)
Profit / (Loss) for the year		77,682,970	27,144,753
Other comprehensive income / (expense)			
Items that are or may be reclassified subsequently to profit or loss			
Change in the fair value of cash flow hedge derivatives		(382,014)	-
Related tax effect		91,683	-
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		87,610	(49,513)
Related tax effect		(21,027)	11,883
Other comprehensive income for the year net of tax		(223,748)	(37,630)
Total comprehensive income/(loss)		77,459,222	27,107,123

Statement of financial position as at 31 december 2025

€	Note	31 December 2025	31 December 2024
Non-current assets			
Goodwill	14	14,812,123	14,812,123
Other intangible assets	14	21,936,256	20,058,943
Property, plant and equipment	15	457,290,611	370,210,198
Right-of-use assets	16	13,338,294	13,663,354
Investments	17	1,989,422	1,989,422
Derivative financial assets	30	21,644,217	6,116,763
Deferred tax asset	18	18,111,238	35,065,017
Trade and other receivables	20	1,603,397	4,337,774
Total non-current assets		550,725,558	466,253,594
Current assets			
Inventories	19	323,283,858	365,213,366
Trade and other receivables	20	84,712,891	97,321,469
Contract assets		1,294,221	1,395,519
Cash and cash equivalents	21	203,022,150	157,899,266
Total current assets		612,313,120	621,829,620
Total assets		1,163,038,678	1,088,083,214

Statement of financial position as at 31 december 2025

€	Note	31 dicembre 2025	31 dicembre 2024
Equity and liabilities			
Share capital	29	10,000,000	10,000,000
Revaluation reserve	29	94,800,620	94,800,620
Other reserves	29	56,509,042	56,732,789
Retained earnings		221,560,942	143,877,973
Total equity		382,870,604	305,411,382
Non-current liabilities			
Borrowings	22	396,464,095	403,161,217
Convertible loan notes	23	52,482,391	52,805,546
Retirement benefit obligations	24	4,061,540	4,450,400
Lease liabilities	25	11,387,091	11,224,974
Provisions	26	5,079,659	10,246,962
Other non-current liabilities	27	195,249	254,900
Total non-current liabilities		469,670,025	482,143,999
Current liabilities			
Trade and other payables	27	250,416,720	204,188,754
Lease liabilities	25	2,442,331	2,689,287
Borrowings	22	18,640,455	17,892,641
Derivative financial instruments	30	382,014	-
Contract liabilities	28	37,935,969	74,958,927
Tax payable		680,560	798,224
Total current liabilities		310,498,049	300,527,833
Total liabilities		780,168,074	782,671,832
Total equity and liabilities		1,163,038,678	1,088,083,214

Statement of changes in equity for the year ended 31 december 2025

€	Share Capital	Revaluation reserve	Other reserves	Retained Earnings	Totale
Balance at 1 January 2024	10,000,000	94,800,620	56,770,419	116,733,220	278,304,259
Profit / (Loss) for the year	-	-	-	27,144,753	27,144,753
Other comprehensive income for the year	-	-	(37,630)	-	(37,630)
Total comprehensive income for the year	-	-	(37,630)	27,144,753	27,107,123
Balance at 31 December 2024	10,000,000	94,800,620	56,732,789	143,877,973	305,411,382
Profit for the year	-	-	-	77,682,970	77,682,970
Other comprehensive income for the year	-	-	(223,748)	-	(223,748)
Total comprehensive income for the year	-	-	(223,748)	77,682,970	77,459,222
Balance at 31 December 2025	10,000,000	94,800,620	56,509,041	221,560,943	382,870,604

Statement of cash flows for the period ended 31 december 2025

€	Note	1 January - 31 December 2025	1 January - 31 December 2024
Profit / (Loss) for the year		77,682,970	27,144,753
Adjustments for:			
Finance (income) / cost		31,718,182	33,827,807
Income tax expense / (benefit)		27,061,633	20,822,173
Depreciation and amortisation		26,238,850	23,488,293
Depreciation of right-of-use assets		4,274,018	2,789,561
Loss / (Gain) on disposal of property, plant and equipment		19,091	(172,675)
Inventory write-off / (release)		1,841,626	7,696,700
Provisions for inventory disposal obligations / (release)		353,642	(423,382)
Other provision / (release)		(1,704,311)	2,551,074

Impairment of trade receivable		347,491	-
Other gains and losses		(14,767,917)	(3,619,739)
Provision for retirement benefit obligations		100,383	154,868
Operating cash flows before movements in working capital		153,165,658	114,259,433
Decrease/(increase) in Inventories	19	40,087,882	(23,872,806)
Decrease/(increase) in Trade and Other receivables	20	15,424,824	44,907,333
Increase/(decrease) in Trade and Other payables	27	41,982,131	(3,796,106)
Decrease/(increase) in Contract Assets		101,297	(677,918)
Increase/(decrease) in Contract Liabilities	28	(37,022,957)	(7,640,352)
Cash generated by operations		213,738,835	123,179,584
Retirement benefits paid	24	(422,659)	(401,275)
Interest collected		3,663,087	2,125,605
Taxes paid		(10,193,647)	(982,567)
Net cash from operating activities		206,785,616	123,921,346
Investing activities			
Purchases of property, plant and equipment	15	(109,400,882)	(54,554,963)
Acquisition of intangible assets	14	(5,863,123)	(6,417,303)
Proceeds from disposal of property, plant and equipment	15	48,339	425,374
Net cash (used in)/from investing activities		(115,215,666)	(60,546,892)
Financing activities			
Dividends paid		-	-
Interest paid		(31,314,363)	(32,038,662)
Repayments of loans and borrowings		-	-
Repayment of lease liabilities	22	(4,801,107)	(3,116,290)
Proceeds from loans and borrowings	22	8,933	10,030,690
Net increase (decrease) in other borrowings	22	(9,580,992)	930,025
Proceeds from capital contribution	29	-	-
Net cash (used in)/from financing activities		(45,687,529)	(24,194,237)
Net increase/(decrease) in cash and cash equivalents		45,882,421	39,180,218
Cash and cash equivalents at beginning of year		157,899,266	119,068,884
Effect of foreign exchange rate changes		(759,537)	(349,836)
Cash and cash equivalents at end of year		203,022,150	157,899,266

Notes to the Financial Statements



1. General Information

F.I.S. – Fabbrica Italiana Sintetici S.p.A. is an Italian company specializing in the development of chemical products and has been operating internationally since its founding in 1957. With almost 70 years of experience, since its pioneering beginnings F.I.S. has always been able to thrive into the market and industrial segment with strategic insights and continuous innovative choices of progressive development, which have enabled it to achieve a leading position in the industry.

The Company's core business is divided between:

- **Custom manufacturing synthesis**, including the exclusive production of intermediates and APIs in all stages of development and commercial production of patent-protected pharmaceuticals (both human and animal health);
- the **established market**, namely the exclusive production of intermediates and active pharmaceutical ingredients (APIs) for patent-expired drugs, represented by a portfolio of generic active pharmaceutical ingredients (APIs) encompassing various therapeutic classes, including anxiolytics, tranquilizers (controlled substances), antibacterials, anticonvulsants, anti-inflammatory agents and others.

With the support of approximately 250 R&D experts, F.I.S. can provide a series of integrated services that range from the optimization of the synthetic process and scale-up to large-scale commercial production.

The Company is a wholly owned subsidiary of Molecole (BC) Bidco S.p.A and is indirectly owned by Molecole (BC) Holdco S.p.A., which prepares consolidated financial statements. F.I.S.' ultimate

controlling party is the fund managed by Bain Capital Holding LP.

F.I.S. holds 100% of the equity shares of F.I.S. North America Inc. and F.I.S. Japan KK. However, F.I.S. has not prepared consolidated financial statements due to the immaterial impact of these two subsidiaries on the Company's statement of financial position and statement of profit or loss and other comprehensive income.

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term "IFRS" also encompasses all the International Accounting Standards ("IAS") and all interpretations published by the International Financial Reporting Interpretations Committee ("IFRIC"), the former Standing Interpretations Committee ("SIC").

F.I.S. adopted IFRS on 1 January 2022. The accounting policies applied in these financial statements are consistent and comparable with the previous financial year.

The figures included in the financial statements are expressed in Euro (€), which is the currency of the primary economic environment where the Company operates, while the figures reported in the notes to the financial statements are rounded to the nearest thousands of Euro (€'000).

1.1 Name and registered office of the company that prepare consolidated financial statements of the largest and smallest group of companies which F.I.S. is part of

Name

Molecole (BC) Holdco S.p.A.

City (if in Italy) or foreign country
Tax code (for Italian companies)
Place of filing of consolidated financial statements

Milan (Italy)
12882870962
Italy

1.2 Membership of a group

On 12 December 2023, Molecule (BC) Bidco S.p.A., a wholly owned subsidiary of Molecule (BC) Holdco S.p.A. obtained control of the Company through the acquisition of shares from Nine Trees Group S.p.A. As at the issuance date of these financial statements, Molecule (BC) Bidco S.p.A. does not have a set of consolidated financial statements approved by its directors. The non-preparation of the consolidated financial statements is in accordance with IFRS 10:4, which states that an entity is exempt if its ultimate parent produces financial statements that are available for public use and comply with IFRS, in which subsidiaries are consolidated or are measured at fair value through profit

or loss in accordance with the same IFRS.

The consolidated financial statements are prepared by the parent company Molecule (BC) HoldCo S.p.A. with registered office located at Via Vittor Pisani, 20, Milano.

As required by article 2497-bis of the Italian Civil Code, a table with the key figures from Molecule (BC) Holdco S.p.A.'s most recently approved financial statements is included. Molecule (BC) Holdco S.p.A. carries out management and coordination activities. The numbers included are presented in Euro (€), which is the currency of the primary economic environment where the Company operates and are rounded to the nearest thousands of Euro (€'000).

Balance Sheet	31 December 2024	31 December 2023
Investments	607,547	607,547
Total fixed asset	607,547	607,547
Trade and other receivables	5,738	19
Cash and bank balances	2,354	1,255
Total current assets	8,092	1,274
Accruals and deferrals	107	-
Total assets	615,747	608,821
Share capital	61,114	60,926
Reserves	549,576	547,887
Retained earnings/(accumulated losses)	(58)	(58)
Profit / (loss) of the year	(607)	-
Total net equity	610,025	608,755
Payables	5,721	66
Total payables	5,721	66
Total liabilities	615,747	608,821

Profit and loss	31 December 2024	31 December 2023
Production cost	819	77
Difference between production revenues and production costs (A-B)	(819)	(77)
Other Finance income / cost	30	2
Total Finance Costs	(3)	-
Profit / (Loss) before tax	(792)	(76)
Total income tax	185	(18)
Profit / (loss) of the year	(607)	(58)

2. Adoption of new and revised standards

2.1 New and amended ifrs accounting standards that are effective for the current year

In the current year, the Company has applied the following amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for the accounting period that begins on or after 1 January 2025.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of this amendment did not have any impact on the Company's Financial Statements.

2.2 New and revised IFRS accounting standards endorsed by eu but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the

following new and revised IFRS Accounting Standards that have been issued but are not yet effective. The directors will apply the standards starting from their effective date, without early application:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Effective from 1 January 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	Effective from 1 January 2026
Annual Improvements - Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Effective from 1 January 2026

The Company does not expect any significant impacts from the application of the new standards and amendments.

2.3 New and revised IFRS accounting standards issued but not yet approved by EU

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, because they are still pending EU approval. The directors will apply these standards as they become effective, without early application:

IFRS 18 Presentation and Disclosure in Financial Statements	<i>Replacement of IAS 1</i>	Effective from 1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	<i>Issue of a new standard</i>	Effective from 1 January 2027
Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21	<i>Amendments to IAS 21</i>	Effective from 1 January 2027

The Company is currently assessing any potential impacts of the introduction of new standards and amendments.

3. Accounting policies

3.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) and they include the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the notes to the financial statements. The Company presents its statement of profit or loss and other comprehensive income using a classification method based on the function of expense, as it provides relevant information to its investors.

The Company reports current and non-current assets and liabilities as separate classifications in its financial statements. Current items are those expected to be realised within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Company.

The Company presents the Statement of cash flows using the “indirect method”, as permitted by IAS 7 — *Statement of Cash Flows* (“IAS 7”), and presents cash flows by operating, investing and financing activities.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if also market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Further details on the accounting policies adopted are set out below.

3.2 Going concern

The Company made a profit for the year ended 31 December 2025 of €77.5 million (for the year ended 31 December 2024 a profit of €27.1 million). The net cash flows generated from / (used in) operating, investing and financing activities, for

the year were €207 million, (€115) million and (€45) million, respectively (€124 million, (€61) million and €(24) million for year ended 31 December 2024). The Company's ratio of current assets to current liabilities is 1.97:1 indicating a strong balance sheet position. In addition, the Company has €80 million of unused committed and €13 million of unused uncommitted lines of credit.

Considering the above factors, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Goodwill

Goodwill on the statement of financial position represents the excess of the sum of the consideration paid over the acquisition date amounts of the identifiable assets acquired and liabilities assumed from the Company's business acquisitions in 2016 and 2017.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.4 Revenue recognition

The Company recognises revenue from the following material streams:

- Custom – Production and sale of custom synthesis, or the exclusive production of intermediates, advanced intermediates and main active ingredients for pharmaceutical companies that own the patents;

- Generic – Production and sale of generic active ingredients such as tranquilisers, anxiolytics, antibacterials, anticonvulsants, anti-inflammatories, diuretics, analgesics and cardiovascular drugs to pharma companies. This includes products which are not patented or where the patent period is complete;
- Vet – Production and sale of APIs for the veterinary market, be that for generic or custom products;
- Research and development (R&D) – Provision of research and development activities to its customers.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue from the sale of custom, generic and veterinary products at a point in time when it transfers control of a product or service to a customer which typically coincides with dispatch of products to the customer.

Revenue relating to the provision of R&D services is recognised over time corresponding to the service provided to the customer based on the hours incurred by R&D employees in provision of such services multiplied by the hourly rate agreed with each customer.

3.5 Leases

(i) The company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, other than short-term leases that have a lease term of 12 months or less, and leases of low-value assets with a purchase price under €5,000. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company has not recognised any adjustments to be made to the value of these right-of-use asset during the reported periods.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any

initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient in relation to vehicles.

3.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.7 Government grants

F.I.S. receives government grants in relation to its investments in eligible assets, costs incurred for research and development activities as well as use of certain utilities, specifically to compensate the impacts of energy crisis in the recent years. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct, or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable and they are presented net off the initial charges.

3.8 Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equiv-

alent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans relate to the Italian employee service indemnity (TFR) and the integration provided to Lonigo employees. The amount of TFR to which each employee is entitled must be paid when the employee leaves the Company and is calculated based on the period of employment and the taxable earnings of each employee. Under certain conditions the entitlement may be partially advanced to an employee during their working life.

The legislation regarding this scheme was amended by Law 296 of 27 December 2006 and subsequent decrees and regulations issued in the first part of 2007. Under these amendments, companies with at least 50 employees are obliged to transfer the TFR to the "Treasury fund" managed by the Italian state-owned social security body (INPS) or to supplementary pension funds. Prior to the amendments, accruing TFR for employees of all Italian companies could be managed by the company itself. Consequently, the Italian companies' obligation to INPS and the contributions to supplementary pension funds take the form, under IAS 19, of defined contribution plans whereas the amounts recorded in the provision for employee severance pay retain the nature of defined benefit plans.

Accordingly, the provision for employee severance indemnity in Italy consists of the residual obligation for TFR until 31 December 2006. This is an unfunded defined benefit plan as the benefits have already been entirely earned, with the sole exception of future revaluations. Since 2007, the scheme has been classified as a defined contribution plan and F.I.S. recognises the associated cost over the period in which the employee renders service.

The integration provided to Lonigo employees relates to deferred payments that employees negotiated in the context of the acquisition of the plant. These payments are based on the length of service as of the acquisition date and are to be paid upon their retirement.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtail-

ment occurs, or when the Company recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs arising from TFR are split into three categories:

- service costs, which includes past service cost and gains and losses on curtailments and settlements;
- net interest expense or income;
- remeasurements.

Net interest expense or income is recognised within finance costs (see note 12).

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.9 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.10 Taxation

The income tax expense represents the sum of current and deferred income tax expense.

(I) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other fiscal years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated by applying:

- the ordinary IRES rate of 24% to the taxable profit;
- the IRAP (tax on production activities) rate of 4.55% for the taxable profit earned in the Veneto region and 4.97% for that earned in the Molise region.

(II) Deferred tax

Deferred tax assets and liabilities are calculated on the accumulated amount of all temporary differences between the carrying amounts of assets and liabilities and their tax base that will reverse in subsequent years.

Deferred tax liabilities arising from taxable temporary differences relating to investments in subsidiaries and transactions giving rise to reserves taxable on distribution are always recognised unless the specific requirements provided for by the relevant standard are met.

Deferred taxes related to transactions that directly affect equity are not recognised in the profit and loss statement but are initially recognised by reducing the related equity account.

Deferred tax assets and liabilities are recognised when the temporary differences arise and are calculated at the tax rates that will be applicable in the year in which the temporary differences reverse, if they have already been established at the reporting date, otherwise at the enacted or substantively enacted tax rates at the reporting date.

The deferred tax assets relating to deductible temporary differences and the benefit arising from the carry forward of tax losses are recognized and maintained only when the Company reasonably believes it is reasonable that it will have sufficient future taxable income against which such assets can be utilized, or adequate taxable temporary differences that will allow their recovery in the period which such differences reverse.

Deferred tax assets not recognised or impaired in prior years as the requirements for their recognition were not met are recognised or reinstated in the year in which the relevant requirements are met.

3.11 Property, plant and equipment

Property, plant, and equipment are recognised at purchase or production cost, or where the asset was revalued under previous GAAP, at a cost equal to such previous revalued amount, adjusted by accumulated depreciation and write-downs. The purchase cost is the cost actually incurred to purchase the asset and includes the related transaction costs. The production cost includes all directly

attributable charges and the reasonably attributable portion of other costs incurred from production up to when the asset is available for use.

Ordinary maintenance costs related to recurring maintenance and repairs to keep assets in good working order to ensure their expected useful life, capacity and original productivity, are expensed when incurred.

Extraordinary maintenance costs incurred to expand, modernise, replace or improve an asset are capitalised within the limits of its recoverable amount if they result in a significant and measurable increase in its production capacity, safety or useful life.

Depreciation is calculated systematically and on a straight-line basis, using rates which reflect the asset's estimated useful life.

Depreciation begins when the asset becomes available for use. Temporarily unused assets are also depreciated.

Land is not depreciated. For the purposes of determining depreciation, where the carrying amount of a building includes the value of the underlying land, the carrying amount of the land, if not separately identified, is estimated.

The amount to be depreciated is the difference between the cost of the asset and, when it can be calculated, the residual amount at the end of its useful life, which is estimated when the depreciation plan is prepared and periodically revised to verify that the initial estimate is still valid.

When it is verified that an asset's estimated residual value is equal to or higher than its carrying amount, the asset is no longer depreciated.

Within Bain Capital's acquisition, as part of the independent technical appraisal issued for the purposes of the Purchase Price Allocation, the tangible fixed assets as at 31 December 2023 have been valued. At the same time, management redefined asset useful lives.

The depreciation rates applied are as follows:

Asset category	Rate
Land and buildings	2.00%
Plants	5.56%; 6.25%; 10.00%
Vehicles and internal means of transport	14.29%
Furniture and equipment	11.11%
Electronic machines	20%

3.12 Intangible assets

Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in note 14. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;

- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.13 Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its

recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

3.14 Inventory

Inventory is initially recognised at purchase or production cost and subsequently measured at the lower of cost and net realisable value.

Purchase cost is the actual cost paid upon purchase including related charges. The purchase cost of materials includes their price, transport costs, customs and other duties and other directly attributable costs. Returns, commercial discounts, rebates and bonuses are deducted from costs.

Production costs include all direct costs and the reasonably attributable portion of indirect costs incurred from the point of production up to when the asset is available for use, based on normal production capacity. Production costs exclude general and administrative costs, distribution costs and research and development costs.

Cost for raw materials, semi-finished products and finished products is calculated using the FIFO (First In First Out) cost method.

Net realisable value represents the estimated selling price less all estimated costs of completion. Obsolescence and turnover are also taken into account in calculating the estimated realisable value based on market trends.

3.15 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand, time deposits with banks and short-term, highly liquid investments with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3.16 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and liabilities

Financial assets primarily include trade receivables, derivative financial instruments, prepayments

and accrued income, cash and cash equivalents. Financial liabilities primarily consist of debt, derivative financial instruments, accrued expenses and deferred income, trade payables and other liabilities

Classification and measurement

The classification of a financial asset is dependent on the Company's business model for managing such financial assets and their contractual cash flows. The Company considers whether the contractual cash flows represent solely payments of principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss ("FVTPL"). Where the financial asset is held within a business model whose objective is both collecting contractual assets and selling the financial asset, and the cash flows are solely payments of principal and interest, the related financial assets and the related remeasurement in fair value are classified and measured at fair value through other comprehensive income ("FVOCI").

Financial asset cash flow business model	Initial measurement	Measurement category
Solely to collect the contractual cash flows (Held to Collect)	Fair Value including transaction costs	Amortised Cost
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair Value including transaction costs	FVOCI
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair value	FVTPL

Factors considered by the Company in determining the business model in which financial assets are held include:

- past experience on how the cash flows for these assets were collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales activity expectations;
- how the asset's performance is evaluated and reported to key the Company personnel.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Cash and cash equivalents include cash at banks and on hand. Cash and cash equivalents are subject to an insignificant risk of changes in value and are measured at amortised cost.

Impairment of financial assets

The Company's credit risk is related to trade receivables arising from the sale of products, for which the Company is mostly exposed to the direct risk of counterparty default. These risks are mitigated by the fact that collection exposure is spread across a large number of counterparties.

The IFRS 9 impairment requirements are based on a forward-looking expected credit loss ("ECL") model. ECL is a probability-weighted estimate of the present value of cash shortfalls. The Company applies the simplified impairment model to its trade receivables as set out in IFRS 9. Impairment losses on financial assets are recognised in profit and loss.

The simplified approach for determining the lifetime ECL allowance involves a process where all trade receivables that are in default are individually assessed for impairment and provided for.

Financial assets write off

The Company writes off financial assets when the contractual rights to the cash flows arising from the asset are no longer held or if it transfers substantially all the risks and rewards of ownership of the financial asset to another entity. On write off of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognised in profit or loss. Specifically, a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is written-off (e.g. removed from the Company's statement of financial position) for the first time when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them entirely and without delay and:
 1. has transferred substantially all the risks and rewards relating to the financial asset; or
 2. has neither transferred nor substantially retained all the risks and rewards of the asset but has transferred control of the asset itself.

In cases where the Company has transferred the rights to receive the cash flows of an asset or has entered into an arrangement under which the Company retains the contractual rights to receive

the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), it assesses whether and to what extent it has retained the risks and rewards associated to ownership. If it has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, nor lost control of the asset, the asset continues to be recognized to the extent of the Company's continuing involvement in the asset. In this case, the Company also recognizes an associated liability. The transferred asset and the associated liability are valued in such a way as to reflect the rights and obligations that remain the Company's responsibility.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the parent company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the

compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

It has been acquired principally for the purpose of repurchasing it in the near term;

On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other gains and losses' line item in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash

payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In the event that the change has no material effect, the difference between: (1) carrying amount of the liability prior to the change; and (2) the present value of cash flows after the change, is recorded in the income statement as a gain or loss within 'Other gains and losses'.

Derivative financial instruments

The Company may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Company has both a le-

gally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.17 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

3.18 Other operating expenses / non-underlying charges

Other operating expenses (including non-underlying charges) are those which in the opinion of management, should be disclosed separately on the basis that they are material, either by their nature or their size and significantly distort the comparability of financial performance between periods. Therefore, they are presented separately from other key balances in the income statement. The classification of these items requires management judgement with regards to the nature and intentions of a transaction.

Items of income or expense that are considered by management for designation as [non-underlying charges] include such items as significant restructuring costs, expenses incurred in relation to one-off transformation projects, write-downs or impairments of assets including unusual inventory obsolescence, costs or bonuses relating to business acquisitions or divestitures and gains or losses on disposals of businesses or investments.



4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of revenue, costs, assets and liabilities and the related disclosures. Estimates and judgements are continually evaluated and are based on historical experience and expectations of future events that are considered reasonable in the circumstances. Actual results may differ from those estimated. The judgements made by management may or may not also require the use of assumptions and other sources of estimation uncertainty. All judgements that management consider have the most significant effect on the financial statements are discussed below.

Critical accounting judgements

Reverse factoring

Trade payables include liabilities that are assigned to financial institutions as part of direct or reverse factoring by the supplier. These transactions may occur with or without notification to the Company. The Company considers these liabilities to have the characteristics of trade payables when their characteristics have not been substantially modified. This includes maintaining their contractual terms, including debt maturity.

However, if there has been a substantial modification, such as an extension of debt maturity, the related liabilities are not considered to meet the definition of trade and other payables and are instead presented as financial liabilities. The Company can control the extension of debt maturity until the expiration of the original terms. Therefore, the liabilities presented as financial liabilities only include transactions for which the original terms have already expired as of the reporting date and an extension of debt maturity has been requested by the Company.

Research and development costs

The Company recognises internally generated intangible assets arising from the development of production processes for generic API. The amount recognised in the statement of financial position for internally generated intangible assets is the sum of the expenditure incurred, mainly consisting of the payroll expenses of the staff working on the development project. The Company applies judgement in determining the point in time when the intangible asset first meets the recognition criteria required under IFRS.

Treatment of convertible bonds

In 2019, the Company issued a convertible bond which includes a protective condition that can be triggered by the bondholders. The condition intends to safeguard the convertible debt holders from adverse movements in the share value. Directors are of the opinion that the condition does not result in a transfer of value (in relative terms) from ordinary shareholders to convertible debt holders. Therefore, the convertible bond has been accounted for as a compound instrument where a liability and equity components are recognised separately.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Inventory obsolescence

Impairment allowances are raised against inventory when the amount realisable from the sale of such inventory is considered to be less than its carrying amount. The methodology used to calculate the provision for inventory obsolescence considers turnover, ageing of stock, quality issues, possibility of reuse/sale, and the market trend.

During FY25 the Company prudently set an obsolescence provision for a total of €27 million and at the same time utilized €13.6 million of the disposal provision, for scrapping activities and an additional release of €11.5 million.

Management considers that the recognized provision is based on a prudent approach and does not expect any future losses of this magnitude.

Climate change related risk

Climate changes' related effects expose the Company to a range of emerging risks, particularly:

- Transition risks, including the adoption of new regulatory requirements, could lead to further adjustment of investments in technologies aimed at reducing energy, water consumption and greenhouse gas emissions and/or result in an increase in direct operating costs or be transferred through impact on supply chain.

- Physical risks, such as heat, water scarcity, rising sea levels and flooding caused by extreme weather events, are having an ever-increasing impact in different countries. Furthermore, the increase in the frequency and severity of extreme weather conditions and natural disasters could cause material damage and interruptions to production operations and distribution channels or to suppliers' operations. The company's facilities, however, are not particularly exposed to risk, as they are not located in coastal areas exposed to the risk of rising sea levels and the surrounding areas are not subject to particular risks of flooding.

Given the limited possibility of extreme climate change-related events and risks, the Company has deemed the impact of such risks on the Financial Statement items and related information reported below to be immaterial. Nonetheless, F.I.S. pays high vigilance to such types of events and prepares

adaptation measures to ensure business continuity and has analysed potential impact scenarios on the Business Continuity (BC) model. Details of these analyses can be found in the dedicated section of the Management Report.

Useful life of assets with a finite useful life

Useful life is determined at the time it is recorded in the financial statements and evaluated at each reporting date. Estimates of useful life are based on historical experience, market conditions and expectations of future events that may affect the useful life, including technological changes. As a result, it is possible that the actual useful life may differ from the estimated useful life.

5. Revenue

The Company derives its revenues from contracts with customers for the transfer of goods and services.

€'000	31 December 2025	31 December 2024
Revenue from sale of products	842,914	781,015
Research and development services	22,642	21,424
<i>Revenue from operations</i>	<i>865,556</i>	<i>802,439</i>
Other revenue	13,370	9,676
Total	878,926	812,115

Details of the Company's trade receivables and amounts to be billed to customers are disclosed in Note 20.

Compliant with the provisions of IFRS 15 regarding revenue recognition and the presentation of the

transaction price allocated to performance obligations, the Company applies the practical expedient provided in paragraph 121a for uncompleted or partially completed contracts whose duration is limited to one year or less.

6. Segment information

Management has identified a single operating segment, in line with the management and control model used. In particular, the articulation of the information corresponds to the reporting structure periodically analysed by the Board of Directors for the purposes of business management. As required by IFRS 8, although there is only one op-

erating segment, information on the geographical distribution of revenue is provided below.

The table below shows the Company's revenue mainly from the sale of products and the provision of R&D services disaggregated by principal geography:

€'000	31 December 2025	31 December 2024
Italia	54,071	51,576
EU Countries	356,547	343,695
North America	370,535	350,400
South America	8,307	6,660
Asia	86,937	56,714
Other countries	2,529	3,070
Total	878,926	812,115

** Starting from 1 January 2025 the breakdown by geography area has been reported based on the headquarters location of the customer parent company, rather than the invoicing country as previously reported. Management believes that this presentation provides a more accurate representation of revenue by geography. The breakdown for the previous period has also been revised accordingly.*

The following tables summarise non-current assets (other than financial instruments and deferred tax assets) by geography.

€'000	31 December 2025	31 December 2024
Italy	508,934	423,036
North America	1,945	1,945
Asia	90	90
Total	510,969	425,071

Information about major customers

Revenues arising from sales of products to the Company's largest customer amount to €141 million (€105 million in 2024).

The two largest customers of the company have respectively contributed 16,6% and 13,7% to the Company's revenue from sale of products in 2025 (13,2% and 14,9% in 2024).

7. Cost of sales, marketing and selling, administrative and research and development costs

€'000	Note	31 December 2025	31 December 2024
Cost of sales	7.1	653,842	624,711
Marketing and selling expenses	7.2	10,832	9,791
Administrative expenses	7.3	60,148	56,341
Research and development costs	7.4	4,675	3,156
Total		729,497	693,999

7.1 Cost of Sales

Raw and other materials	375,012	418,175
Employee Expenses	142,724	128,327
Depreciation and amortization	25,498	22,368
Utilities	26,385	26,733
Waste external services	15,271	13,604
Other expenses	53,646	51,973
Changes in inventories WIP and Finished goods	15,305	(36,468)
Total	653,842	624,711

7.2 Marketing and selling expenses

Employee expenses	4,036	2,946
Depreciation and amortization	44	54
Commissions	3,618	3,268
Legal and Consultancy Expenses	402	1,245
Travel Expenses	1,086	793
Other marketing expenses	1,646	1,484
Total	10,832	9,791

7.3 Administrative expenses

Employee expenses	20,949	16,666
Depreciation and amortization	4,087	3,271
Maintenance, insurance and consultancy expenses	20,400	16,876
Remuneration of Governing Bodies	1,263	1,770
Legal and Consultancy Expenses	1,967	854
Auxiliary Services Expenses	4,588	4,187
Travel Expenses	363	295

Other Taxes and Fees	1,493	1,446
Other miscellaneous expenses	5,038	10,974
Total	60,148	56,341

7.4 Research and development costs

Employee expenses	2,994	2,108
Depreciation and amortization	883	577
Other miscellaneous expenses	798	471
Total	4,675	3,156

During the year, certain expense categories within cost of sales, marketing and selling expenses and administrative expenses were further detailed. The comparative information for 2024 has been

restated accordingly to reflect this increased level of detail. Employee expenses, depreciation and amortization included in profit or loss, are the following:

€'000	31 December 2025	31 December 2024
Employee expenses	167,685	149,796
Depreciation and amortization	30,512	26,270

'Employee expenses' in the above table differs from the sum of the 'Employees Employee expenses' items in other tables in note 7, due to the fact

that some employee expenses are included in other operating expenses and other gains and losses, which are not disclosed in note 7.

8. Employee costs

The average number of employees for the years ended 31 December 2025 and December 2024, on a full-time equivalent basis, were:

Number	31 December 2025	31 December 2024
Managers	45	35
Middle managers	255	227
White collars employees	779	724
Blue collars employees	1,045	1,011
Total	2,124	1,997

Employee costs incurred during the year were:

€'000	31 December 2025	31 December 2024
Wages and salaries	118,298	105,594
Social security costs	37,579	33,086
Other pension costs	7,555	6,770
Other costs	4,253	4,346
Total	167,685	149,796

9. Other operating income

€'000	31 December 2025	31 December 2024
Tax credits on investments	774	659
Net gain/(loss) on disposal of property, plant and equipment	(19)	173
Other miscellaneous income	18	434
Total	773	1,266

10. Other operating expenses (including non-underlying charges)

Other operating expenses includes the following non-recurring or exceptional items.

€'000	31 December 2025	31 December 2024
Transformation cost	33,679	45,094
Refinancing cost	973	-
Total	34,652	45,094

During the year, the Company incurred €34.7 million in non-recurring expenses or expenses not related to normal operations (€45.1 million in 2024); below are the details:

Transformation costs recorded in the year ended 31 December 2025 of €33.7 million are mostly

related to consultancy fees incurred in connection with several cost saving and process reorganization initiatives launched with the aim to increase production efficiencies, supporting post-acquisition integration and enhancing organizational capabilities. Below are the details:

1. €3.2 million for pricing initiatives and commercial excellence;
2. €2.5 million for procurement efficiency and saving initiatives;
3. €2.2 million for the design and rollout of a new sales and operation planning process;
4. €6.0 million for strategic consultancy services relating to post-acquisition-support;
5. €1.8 million for the strategic plan development;
6. €3.1 million for the design of IT and cybersecurity roadmap and development of the new Company data platform;
7. €6.3 million for operations efficiency projects and process optimization;
8. €0.8 million for the FIS identity program;
9. €0.9 million for the development of ESG program roadmap;
10. €1.4 million for the improvement of the investment project management;
11. €5.1 million for due diligences and market analysis activities;
12. €0.4 million for other projects including the implementation of the R&D department digitalisation project.

Transformation costs recorded in the year ended 31 December 2024 of €45.1 million mostly relate to consultancy fees incurred in connection with

several cost saving and process reorganization initiatives launched with the aim to increase production efficiencies, reducing overall procurement costs and improving margins while implementing additional monitoring mechanisms. Below are the details:

1. €9.2 million for pricing initiatives and commercial excellence;
2. €8.6 million for procurement excellence and saving initiatives;
3. €6.6 million for the design and rollout of a new sales and operation planning process;
4. €5.9 million for strategic consultancy services relating to post-acquisition-support;
5. €5.2 million for the development of our strategic plan;
6. €2.8 million for the design of IT and cybersecurity roadmap;
7. €2.1 million for operations efficiency projects;
8. €1.4 million for GAAP conversion of the Issuer's financial statements;
9. €0.8 million for payroll restructuring costs;
10. the remaining 2.5 million for other projects including the implementation of a cash flow planning model and saving and pricing initiative tracking model.

11. Other gains / (losses)

During FY2025, the Company adjusted the fair value of the embedded derivative in the Sustainability-Linked Senior Secured Notes for €15.5 million (€4 million in 2024). Foreign exchange rate differences were positive for a total of €1.1 million

(€2.2 million in 2024), and other items were €4.3 million (€1.3 million in 2024) and include mainly positive extraordinary items arising from releases of provisions for redundancies from prior years.

€'000	31 December 2025	31 December 2024
Derivative fair value adjustment	15,527	3,970
Net foreign exchange gains/(losses)	1,068	2,234
Other items	4,318	1,302
Total	20,913	7,506

12. Finance costs

€'000	31 December 2025	31 December 2024
Finance costs:		
Interest on borrowings ¹	28,455	29,117
Interest on lease liabilities (note 25)	767	533
Interest on factoring	4,911	5,634
Penalty on early repayment of loans	-	-
Interest on retirement benefit obligations	121	143
Other finance cost	1,127	526
Total	35,381	35,953

¹ Interest on borrowings represents interest on financial liabilities held at amortized cost.

13. Income tax expense/(benefit)

The taxation benefit which arises in the Company comprises:

€'000	31 December 2025	31 December 2024
Current tax		
Adjustment in respect of prior periods	(92)	1,190
Provision/(release) for tax expenses	(2,560)	6,437
Income taxes for the year - IRAP	6,184	3,681
Income taxes for the year - IRES	7,554	1,640
Other current tax	-	-
Deferred tax		
Current year movement	15,976	7,875
Total	27,062	20,823

It should be noted that the item "Adjustment in respect of prior periods" mainly includes costs incurred by the Company during the year for the adjustment of tax estimates recognised in the prior year.

The income taxes for the year can be reconciled to the profit before tax as follows:

€'000	Year ended 31 December 2025		Year ended 31 December 2024	
	Taxable income	Tax	Taxable income	Tax
Theoretical taxable income and tax charges for the year¹	107,305	25,753	41,530	9,967
Tax effect of expenses that are not deductible in determining taxable profit	1,741	418	1,806	434
Tax effect of income not taxable in determining taxable profit	(8,515)	(2,044)	(6,365)	(1,528)
Temporary differences related to costs and revenues	(595)	(143)	19,665	4,720
Utilisation of previous tax losses	(66,676)	(16,002)	(43,880)	(10,531)
Utilisation of ACE surplus	-	-	(4,138)	(993)
Tax effect of IAS/IFRS transition	(1,787)	(429)	(1,786)	(429)
Effective taxable income and tax charges for the year¹ - IRES	31,473	7,554	6,831	1,640
IRAP	133,599	6,184	89,652	3,681
Other current taxes	-	-	-	-
Adjustment in respect of prior periods	-	(92)	-	1,190
Deferred tax charge/(credit) to profit or loss	-	15,976	-	7,875
Income from the tax consolidation scheme	-	-	-	-
Total Income tax expense / (benefit)	-	29,621	-	14,386

¹ The income before taxes shown in this table also includes provisions/release for tax charges, which are included in the income tax item in the Profit and Loss statement of the financial statements.

² Corporation tax (IRES) at the Italy rate of 24% (2024: 24%). In case of a negative tax base, no tax is due.

The impact deriving from the Italian regional production tax (IRAP) rate and other taxes was determined separately as these taxes are not calculated based on the profit before tax.

OECD Pillar Two Model Rules

On 23 May 2023, IASB made amendments to IAS 12 - Income Taxes, which were adopted with Reg-

ulation 8.11.2023 No. 2023/2468/EU published in the EU on 9.11.2023 L Series, in order to explain the application and disclosure regarding the introduction of the Pillar Two Model Rules of the OECD/G20 Inclusive Framework on Base Erosion And Profit Shifting (BEPS) Pillar Two model rules, under which large multinational or national groups (with consolidated annual revenues of €750 million or more in at least two of the four financial

years immediately preceding the one reported) should be required to apply a global minimum tax rate of 15% in every jurisdiction they operate in.

This tax scheme was adopted in Europe with Directive (EU) 2022/2523 of 14 December 2022 and in Italy with Legislative Decree 209 of 27 December 2023, to ensure a minimum global tax rate for multinational and national groups operating on a large scale in the European Union.

Regarding all the companies in the Group and all the jointly controlled entities located in each individual jurisdiction, income tax exposure arises from their effective tax rate and, within each jurisdiction, several related factors such as the income produced, nominal tax rate, tax rules for determining taxable income, provision, nature and utilization of incentives or any other tax benefits.

Regarding this, it should be noted that the Company became part of the Group headed by Molecule

(BC) Holdco S.p.A. starting from 12 December 2023 and the parent company was incorporated in the same financial year.

With regard to the specific case in which the group is made up of newly established companies and does not dispose of consolidated financial statements relating to previous financial years, art. 10 of Legislative Decree 209 of 27.12.2023 establishes that the aforementioned regulation shall apply starting from the third financial year if the threshold of consolidated revenues equal to at least €750 million has been reached in the two previous financial years.

Given that the Group exceeded the revenue threshold in fiscal years 2024 and 2025, the regulation shall apply starting from 2026.

Accordingly, as at 31 December 2025, the Company did not record any income tax arising from the application of the Pillar Two Model Rules.

14. Intangible assets

€'000	Goodwill	Patents and trademarks	Concessions, licenses, trademarks and similar rights	Other assets	Assets under development	Total
Cost						
At 1 January 2024	35,113	21,728	20,399	1,294	6,739	85,273
Additions	-	1,101	312	-	5,005	6,418
Transfers from assets under development	-	-	8,537	-	(8,537)	-
Disposals	-	-	-	-	-	-
At 31 December 2024	35,113	22,829	29,248	1,294	3,207	91,691
Additions	-	604	92	-	5,166	5,862
Transfers from assets under development	-	-	745	-	(745)	-
Disposals	-	-	-	-	-	-
At 31 December 2025	35,113	23,433	30,085	1,294	7,628	97,553

Amortisation and Impairment

At 1 January 2024	(20,301)	(17,031)	(15,350)	(1,294)	-	(53,976)
Amortisation charge for the year	-	(994)	(1,850)	-	-	(2,844)
Impairment charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2024	(20,301)	(18,025)	(17,200)	(1,294)	-	(56,820)
Amortisation charge for the year	-	(1,334)	(2,651)	-	-	(3,985)
Impairment charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2025	(20,301)	(19,359)	(19,851)	(1,294)	-	(60,805)
Carrying value						
At 31 December 2025	14,812	4,074	10,234	-	7,628	36,748
At 31 December 2024	14,812	4,804	12,048	-	3,207	34,871

Intangible assets (patent rights, intellectual property rights, concessions, licenses and trademarks, know-how) are amortized over the shorter of their legal or contractual duration and their remaining useful life. The estimated useful life of trademarks does not exceed 10 years. Concessions, licenses, trademarks, and similar rights, amounting to €10 million on 31 December 2025 (2024: €12 million), include the cost of software licenses, amortized systematically over five years. It should be noted that the "Warehouse Management System" project was completed during 2022, whereby the Company equipped itself with an automated system for the physical management of stock. The capitalised value is equal to €4.5 million and, unlike other software, is amortized over 10 years.

Assets impairment losses

Goodwill is related to the acquisition of business units occurred in 2016 and 2017.

Goodwill is recognized in the financial statements at the time of a business combination and is allocated to the cash-generating units ("CGUs") expected to benefit from the combination.

Regarding F.I.S., management has determined that the Company consists of a single CGU, to which

goodwill is allocated. In accordance with IAS 36, the recoverability of the goodwill recognized in the financial statements of F.I.S. has been assessed through an impairment test. The assessment was performed with the objective to determine whether the carrying amount of the assets of the CGU is recognized in the financial statements at a value that does not exceed its recoverable amount.

The recoverable amount, determined on its value in use, is based on cash flow projections included in the financial budgets, which are approved by management and cover a five-year period (2026–2030). When calculating the value in use, the terminal value is also considered: it is the present value of expected future cash flows beyond the explicit budget horizon (2026–2030). The value in use is equal to the sum of (i) the operating value, determined on the basis of the operating cash flows that the company will be able to generate in the future, discounted at a discount rate equal to the weighted average cost of capital (WACC), and (ii) the market value of any surplus assets not related to the company's core business or not considered in the cash flows.

The main assumptions used to calculate the value in use of the CGU are:

- Terminal value: represents the current value of the cash flows that the company will be able to generate after the explicit budget period.
- Long-term growth rate (g-rate): this is the average growth rate weighted on inflation of the countries where the company operates and is used to extrapolate cash flows beyond the explicit budget period;
- Discount rate (WACC: Weighted Average Cost of Capital): reflect specific risks related to the

relevant segments and countries in which the CGU operates;

- Tax rate: theoretical taxes, estimated by applying the theoretical rate of 27.9%.

The calculation of CGU value in use is most sensitive to the following assumptions:

	2025	2024
Long-term growth rate (g-rate) (%)	1.5	1.48
Discount rate (WACC) (%)	8.7	8.5

The impairment test did not reveal any impairment loss, with the recoverable value of the identified CGU being higher than the carrying value.

and has not identified any instances that could lead to the recoverable value of the CGU being lower than its carrying value.

Significant estimate: impact of possible changes in key assumptions

Management have considered and reasonably assessed possible changes in the key assumptions

15. Property, plant and equipment

€'000	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction	Total
Cost						
At 1 January 2024	185,401	704,263	14,628	69,437	73,111	1,046,840
Additions	462	728	363	1,858	50,935	54,346
Transfers	4,541	71,948	117	4,488	(81,094)	-
Disposals	(124)	(18,095)	(581)	(1,177)	-	(19,977)
At 31 December 2024	190,280	758,844	14,527	74,606	42,952	1,081,209
Additions	-	149	2,353	3,731	103,168	109,401
Transfers	3,895	39,447	-	2,855	(46,197)	-
Disposals	-	(2,351)	(33)	(225)	-	(2,609)
At 31 December 2025	194,175	796,089	16,847	80,967	99,923	1,188,001

Accumulated Depreciation

At 1 January 2024	(82,018)	(553,035)	(13,852)	(61,383)	-	(710,288)
Depreciation charge	(1,864)	(12,869)	(126)	(3,881)	-	(18,740)
Impairment charge	-	(1,904)	-	-	-	(1,904)
Disposals	124	18,095	581	1,595	-	20,395
Additions	(462)	-	-	-	-	(462)
At 31 December 2024	(84,220)	(549,713)	(13,397)	(63,669)	-	(710,999)
Depreciation charge	(1,937)	(16,128)	(269)	(3,919)	-	(22,253)
Impairment charge	-	-	-	-	-	-
Disposals	-	2,295	30	217	-	2,542
At 31 December 2025	(86,157)	(563,546)	(13,636)	(67,371)	-	(730,710)
Net book value						
At 31 December 2025	108,018	232,543	3,211	13,596	99,923	457,291
At 31 December 2024	106,060	209,131	1,130	10,937	42,952	370,210

Land and buildings worth €108 million on 31 December 2025 (€106 million on 31 December 2024) include all industrial and office buildings in Lonigo and Termoli, as well as Montecchio Maggiore's headquarters.

At 31 December 2025 and 2024, assets under construction mainly refer to investments in various

areas of production, including work on infrastructure, plant and other company resources.

No capital assets were acquired free of charge or by way of exchange. No public grants were accounted for by direct allocation to historical purchase cost.

16. Right - of - use assets

€'000	Buildings	Vehicles	Equipment	Total
Cost				
At 1 January 2024	593	2,095	5,683	8,371
Additions	183	398	11,089	11,670
Re-measurements	-	46	-	46
Disposals	(90)	-	(7)	(97)
At 31 December 2024	686	2,539	16,765	19,990
Additions	1,412	1,031	1,544	3,987
Re-measurements	-	-	-	-
Disposals	(2)	(36)	-	(38)
At 31 December 2025	2,096	3,534	18,309	23,939
Depreciation and impairment				
At 1 January 2024	(314)	(801)	(2,423)	(3,538)
Depreciation charge	(140)	(459)	(2,190)	(2,789)
Impairment charge	-	-	-	-
Disposals	-	-	-	-
At 31 December 2024	(454)	(1,260)	(4,613)	(6,327)
Depreciation charge	(254)	(513)	(3,507)	(4,274)
Impairment charge	-	-	-	-
Disposals	-	-	-	-
At 31 December 2025	(708)	(1,773)	(8,120)	(10,601)
Net book value				
At 31 December 2025	1,388	1,761	10,189	13,338
At 31 December 2024	232	1,279	12,152	13,663

The Company leases several assets including buildings, vehicles and equipment. Lease arrangements typically include extension and termination options which are exercised in line with business

requirements. The maturity analysis (contractual undiscounted lease payments) of lease liabilities is presented in note 25.

Amounts recognised in the statement of profit or loss consist of:

€'000	31 December 2025	31 December 2024
Depreciation of right-of-use assets	4,274	2,789
Interest on lease liabilities	767	532
Costs relating to short-term leases ¹	352	317

¹ These amounts are included in 'Cost of Sales' in the statement of profit or loss.

The total cash outflow for leases consists of fixed payments of €4.8 million in 2025 (€3.1 million in 2024).

17. Investments

The Company's investments as at 31 December 2025 are listed below:

€'000	Carrying amount of investment				31 December 2025	31 December 2024
	Legal entity	Country of incorporation	Percentage owned	Principal activity		
	F.I.S. North America Inc.	USA – Massachusetts	100%	Agent for North America region	1,945	1,945
	F.I.S. Japan KK	Giappone	100%	Agent for Asia region	40	40
Total					1,985	1,985

The Company also has minority investments in a few entities. The total value of the investment in associates amount to €4,478 as at 31 December 2025 (2024: €4,478).

18. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

€'000	31 December 2025	31 December 2024
Write-down of inventory	13,769	13,326
Provision for charges/contingencies	590	914
Bad debts	26	-
Write-down of PPE	457	457
Goodwill	476	958
Depreciation of buildings	283	310
Temporary differences on asset depreciation	600	292
Derivative financial liabilities	92	-
Unpaid directors' fees	120	90
Unpaid membership fees	3	-
Tax losses	2,092	19,130
Lease liabilities	366	627
Retirement benefit obligations	144	144
Intangible assets - Start-up and capital costs	23	74
Loans and borrowings	82	129
Total deferred tax assets	19,123	36,453
Accelerated amortisation and depreciation	(22)	(55)
Right-of-use assets	(308)	(623)
Retirement benefit obligations	(187)	(187)
Intangible assets - Development expenses	-	(59)
Derivative financial assets	(464)	(464)
Unpaid dividends	(31)	-
Total deferred tax liabilities	(1,012)	(1,388)

The recognition of deferred tax assets is supported by the four-year strategic plan approved by the Company that ensures sufficient taxable income to cover all the deferred tax assets. Therefore, based on these reliable estimates, there is reasonable assurance that the entire amount will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current

tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

€'000	31 December 2025	31 December 2024
Deferred tax assets	19,123	36,453
Deferred tax liabilities	(1,012)	(1,388)
Totale	18,111	35,065
Change year over year	(16,954)	(7,863)
<i>Of which:</i>		
<i>Charge/(credit) to profit or loss</i>	<i>(15,979)</i>	<i>(7,875)</i>
<i>Charge to other comprehensive income</i>	<i>(21)</i>	<i>12</i>
<i>Charge direct to equity</i>	<i>92</i>	<i>-</i>
<i>Reclassifications</i>	<i>(1,046)</i>	<i>-</i>

19. Inventories

€'000	31 December 2025	31 December 2024
Raw materials, consumables, and supplies	116,394	143,208
Work in progress and semi-finished products	132,594	148,690
Finished goods	74,107	73,315
Prepayments	189	-
Total	323,284	365,213

Prepayments mainly relate to the advances paid to suppliers for future supplies of raw materials and finished goods.

Cost of sales recognized during the financial year and related to continuing operations amounted to €653.8 million (2024: €624.7 million).

During the reporting period, the Company recognised net provisions for inventory obsolescence of €27 million (2024: €29 million) relating to the write-down of inventories to net realisable value. In addition, the provision decreased by €25.1 million (2024: €21.3 million) due to utilisations and releases carried out during the year.

20. Trade and other receivables

€'000	31 December 2025	31 December 2024
Current		
Trade receivables	64,591	75,655
Factor receivables	7,105	11,560
Prepayments and accrued income	5,856	4,228
Other receivables	1,353	1,060
Receivable from related parties	348	213
Loans to employees	349	418
Tax credits and tax related receivables	2,016	2,852
VAT receivables	3,095	1,335
Total	84,713	97,321

The financial assets listed in the table above have a carrying amount that is close to their fair value, considering their short-term nature.

Non-current		
Tax credits and tax related receivables	463	2,588
Prepayments and Accrued income	386	552
Other receivables	754	1,198
Total	1,603	4,338

Trade receivables

The average credit period on sales of goods is 63 days. No interest is charged on outstanding trade receivables.

Ageing of trade receivables are as follows:

€'000	31 December 2025	31 December 2024
Not overdue / overdue within 30 days	63,773	72,800
31-60 days	387	2,166
61-120 days	47	265
More than 120 days	384	424
Total	64,591	75,655

The Company writes off a trade receivable when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered bankruptcy proceedings. For the financial year 2025, the Company has recognized a bad debt allowance of €0.3 million.

The carrying amounts of trade receivables include receivables subject to factoring arrangements. Under these arrangements, once the receivables are transferred to the factor, they are derecognised from trade receivables, with a corresponding

recognition of the cash received from the factor and any factoring commissions recorded in profit or loss. Any liabilities arising from these factoring arrangements are separately recognised, typically due to instances where the customer has mistakenly paid the Company instead of the factor.

All the factoring arrangements entered were without recourse as all risks were transferred to the factor.

21. Cash and cash equivalents

Below the breakdown of the item "Cash and cash equivalents":

€'000	31 December 2025	31 December 2024
Bank accounts	46,950	58,217
Money market funds ¹	59,021	29,663
Time deposit	97,043	70,013
Cash at hand	8	6
Total	203,022	157,899

¹ Rating: S&P AAAm; Moody's Aaa-mf; Fitch AAA/mmf

22. Borrowings

The borrowings of the Company can be analysed as follows:

€'000	31 December 2025	31 December 2024
Unsecured borrowings		
Bank loans	10,330	10,013
Other borrowings	40	9,612
Secured borrowings		
Bank loans	68	78
Bonds	404,666	401,351
Total	415,104	421,054

Current	18,640	17,893
Non-current	396,464	403,161
Total	415,104	421,054

The principal features of the Company's secured bonds are as follows:

- the issuance on 10 February 2022 of the sustainability-linked senior secured loan with a nominal value of €350 million (the "2022 Bond"), which was taken out by major international institutional investors, is measured at amortised cost. Maturity is on 1 August 2027. The 2022 Bond accrues interest at fixed rate amounting to 5.625%, and payments are made semi-annually in arrears.
- the issuance on 12 December 2023 of institutional, privately placed, Sustainability-Linked Senior Secured Floating Rate Notes with an aggregate principal amount of €50 million, due August 2027 (the "New Notes"). The Company issued the New Notes pursuant to the indenture of the 2022 Bond mentioned above. The New Notes are valued at amortised cost and accrue interest at variable rate amounting to Euribor 3m + 5.5%.

Should certain sustainability performance targets associated with the above-mentioned bonds (including CO2 emissions reduction and water consumption) fail to be met, the Company is required to pay an additional fee of up to 0.6%. During the period, the Company did not meet one target resulting in the incurrance of a penalty fee of 0.2%.

The 2022 Bond and the New Notes are secured by security interests:

- over 100% of the share capital of the Company;
- over the bank account(s) of the Company where the proceeds of the 2022 Bond and

the New Notes were credited and on potential credit accounts of the Revolving Credit Facility;

- over the intercompany receivables owed by the Company to Molecule (BC) Bidco S.p.A. under or in connection with the F.I.S. Convertible Bond

On 10 February 2022, F.I.S. entered into a €50 million revolving credit facility (RCF) agreement with a pool of banks. On 12 December 2023, the total commitment of the RCF was increased by €30 million, from €50 million to €80 million.

The cost of the revolving credit facility is equal to EURIBOR + variable spread depending on the NFP/EBITDA ratio.

Bank loans as at 31 December 2025 consist of a €10 million term loan, maturing in June 2026. Other borrowings relate to the assignment of receivables to factors which the Company collects directly and transfers to the factors.

Within its ordinary business operations, the Company enters into factoring agreements. As of 31 December 2025, the outstanding amount with factors due to factored trade receivables was €142.3 million, including €1.9 million in factored receivables collected but not yet reimbursed (2024: €133.6 million). No recourse was granted in any of the factoring contracts.

The following table shows the detail of the changes in Borrowings:

€'000	For the year ended 31 December 2025	For the year ended 31 December 2024
Balance as of 1 January	421,054	407,922
Financing cash flows		
+ Proceeds	-	10,000
- Repayments	-	-

+/- Change in payable to factors	(9,581)	929
Other movements		
+/- Net interest accrued (paid)	307	(178)
+/- Other ¹	3,324	2,380
+/- Foreign currency exchange	-	-
Balance as of 31 December	415,104	421,054

¹ Other in 2025 mainly refers to the change in the amortized cost relating to Bonds and the penalty fee.

23. Convertible loans notes

In 2019, the Company issued 5,310 convertible bonds with a nominal amount of €53.1 million, paying 2% interest rate paid semi-annually (originally redeemable in 2024, extended to 2027 during 2022). Starting from the 2022 amendment, interest is due on the maturity date. On the maturity date or in the event of early conversion, the increase in share capital will be €10 for each bond converted up to a maximum of €53,100. Following the acquisition of F.I.S. by Bain Capital, the controlling shareholder of the Company now fully owns the convertible loan note.

The net proceeds received from the issue of the convertible loan notes have been split between a

financial liability element and an equity component.

The equity component of €1.9 million has been credited to a non-distributable reserve under shareholders' equity.

The interest expense for the year is calculated by applying an effective interest rate to the liability component which is measured at amortised cost (2.88% at 31 December 2025).

Current and non-current split of unsecured convertible loan notes carried at amortised cost is as follows:

€'000	31 December 2025	31 December 2024
Current	-	-
Non-current	52,482	52,806
Total	52,482	52,806

The following table shows the detail of the changes in Convertible loan notes:

€'000	For the year ended 31 December 2025	For the year ended 31 December 2024
Opening balance as of 1 January	52,806	51,594
Financing cash flows		
+ Proceeds	-	-
- Repayments	-	-

Other movements

+/- Net interest accrued (paid)	(324) ¹	1,212
+/- Other	-	-
+/- Foreign currency exchange	-	-
Balance as of 31 December	52,482	52,806

¹ It should be noted that the Company made an advance payment of interest accrued as of 31 July 2025 during the fiscal year.

24. Retirement benefit obligation

TFR

The Italian post-employment benefits plan ("TFR") is considered a defined benefit plan and is measured in accordance with the "Projected Unit Credit Method".

The liability recognised for TFR refers exclusively to the post-employment benefit earned by employees up to 31 December 2006 which, following the introduction of Law 296 of 27 December 2006, continues to constitute an obligation of the Company. Since 2007 the scheme has been classified as a defined contribution plan, and the Company recognises the associated cost over the period in which the employee renders service. Consequently, the measurement of the defined benefit liability (for the residual amount of TFR accrued until 31 December 2006) does not take into consideration service costs components and does not include future salary increase as part of the actuarial assumptions.

Additionally, there is an integration provided to Lonigo employees related to deferred payments that employees negotiated in the context of the acquisition of the plant. These payments are based on the length of service as of the acquisition date and are to be paid upon their retirement.

TFR – Defined contribution scheme

The total expense recognised in profit or loss of €7.5 million (2024: €6.7 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 December 2025, there are no contributions due in respect of the current reporting period which had not been paid over to the plans.

Amounts recognised in the statement of profit or loss in respect of the TFR defined benefit scheme are as follows:

€'000	31 December 2025	31 December 2024
Contributions to defined contribution schemes included in:		
Employee costs ¹	7,450	6,672
Total	7,450	6,672

¹ Employee costs are recorded in cost of sales, marketing and selling, administrative or Research and development costs depending on the function of the personnel.

TFR – Defined benefit scheme

TFR – Defined benefit scheme risks

The defined benefit scheme exposes the Company to risks such as interest rate risk and longevity risk.

Interest rate risk

The present value of the scheme's liability is calculated using a discount rate determined by reference to high quality corporate bond yields. A decrease in the bond interest rate will increase the scheme's liability.

Longevity risk

The present value of the scheme's liability is calculated by reference to the best estimate of the mortality of the scheme's participants during their employment. An increase in the life expectancy of the scheme's participants will increase the scheme's liability.

Scheme obligations

Amounts recognised in the statement of financial position in respect of the TFR defined benefit scheme are as follows:

€'000	31 December 2025	31 December 2024
TFR	3,777	4,127
Integration provided to Lonigo employees	285	323
Total	4,062	4,450

The changes in defined benefit obligations were as follows:

€'000	31 December 2025			31 December 2024		
	TFR	Integration provided to Lonigo employees	Total	TFR	Integration provided to Lonigo employees	Total
Present value of defined benefit obligations on 1 January	4,127	323	4,450	4,340	319	4,659
Current service cost	-	-	-	-	-	-
Interest cost	112	9	121	133	10	143
Re-measurement (gains)/losses:						
Changes in demographic assumptions	-	-	-	-	-	-
Changes in financial assumptions	(73)	1	(72)	74	5	79
Experience adjustments on defined benefit obligations	(18)	2	(16)	(33)	4	(29)
Past service cost (including curtailments)	-	-	-	-	-	-
Benefits paid	(373)	(50)	(423)	(387)	(15)	(402)
Present value of defined benefit obligation at 31 December	3,775	285	4,060	4,127	323	4,450

Maturity profile of the defined benefit obligation

The average duration of the scheme at the end of the reporting period is as follows.

€'000	31 December 2025		31 December 2024	
	TFR	Integration provided to Lonigo employees	TFR	Integration provided to Lonigo employees
Duration	6.36	5.80	6.41	6.06

Assumptions

The principal assumptions used for the purposes of the key scheme's actuarial valuations are as follows:

Percentage	31 December 2025	31 December 2024
Discount rate (EUR CORPORATE AA+)	3.13% (TFR), 3.00% (Integration provided to Lonigo employees)	2.85% (TFR) 3.05% (Integration provided to Lonigo employees)
Inflation (IPCA)	2025: 1.8%	2024: 1.1%
	2026: 1.7%	2025: 1.8%
	2027: 1.8%	2026 onwards: 1.8%
	2028 onwards: 1.9%	-
Turnover rate	5%	5%
Probability of advance payment	1%	1%

Sensitivity analysis for each significant actuarial assumption

The analysis below shows the sensitivity of the scheme's defined benefit obligation to reasonably

possible changes in discount rate, inflation rate and life expectancy assumptions occurring at the statement of financial position date, while holding all other assumptions constant.

Assumptions	Change in Assumption	Italian post-employment benefits €'000	Integration provided to Lonigo employees €'000
Discount rate	Increase by 0.5%	3,670	277
	Decrease by 0.5%	3,889	293
Inflation rate	Increase by 0.5%	3,846	285
	Decrease by 0.5%	3,709	285
Turnover	Increase by 0.5%	3,796	292
	Decrease by 0.5%	3,753	277

25. Lease liabilities

Maturity analysis of contractual undiscounted cash flows is as follows:

€'000	31 December 2025	31 December 2024
Less than one year	3,256	3,369
One to five years	9,292	8,414
More than five years	4,248	5,333
Total	16,796	17,116

The Company does not face a significant liquidity risk with regards to its lease liabilities. Refer to note 30 for the impact of liquidity risk on the Company.

Lease liabilities included in the Statement of Financial Position

€'000	31 December 2025	31 December 2024
Current	2,442	2,689
Non-current	11,387	11,225
Total	13,829	13,914

Amounts recognised in the profit or (loss)

€'000	31 December 2025	31 December 2024
Interest on lease liabilities	767	533
Expense relating to short term leases ¹	352	317
Total	1,119	850

¹ These amounts are included in 'Cost of Sales' in the statement of profit or loss

Amounts recognised in the statement of cash flows

€'000	31 December 2025	31 December 2024
Cash outflow for lease payments made	4,801	3,116
Total	4,801	3,116

26. Provisions

€'000	Provision for future expenses		Provision for risks	
	2025	2024	2025	2024
Carrying amount at 1 January 2024		1,683	-	
Amount provisioned for the year		3,152	5,830	
Amounts used during the year		(418)	-	
Carrying amount at 31 December 2024		4,417	5,830	
Amount provisioned for the year		1,040	-	
Amount released for the year		(1,915)	(2,349)	
Amounts used during the year		(762)	(1,181)	
Carrying amount at 31 December 2025		2,780	2,300	

€'000	Provision for future expenses		Provision for risks	
	2025	2024	2025	2024
Current	-	-	-	-
Non-current	2,780	4,417	2,300	5,830
Total	2,780	4,417	2,300	5,830

Provision for risks includes an accrual to mitigate future tax risks.

The amounts used and released in 2025 relate respectively to the utilization of partial payments of taxes for prior years and the release of excess provisions made in the previous year for taxes not yet finalised, following the determination of the amounts due by the tax authorities.

Provision for future expenses covers costs that will be incurred in future years, in detail:

- Costs to cover the disposal of obsolete materials in inventory, similarly with the previous year,

- Costs related to taxed assessed on previous years but not yet settled to the tax authorities.

The amounts used in 2025 are related to the utilization of costs incurred for the disposal of obsolete materials removed from inventory and for the partial payment of taxes relating to prior years, while the amounts released mainly relate to the reverse of costs previously recognised for prior contractual agreements related to the Canadian subsidiary which are no longer due.

27. Trade and other payables

€'000	31 December 2025	31 December 2024
Current		
Trade payables	185,447	149,616
Other taxation and social security	15,626	13,665
VAT payables	-	-
Other payables	25	196
Accruals and deferred income	13,047	14,063
Payable to employees	28,462	24,197
Payable to related parties (Note 32)	7,810	2,452
Total	250,417	204,189
Non-current		
Other taxation and social security	-	-
Payable to related parties (Note 32)	-	-
Other payables	195	255
Total	195	255

The carrying amount of the financial liabilities in the table above approximates their fair value.

Reverse factoring

As of 31 December 2025 the Company discontinued its use of reverse factor arrangements programs and progressively settled and terminated

the outstanding arrangements during the year, the typical structure and conditions applicable to previous arrangements are shown in the table below:

Structure of the arrangements	F.I.S. initiates a reverse factoring arrangement by notifying selected suppliers about a potential receivable purchase program, which is then negotiated and agreed between the Factor and the supplier. The agreement can be structured with or without recourse, based on the supplier's preference.
Timing of payment to the supplier	The supplier has the option to be paid in advance or according to the original payment terms. F.I.S. is not involved in this decision.
Selection of payables	Once suppliers enter the agreement, F.I.S. must confirm to the Factor the acceptance of the specific payables (e.g. F.I.S. can elect not to accept the receivables related to shipments that had quality issues)

Terms of F.I.S. payment

F.I.S. has the option to extend payment terms by an additional 30 to 60 days beyond the original terms with Factors¹. Factoring fees are incurred by supplier, the factors charge F.I.S. interest costs for the extended payment terms, when F.I.S. takes advantage of the extension option.

Management considered that trade payables resulting from commercial transactions and settled in the normal operating cycle are classified as current payables. They include payables that the supplier may have assigned, with or without notification, to financial institutions as part of a reverse factoring. F.I.S. considers these liabilities to have the characteristics of trade payables, due

to the ongoing commercial relationships with the involved suppliers and the payment schedules ultimately consistent with the operating cycle of a manufacturing company.

Below table summarizes the effects of the reverse factoring arrangements:

€'000	31 December 2025	31 December 2024
Carrying amount of liabilities		
Presented within trade and other payables	280	6,900
For which extension to original payment terms have been agreed	-	-
Payment terms (avg. number of days)		
Liabilities that are part of the reverse factoring arrangements	n/a	82
Trade payables that are not part of the arrangement	82	73

28. Contract liabilities

Contract liabilities include advances and security deposits received from customers.

€'000	31 December 2025	31 December 2024
Contract liabilities		
Amounts received in advance and security deposits	37,936	74,959
Total	37,936	74,959

29. Equity

Authorised Share capital

The company's share capital is €10,000,000.00, divided into 2,000,000 ordinary shares with a par value of €5 each. The articles of association allow for the issuance of category A, B, C, or D shares with different rights. No category A, B, C or D shares are currently outstanding.

In addition, the extraordinary shareholders' meeting on 27 June 2019, approved the issuance of a bond convertible into company shares and an increase in the share capital. The company will issue A, B, C, or ordinary shares for a maximum nominal amount of €53,100 as necessary to satisfy the Exchange Ratio indicated in the Bond Regulation.

Issued Share capital

€'000

Issued and fully paid up:

At 1 January 2025 - 2 million ordinary shares of €5 each	10,000
Issued during the year	-
At 31 December 2025 - 2 million ordinary shares of €5 each	10,000

Revaluation reserve

This reserve remained unchanged from 31 December 2024.

€'000

Law no. 342 of 21 November 2000	25.992
Law no. 350 of 24 December 2003	12.498
Decree law no. 185 of 29 November 2008	17.026
Article 110 of Decree law no. 104 of 14 August 2020	39.285
Total	94.801

Other reserves

€'000	2025	2024
Legal reserve	2,395	2,395
Equity component for convertible bonds	1,969	1,969
Reserve for remeasurement of defined benefit plans	620	553
FTA Reserve	(994)	(994)
Reserve for capital contribution	52,810	52,810
Hedging Reserve	(290)	-
Total	56,510	56,733

The legal reserve relates to amounts reserved in accordance with the requirements of article 2430 of the Italian Civil Code and article 41.2 of the Company's by-laws.

As a result of the issuance of the convertible loan notes in 2019, subscribed by the sole shareholder, the Company recognised a specific non-distributable reserve of €1.9 million for the related

derivatives, i.e. the option to convert the notes into equity instruments in accordance with IAS 32 and IFRS 9.

The reserve for capital contribution relates to cash amounts received by Bain Capital as a capital contribution on the acquisition date.

Origin, possible use and distribution of net equity items

€'000	Amount	Possible uses ¹	Available portion	Non distributable portion	Distributable	Use in the previous three financial years
Share capital	10,000	-	-	-	-	-
Revaluation reserve	94,801	A - B - C	94,801	-	94,801	-
Legal reserve	2,395	B	2,395	2,395	-	-
Reserve for capital contribution	52,810	A - B - C	52,810	-	52,810	-
Equity component for convertible bonds	1,969	-	-	-	-	-
Reserve for remeasurement of defined benefit plans	620	-	-	-	-	-
Hedging Reserve	(290)	-	-	-	-	-
FTA reserve	(994)	-	-	-	-	-
Extraordinary reserve	93,002	A - B - C	93,002	-	93,002	-
Undistributed net profits reserve	47,415	A - B - C	47,415	-	47,415	-
Negative goodwill	2,415	A - B - C	2,415	-	2,415	-
Reserve for state and regional aid	1,045	A - B - C	1,045	-	1,045	-
Profit / (Loss) for the year	77,683	-	77,684	-	77,684	-
Total	382,871		371,567	2,395	369,172	-

¹ A – Share capital increases, B – To cover losses, C – Dividends

30. Financial instruments

Financial risk policies and strategies

The main risks identified and managed by the Company relating to its business operations are as follows:

- Market risk (mainly interest rate risk): the risk of changes in the interest rates;
- Credit risk: possibility of default of a counterparty or deterioration in its credit rating;
- Liquidity risk: the risk of insufficiency of the Company's financial resources and the risk of not being able to meet its payment commitments; and
- Currency risk: the risk related to the fluctuations in the foreign currency exchange rates.

The key financial instruments of the Company are a high-yield sustainability-linked senior secured bond, bank financing and demand and short-term

bank deposits. Their principal purpose is to fund the Company's operations and to collect interest from the use of excess liquidity, respectively. The Company also has access to other financial instruments, leveraging trade receivables and payables arising from operations. Directors monitor the financial risks to which it is exposed regularly to anticipate any potential negative effects and take the necessary remedial actions.

Financial instruments

The principal financial instruments held, other than the prepayment derivative embedded in the 2022 ESG bond, are trade and other receivables, cash and cash equivalents, trade and other payables, bonds and borrowings. The table below summarises such financial assets and liabilities by category. The carrying amounts of the financial instruments are as follows:

31 December 2025		Carrying value			
€'000	Assets at amortised cost	FVTPL	FVTOCI	Liabilities at amortised cost	Fair Value
Assets					
Trade and other receivables ¹	73,397				
Cash and cash equivalents	203,022				
Derivative financial instruments		21,644			21,644
Other non-current assets ²	1,603				
Liabilities					
Trade and other payables ³				221,744	
Loans and borrowings				415,105	
Convertible loan notes				52,482	
Lease liabilities				13,829	
Other non-current liabilities				195	
Derivative financial instruments			382		382

¹ Trade and other receivables in the statement of financial position include prepayments and corporation tax, which are not financial assets and hence excluded from the tables above.

² Other non-current assets include investments and debt instruments and exclude prepayments, which are not financial assets.

³ Trade and other payables in the statement of financial position include progress billings, corporation tax, social security and other taxes and certain accruals which are not financial liabilities and hence excluded from the tables above.

31 December 2024		Carrying value			
€'000	Assets at amortised cost	FVTPL	FVTOCI	Liabilities at amortised cost	Fair Value
Assets					
Trade and other receivables ¹	88,693				
Cash and cash equivalents	157,899				
Derivative financial instruments		6,117			6,117
Other non-current assets ²	4,338				
Liabilities					
Trade and other payables ³				176,461	
Loans and borrowings				421,054	
Convertible loan notes				52,806	
Lease liabilities				13,914	
Other liabilities				255	

¹ Trade and other receivables in the statement of financial position include prepayments and corporation tax, which are not financial assets and hence excluded from the tables above.

² Other non-current assets include investments and debt instruments and exclude prepayments, which are not financial assets.

³ Trade and other payables in the statement of financial position include progress billings, corporation tax, social security and other taxes and certain accruals which are not financial liabilities and hence excluded from the tables above.

Fair value measurement

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period.

The following table shows the fair value hierarchy for financial assets and liabilities for which fair value was disclosed.

31 December 2025		Carrying value		
€'000		Level 1	Level 2	Level 3
Assets				
Derivative financial assets		-	21,644	-
Liabilities				
Derivative financial liabilities		-	382	-

31 December 2024		Carrying value		
€'000		Level 1	Level 2	Level 3
Assets				
Derivative financial assets		-	6,117	-

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in, the valuation technique(s) and inputs used).

Financial assets/Financial liabilities	Valuation techniques and key inputs	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to FV
Prepayment derivative embedded in the 2022 Bond. Level 2 fair value measurement.	The fair value of the derivative was estimated by comparing the fair value of a Plain Vanilla bond with the same terms of the 2022 Bond and the fair value of the structured 2022 Bond. The fair value of the bonds was estimated by actualising future cash flows at the risk-free rate plus g-spread/ option adjusted spread.	n/a	n/a
OTC derivative on Natural Gas. Level 2 fair value measurement.	The fair value of the derivative is based on the counterparty's monthly mark to market valuation, determined with reference to PSV gas market prices and driven primarily by observable market inputs.	n/a	n/a

There were no transfers between Level 1 and 2 during the current or prior year.

Interest rate risk

This risk relates to unforeseeable changes in interest rates that could generate higher financial charges for the Company. At year end, the outstanding loans and borrowings only partially expose the Company to the risk that future hikes in interest rates could significantly increase its financial charges, since the convertible loan notes, with a nominal value of €53.1 million, have a fixed rate (2.0%), as well as the €350 million out of €400 million of the nominal main debt instrument (high-yield sustainability-linked bond) that have a fixed rate of 5,625%. Therefore, the main exposure to interest rate risk in relation to the outstanding loans and borrowings as at 31 December 2024 is related to the Notes issued with a nominal value of €50 million, which accrues interest at variable rate amounting to Euribor 3m + 5.5% and the loan of €10 million accruing floating rate interest equal to 3m Euribor + spread.

The following table shows the sensitivity on the Company's profit before tax for the year ended 31 December 2024 to a 1% change in interest rates, with all other variables held constant, based on year-end balances and rates.

The sensitivity analysis provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Company's actual exposure to market rates changes as the Company's portfolio of debt and cash changes. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Company. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

Movement in basis points	31 December 2025	31 December 2024
100	(600)	(600)

Credit risk

The Company is not particularly exposed to credit risk on its trade receivables as its customers are mostly high standing multinational pharma companies with low insolvency risks. Bad debts of previous years were immaterial compared to the Company's turnover levels.

The Company's principal financial assets are bank balances, short term time deposits, cash and trade and other receivables which represent the Company's maximum exposure to credit risk in relation to financial assets. The following table is a summary of the Company's maximum exposure to credit risk:

€'000	31 December 2025	31 December 2024
Total trade and other receivables	86,316	101,659
Cash and cash equivalents	203,022	157,899
Total	289,338	259,558

Liquidity risk

The Company aims to maintain a balance between its need for cash and flexibility by using bank financing and other sources of funds. The main factors that affect its liquidity are the funds generated or used by operating and investing activities, its credit standing and the repayment and renewal

conditions of its bank debt. With respect to its ordinary operating activities, F.I.S. has put in place the following policies and processes to optimise its financial resources:

- maintenance of a sufficient level of available liquidity;
- diversification of its sources of funds;

- agreement of adequate short-term lines of credit and medium-term financing with its banks; and
- monitoring its future liquidity requirements in line with its business plans.

As of 31 December 2024, the Company had the following ratings: i) Fitch "B+" with a Positive Outlook; ii) S&P "B" with a Stable Outlook, iii) In February 2026, Moody's upgraded the Outlook from Stable to Positive while confirming the rating at "B3".

Contract maturity

The following tables detail the Company's remaining contractual maturity for its financial liabilities regarding the repayment periods. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest until maturity and principal cash flows.

31 December 2025 €'000	Gross Contractual cash flows	Within one year	2-5 years	5-10 years
<i>Non-derivative financial liabilities</i>				
Trade payables	185,447	185,447	-	-
Other payables	220	197	23	-
Lease liabilities	16,796	3,256	9,292	4,248
Loans and borrowings	456,590	34,014	422,576	-
Convertible loan notes	55,224	1,062	54,162	-
Total	714,277	223,976	486,053	4,248

31 December 2024 €'000	Gross Contractual cash flows	Within one year	2-5 years	5-10 years
<i>Non-derivative financial liabilities</i>				
Trade payables	149,616	149,616	-	-
Other payables	451	253	169	29
Lease liabilities	17,116	3,369	8,414	5,333
Loans and borrowings	490,812	33,800	457,012	-
Convertible loan notes	57,796	-	57,796	-
Total	715,791	187,038	523,391	5,362

Foreign currency risk

The Company's foreign currency trade transactions mostly take place in US dollars. The Company has implemented a foreign exchange risk management policy related to the "on-book"

exposure, with the aim of minimizing the impact of such risk.

The following table is a summary of the Company's net foreign currency-denominated monetary assets/(liabilities):

€'000	31 December 2025	31 December 2024
US Dollar	64,125	27,272
Total	64,125	27,272

Foreign currency sensitivity analysis

Presented below is the sensitivity of the Company's foreign currency exposure to reasonably possible changes in foreign currency rates based on the Company's historical experience and the current economic outlook. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items (including derivative instruments) in US dollars.

If the rates moved by +/- 10% the effect on profit and loss would be +/- 6.41 million.

Capital management

Company capital management aims to ensure sufficient capital indicators to support investment plans, complying with contractual obligations agreed with investors.

The Company makes sure it holds the required funds to finance its business development and operational needs. To guarantee a balanced financial structure and minimise the overall cost of capital, the sources of financing are a balanced mix of risk capital and debt capital, thus creating advantages for all stakeholders.

The return on risk capital is analysed according to market trends and business performance, having satisfied all other obligations, such as debt settlement. Consequently, to ensure appropriate capital returns, safeguard business continuity as well as business development, the Company closely monitors its debt-to-equity ratio, business performance and expected cash flow in the short and medium/long term.

31. Commitments, guarantees and contingent liabilities not recognised in the statement of financial position

The contingent liabilities of the Company include securities provided to financial institutions for the loans and borrowings used and the details are as follows:

31 December 2025

Issuer	Type	Risk	Amount	Start date	Maturity date
Coface	Surety	Lonigo waste-to-energy plant	841,740	15/12/2021	15/12/2029
Cassa di risparmio Veneto	Surety	Vicenza provincial authorities - Storage of waste	12,240	2006	without repayment date
Cassa di risparmio Veneto	Surety	Molise region	8,745	2006	without repayment date
Zurich	Surety	Amm.ne Prov. Vicenza waste storage	55,777	30/4/2025	30/4/2026
Coface	Surety	Vicenza Customs Agency, Excise Electricity	7,320	16/9/2025	16/9/2026
Coface	Surety	AIA Montecchio in favour of Provincia Vicenza	775,000	31/12/2026	31/12/2030
Liberty Mutul Insurance Europe	Surety	New Viale Europa car park	68,200	3/3/2025	3/3/2026
Generali	Surety	VAT Reimbursement	1,535,465	13/5/2024	13/5/2028

SACE BT Spa	Surety	VAT Reimbursement	817,048	14/2/2025	14/2/2028
SACE BT Spa	Surety	VAT Reimbursement	676,436	18/9/2024	18/9/2027
Coface	Surety	Vicenza Customs for the deposit of customs duties	7,934,064	28/6/2025	28/6/2026
S2C Spa Compagnia di Ass.ni di Credito e Cauzioni	Surety	VAT Reimbursement	1,010,805	15/7/2024	15/7/2027
Generali	Surety	VAT Reimbursement	249,963	14/2/2025	14/2/2028
BARCLAYS Bank Ireland PLC	Surety	Rental Contract	60,000	26/5/2025	1/6/2031

31 December 2024

Issuer	Type	Risk	Amount	Start date	Maturity date
Coface	Surety	Lonigo waste-to-energy plant	841,740	15/12/2021	15/11/2027
Cassa di risparmio Veneto	Surety	Vicenza provincial authorities - Storage of waste	12,240	2006	without repayment date
Cassa di risparmio Veneto	Surety	Molise region	8,745	2006	without repayment date
Zurich	Surety	Amm.ne Prov. Vicenza waste storage	55,777	28/12/1999	30/04/2025
Coface	Surety	Vicenza Customs Agency, Excise Electricity	7,320	16/09/2016	16/09/2025
Coface	Surety	AIA Montecchio in favour of Provincia Vicenza	775,000	07/07/2015	31/12/2026
Liberty Mutul Insurance Europe	Surety	New Viale Europa car park	68,200	03/03/2021	03/03/2025
Generali	Surety	VAT Reimbursement	1,535,465	13/05/2024	13/05/2028
S2C Spa Compagnia di Ass.ni di Credito e Cauzioni	Surety	VAT Reimbursement	676,436	18/09/2024	18/09/2027
Coface	Surety	Vicenza Customs for the deposit of customs duties	6,494,960	09/03/2021	28/06/2025
S2C Spa Compagnia di Ass.ni di Credito e Cauzioni	Surety	VAT Reimbursement	1,010,805	15/07/2024	15/07/2027

In addition, the Company is a party to several litigations arising from legal disputes and tax matters. Contingent liabilities arising from legal disputes mainly relate to possible obligations under fiscal law and to possible obligations under labour law.

Other commitments

The Company has purchase commitments of €49.4 million for fixed assets at 31 December 2025 (2024: €16.7 million).

32. Related party transactions

During the year, the Company engaged in trade and financial transactions with group companies and other related parties. These transactions are part of the Company's normal business activities and take place at the contractually established conditions, on an arm's length basis.

Trading transactions

During the year, the Company entered the following transactions with related parties:

€'000	Financing transactions		Trading transactions	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Parent Companies	-	-	(10)	(10)
Other related parties	-	-	6,000	5,847
Subsidiaries	-	-	2,843	2,421
Total	-	-	8,833	8,258

Trading transactions refer to commission costs, paid to subsidiaries upon the sale of products in the period, and strategic consultancy costs for post-acquisition services, paid to companies that are part of the Bain Group. The following amounts were outstanding at the reporting date:

€'000	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Parent Companies	12	12	-	-
Other related parties	-	-	1,444	3,347
Subsidiaries	-	-	381	811
Total	12	12	1,825	4,158

The outstanding amounts are unsecured and will be settled through cash and cash equivalents. No provisions have been made for doubtful debts regarding amounts owed by related parties.

Remuneration of key management personnel

The remuneration of the key management personnels which are the leadership team of the company, is set out below as required under IAS 24 Related Party Disclosures.

€'000	31 December 2025	31 December 2024
Short-term employee benefits	7,635	6,640
Total	7,635	6,640

Following Bain Capital Acquisition, Molecule (BC) Holdco S.p.A implemented a management co-investment plan for certain members of F.I.S. senior management team and certain members of the board of directors.

33. Directors remuneration and fees paid to statutory and independent auditors

The following table shows the remuneration of the Directors, the Board of Statutory Auditors and the fee for the independent statutory audit.

€'000	31 December 2025	31 December 2024
Remuneration of Directors	996	1,544
Remuneration of the Statutory Auditors	67	67
Fees of the Independent Auditors	178	75
Fees of the Independent Auditors' network companies for services provided during the year	2,172	84
Total	3,413	1,771

34. Information pursuant to article 1, paragraph 125, of law no. 124 Of 4 august 2017

Pursuant to the requirements of article 1.125 of Law no. 124/2017 about the disclosure of grants, subsidies, paid positions and financial benefits of any kind received during the year from the public

administrations or parties as per article 1.125 and the provisions of article 1.127, reference should be made to the note to Other operating income, Note 9.

Paying entity	Grant date	Measurement	Instrument	Amount	Status as of 31 December 2025
INPS	11/12/2025	Contributory concessions on social security contributions for employment in disadvantaged areas – Southern Italy exemption (1 July – 31 December 2022). Article 1, paragraphs 161 – 168, Law No. 178/2020	Tax concession or tax exemption	1,501,715	Fully paid
Cassa per i servizi energetici e ambientali CSEA	31/10/2025	Concessions for electricity-intensive enterprises	Tax concession or tax exemption	3,374,676	Fully paid
Regione Veneto - Direzione formazione e Istruzione	01/08/2025	Veneto Region FSE+ 2021-2027 – Competences transition	Subsidy/ grant on account of interest	1,308	Fully paid
Cassa per i servizi energetici e ambientali CSEA	19/06/2025	Concessions for electricity-intensive enterprises	Tax concession or tax exemption	1,999,556	Fully paid
INPS	20/03/2025	Exemption from the payment of social security contributions for new permanent hires/conversions – two-year period 2021-2022 (Article 1, paragraphs 10–15, Law No. 178/2020)	Tax concession or tax exemption	201.534	Fully paid
INPS	12/03/2025	Exemption from payment of social security contributions for new permanent hires or conversions – two-year period 2021–2022 (Article 1, paragraphs 10–15, Law No. 178/2020)	Tax concession or tax exemption	277.146	Fully paid

INPS	12/02/2025	Contributory concessions for employment in disadvantaged areas – Southern Italy social security contribution relief (1 July – 31 December 2022). Article 1, paragraphs 161–168, Law No. 178/2020	Tax concession or tax exemption	1.427.604	Fully paid
INPS	31/01/2025	Exemption from payment of social security contributions for the hiring of young workers (Article 1, paragraphs 10–15, Law No. 178/2020 – Article 1, paragraph 297, Law No. 197/2022)	Tax concession or tax exemption	616.283	Fully paid
Cassa per i servizi energetici e ambientali CSEA	26/09/2024	Concessions for electricity-intensive enterprises	Tax concession or tax exemption	2.252.416	Fully paid
Invitalia - Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A.	29/12/2023	Development contracts per article 43 of the legislative decree of 25 June 2008, n. 112, converted by law 6 August 2008, n. 133	Subsidy/grant on account of interest	19,985,000	Not paid
Invitalia - Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A.	29/12/2023	COVID-19: Investments for sustainable recovery – Development contracts	Subsidy/grant on account of interest	1,744,229	Not paid
Invitalia - Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A.	29/12/2023	COVID-19: Investments for sustainable recovery – Development contracts	Subsidy/grant on account of interest	8,255,771	Not paid

35. Approval of financial statements

The proposed financial statements were approved by the Board of Directors and authorised for issue on 24 March 2026.

36. Allocation of net profit for the year

Pursuant to article 2427.1.22-septies of the Italian Civil Code, it is proposed that the net profit for the year of €77,682,970.49 to be carried forward as retained earnings.

37. Future events

No significant events have occurred after the end of the financial year that would necessitate the inclusion of specific disclosures in these financial statements.

Particular attention has to be paid to the uncertainty related to US trade policies. Considering the importance of the US market, an eventual increase in customs duties could affect sales volumes, prices and profit margins. However, the Company does not currently believe that any impact on results can be reliably estimated.

In addition, the geopolitical situation in the Middle East has heightened the Company's focus on supply chain resilience and cost management. The Company has activated dedicated monitoring procedures and is implementing mitigation strategies, including hedging policies and already established contractual pass-through mechanisms. Based on these mitigations, no material impacts are expected.

In order to effectively support its financial strategy and optimize its capital structure, the Company decided to revise its sources of funds. Specifically, given that a sizable portion of the Company's existing debt was approaching maturity, the Company decided to proceed with the refinancing of such debt by issuing senior secured notes as the most suitable tool for its purposes. This refinancing operation allowed the Company to extend the maturity profile of its debt and to reduce the overall cost of financing. The process was coordinated by a team supported by leading international financial and legal advisors and two leading banks as global coordinators. The pre-marketing, public roadshow and pricing activities took place between 19 January and 4 February 2026, with international institutional investors involved.

On 5 February 2026, the Company issued €300 million of Senior Secured Fixed Rate Notes due 2031 bearing interest at 5.250% per annum and €470 million of Senior Secured Floating Rate Notes due 2031 bearing interest at three-month EURI-BOR plus 3.250% per annum.

The proceeds from the Notes issuance were used to repay in full the Company's €350 million aggregate principal amount of 5.625% Sustainability-Linked Senior Secured Notes due 2027 and the Company's €50 million aggregate principal amount of Sustainability-Linked Senior Secured Floating Rate Notes due 2027, including accrued and unpaid interest thereon and applicable step-up premiums. Additionally, the proceeds were used to repay in full the €53.1 million convertible bond issued by the Company, with any remaining portion expected to be used for general corporate purposes.

In connection with the Notes issuance, the existing revolving credit facility agreement has been increased from €80.0 million to €160.0 million, with maturity extended to the earlier of (i) four years and nine months after the issue date and (ii) three months prior to the maturity date of the Notes. In the context of the issuance, the Company has received a Corporate Family Rating (CFR) upgrade from Moody's (from B3 with positive outlook to B2 with stable outlook) and an Issuer Default Rating (IDR) upgrade from Fitch Ratings (from B with positive outlook to B+ with stable outlook), while Standard and Poor's affirmed the Issuer Credit Rating (ICR) of B with stable outlook.

Finally, it is noted that on February 24, 2026, the Company distributed dividends to its sole shareholder Molecole (BC) Bidco S.p.A. amounting to €38 million, to be drawn entirely from distributable reserves as resolved by the Shareholders' Meeting on February 18, 2026.

Montecchio Maggiore – March 24th, 2026
Chairman of the Board of Directors
Daniele Piergentili



Independent Auditor's Report





Independent auditor’s report in accordance with article 14 of Legislative Decree 39/2010

To the Shareholder of

F.I.S Fabbrica Italiana Sintetici S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of F.I.S Fabbrica Italiana Sintetici S.p.A. (the “Company”), which comprise the statement of financial position as of 31 December 2025, the the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial

statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and the board of statutory auditors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit.

Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on compliance with other laws and regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter)



of Legislative Decree 39/2010

The directors of F.I.S Fabbrica Italiana Sintetici S.p.A. are responsible for preparing a report on operations of F.I.S Fabbrica Italiana Sintetici S.p.A. as of 31 December 2025, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of F.I.S Fabbrica Italiana Sintetici S.p.A. as of 31 December 2025.

Moreover, in our opinion, the report on operations is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Verona, 7 April 2026

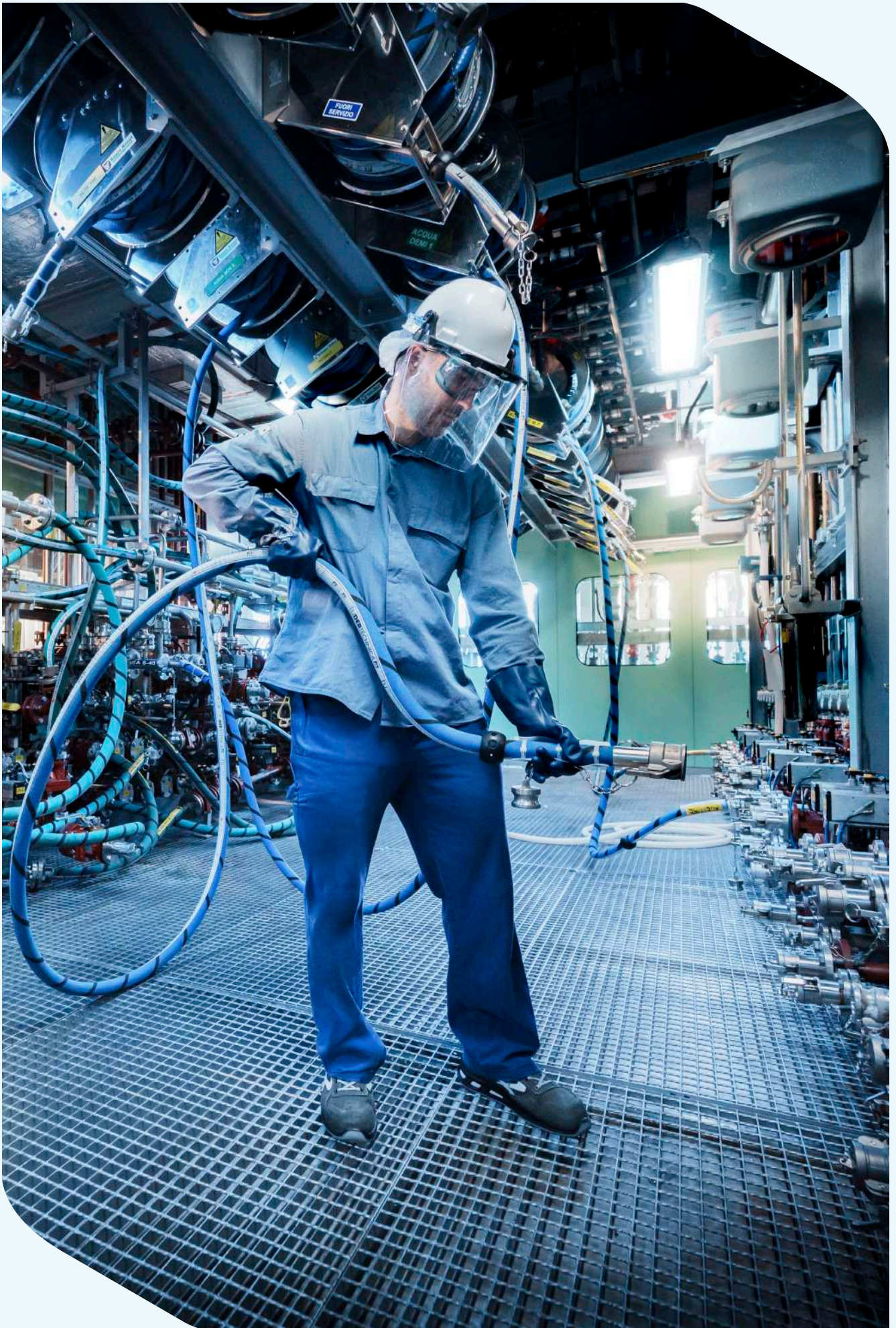
PricewaterhouseCoopers SpA

Signed by

Massimo Dal Lago

(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.





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F.I.S. Fabbrica Italiana Sintetici S.p.A.

With sole share holder Molecule (BC) Bidco S.p.A., subject to the activity of direction and coordination by Molecule (BC) Holdco S.p.A.

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