

Almirall, S.A.

Management Report

(Year ended 31 December 2025)

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails).



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1. Summary of the year. Key milestones

The financial year ended 31 December 2025 was characterised by an increase in net turnover, mainly due to the performance of the Company's dermatology portfolio in Europe.

Growth is mainly being led by products marketed under the brand names Ebglyss (for treating moderate to severe atopic dermatitis), Ilumetri (for treating moderate to severe plaque psoriasis), and Wynzora (for treating mild to moderate psoriasis). By year-end 2025, Ebglyss is present in the main European markets.

In the geopolitical and commercial sphere, international tensions have intensified during 2025, although without generating direct or significant impacts on the Company's operations. The conflicts in Ukraine and the Middle East continue to drag on, mainly affecting energy markets and some global supply chains, but without material repercussions on the Company's activity.

In Spain, in 2024, the Pharmaceutical Industry's Strategy for the 2024-2028 period was approved, which seeks to integrate innovation, production and access to medicines, taking into account sustainability and control of health spending. At the close of the 2025 financial year, some measures have been announced (such as the creation of the Interministerial Committee in charge of implementing and supervising the Strategy and changes linked to the Profarma Plan) but these have not yet been applied and there is still uncertainty about the impact on the Company's operations in Spain.

Finally, regulatory initiatives in the USA—including the possible implementation of international reference pricing and new tariffs on imported pharmaceutical products—could lead to significant price and margin decreases in the pharmaceutical sector globally, increase commercial complexity, and affect the global strategy for launches and R&D funding, especially for companies with limited local production. As at 31 December 2025, the potential direct and indirect impact of these measures has been assessed, concluding that the tariff policies have not had, nor is it foreseen that they will have, a significant impact on the Company's operations or strategy, and did not affect the fair value of its financial assets or liabilities as at this reporting date.

From the perspective of R&D activities, no relevant regulatory event has occurred and no significant new development agreements have been signed during the year. Projects in the early stage of development continue to progress as planned and, during this period, the compound Anti-IL1RAP (for the treatment of hidradenitis suppurativa) has progressed to Phase II. Likewise, the goal remains to have six Proof-of-Concept (PoC) studies underway before the end of 2026.

Of the upcoming milestones, we highlight the transition to Phase I of a bispecific antibody (anti-IL-13 and OX40L) for the treatment of atopic dermatitis, as well as the start of a Phase III study with lebrikizumab (active ingredient of Ebglyss) for nummular eczema, a pathology with significant unmet medical needs. Additionally, several studies related to lebrikizumab are being carried out by both the Company and its business partner, Lilly.

The dividend proposed by the Board of Directors on 21 February 2025 was approved at the General Meeting of Shareholders held on 9 May 2025. The payment of the dividend has been implemented as a flexible dividend in which shareholders have been offered the choice between receiving newly issued Company shares or the cash amount equivalent to the dividend. The cash payment was chosen by 66.7% of the rights holders (which entailed a disbursement of €26.2 million), while the remaining 33.3% opted to receive new shares at the unit par value, which were issued as a capital increase. On 11 June 2025, 1,316,840 new Company shares, from this flexible dividend, were admitted to trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges.

From a liquidity standpoint, the Company ended fiscal year 2025 with a cash position that amounted to €303.5 million (€327.6 million as at 31 December 2024). This evolution is explained by:

- Solid cash flow from operating activities (+356.9 million euros), mainly due to the good performance of the business, and the receipt of dividends from investee companies amounting to 285.8 million euros, partially offset by the negative performance of working capital, as a result of the increase in turnover.
- Net cash flows from investment activities (-114.1 million euros) as a result mainly of payments relating to licenses awarded at the end of 2024 and during 2025.
- Net cash flows from financing activities (-266.1 million euros) as a result mainly of the reduction of debt with group companies via compensation of dividends received amounting to 201.6 million euros and the refinancing of unsecured bonds that mature in 2026, with a net decrease impact of 55 million euros.

2. Corporate Development

During fiscal year 2025, the corporate development agreements that were reached and the significant events that occurred were as follows:

- On 31 January 2025, an agreement has been signed corresponding to the divestment of Algidol® and the Sekisan® licence in Spain. As a result, the Company has collected €12 million, with certain unconditional future collections outstanding.
- On 2 December 2025, the “Standard & Poor’s” agency issued a new report increasing the Company’s credit rating (corporate rating) from BB to BB+, with a stable outlook.
- On 17 December 2025, the Company concluded and disbursed an issuance of senior unsecured bonds for an aggregate nominal amount of €250 million, at a fixed annual interest rate of 3.75%, maturing on 15 September 2031.

3. Evolution of the main figures of the profit and loss statement

- Net turnover amounted to 1,120.6 million euros (+27%) thanks to the growth in sales of dermatological products in Europe (led by Ilumetri, Ebglyss and Wynzora), as well as income from dividends of group companies amounting to 285.8 million euros.
- The work carried out by the company on its assets amounted to 28.1 million, which corresponds to capitalised development costs for projects in progress.
- Personnel expenses have increased by 12% mainly as a result of new hires during the year, primarily due to the commercial rollout following the launch of Ebglyss. Additionally, in 2024 the industry agreement for the 2024 to 2026 period was signed, which included annual increases of 3%.
- Operating expenses have increased by 15%, mainly due to:
 - R&D activities linked to the advancement of the various ongoing developments, especially the agreements with Ichnos and Novo Nordisk, along with other proprietary molecules, and
 - To the increase in royalties linked to sales of licensed products, mainly Ilumetri and Ebglyss.
- Repayments rose to €75.6 million (+12%), increasing mainly due to the Ilumetri sales milestone accrued at the end of 2024.
- The heading “Impairment and gains/losses on disposals of fixed assets and investments in Group companies” in the accompanying profit and loss statement includes, mainly, the impairment in an amount of 58.7 million euros of the shareholding in Almirall, Inc.
- The net financial result shows an expense of 6.2 million euros due to interest accrued during the year relating to debts with group companies and to external debt, although with a significant year-on-year improvement thanks to the positive valuation of the derivative linked to the Equity swap (due to the share price increase).
- As a result mainly of the above, the operating profit and net profit for the 2025 financial year amounted to 240.6 million euros, a significant increase compared to the 121.7 million euros of the 2024 financial year.

4. Balance sheet evolution. Financial position

The main changes in the balance sheet as at 31 December 2025 compared to the end of fiscal year 2024 are described below:

- Intangible assets have increased due to additions related to the agreements with Sun Pharma, Lilly and Ichnos, as well as the aforementioned capitalisation of development project expenses amounting to 28.1 million euros, partially offset by the amortisation for the year.
- Investments in group companies have decreased mainly due to the impairment of the shareholding in Almirall, Inc.
- Trade receivables and inventories have remained stable compared to the 2024 financial year, despite the significant increase in net turnover. In the specific case of receivables, the increase in trade balances has been offset by the collection, in 2025, of various loans granted by Spain’s Ministry of Science and Technology to finance R&D activity, which were pending collection as at 31 December 2024.
- The position of cash and cash equivalents amounts to 303.5 million according to the evolution explained in Section 1 of this Management Report.

- Equity has increased significantly due to the positive impact of the current year's results and the payment of 26.2 million euros of dividends.
- Financial debt has decreased as a result of the aforementioned refinancing of unsecured bonds. The new bonds issued for an amount of €250 million represent a reduction of €50 million compared to the previous ones. Additionally, during the year, 10 million of the loan with the European Investment Bank has been amortised according to the planned schedule.
- Long-term prepayments and accruals have increased as a result of the renewal of trademark rights for a specific product signed in July 2025 with the existing business partner in territories, mainly, in Eastern Europe. The amount totals 24.1 million, from which 20 million were collected upon signing the agreement, that will be posted to the profit and loss account, linearly, in the period from 2026 to 2030.
- Short-term debts with group companies have been significantly reduced as a result of the distribution of dividends from investee companies, which has been instrumentalised as a reduction of intragroup debt.

5. Financial risk management and use of hedging instruments

The Company's activities are exposed to various financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's global risk management programme focuses on the uncertainty of financial markets, and seeks to minimise the potential adverse effects on its financial profitability.

Risk management is controlled by the Company's Treasury Department, which identifies, assesses and hedges for financial risks in accordance with the policies approved by the Board of Directors. The Board of Directors provides written policies for overall risk management, as well as for specific areas such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives, and investment of surplus liquidity.

Interest rate risk

As at 31 December 2025 and 2024, most of the Company's debt is at a fixed rate, which minimises the risk of a possible increase in interest rates. The main debt instruments are as follows:

- On 17 December 2025, the Company proceeded to conclude and disburse an issuance of senior unsecured bonds for an aggregate nominal amount of 250 million euros, at a fixed annual interest rate of 3.75%, maturing on 15 June 2031.
- On 27 March 2019, the Company arranged a loan facility with the European Investment Bank (EIB) for up to 120 million euros to fund its research and development efforts, with the objective of providing cutting-edge innovation and differentiated therapies in the area of medical dermatology. The first tranche of €80 million was granted on 17 April 2019, at a fixed interest rate of 1.35%, with 32 equal repayments of principal between 17 April 2021 and 17 April 2029, with the latter date being the final maturity. Due to the issue of new debt, the interest rate increased by 0.30%, and therefore the interest rate is 1.65%.
- The Company has a revolving credit facility for general corporate purposes in an amount of 275 million euros, currently maturing in February 2028, which accrues a variable interest rate tied to the Euribor, but, as at 31 December 2025 and 2024, has no drawn down amount.

Exchange rate risk

The Company is exposed to the exchange rate risk in certain transactions derived from its activity, and it analyses the forecasts of inflows and outflows in foreign currency on a monthly basis, as well as the changes and trend of these. The exchange rate risk is mainly related to cash inflows in dollars for sales of finished product; cash inflows and outflows derived from the transaction with Covis Pharma GmbH; outflows in dollars from the licensing agreements with Athenex, Eli Lilly or Sun Pharma; outflows in dollars for clinical trials, purchases of raw materials and royalty payments in yen and dollars. The most relevant foreign currency in which the Company operates is the US dollar.

Liquidity risk

The Company determines its cash requirements using two fundamental forecasting tools that operate according to different time frames.

On the one hand, a monthly cash budget is established for one year, based on the forecast financial statements for the current year, and deviations from the forecast are analysed on a monthly basis.

And on the other hand, medium- and long-term liquidity planning and management is based on the Company's Strategic Plan, and that of the Parent Group, which covers a five-year time frame.

Cash surpluses in foreign currencies are invested in deposits when payments are expected to be made in that currency, mainly US dollars.

Financing instruments include a series of covenants that, in the event of default, would result in a demand for immediate payment of these financial liabilities. The Company periodically assesses their fulfilment (as well as expected future fulfilment, so that it may take corrective measures, if necessary). As at 31 December 2025 and 2024, all covenants have been fulfilled.

The Company manages liquidity risk prudently, maintaining sufficient cash and marketable securities, as well as arranging committed credit facilities for an amount sufficient to support expected needs.

Credit risk

The Company manages credit risk through an individual analysis of the items included in accounts receivable. As a preventive measure, credit limits are established for sales to wholesalers, pharmacies and local licensees. In the case of hospital sales, given their minor significance, payment is collected afterwards, once the debt is due.

Amounts considered to be bad debts, once all the pertinent collection procedures have been carried out, are impaired at 100%.

The Company does not have a significant credit risk, since it invests cash and, where applicable, arranges derivatives with highly solvent entities.

6. Risk factors

Noteworthy risk factors that may affect the achievement of business targets are as follows:

- Pressures related to price reductions, reimbursement conditions, contributions to the healthcare system or more restrictive regulations, which could increase with growing government budget deficits on the horizon and with a potential overall worsening of the macroeconomic conditions in European countries.
- Supply shortages due to increased geopolitical and macroeconomic volatility and/or greater physical risks as a consequence of accelerated climate change.
- Difficulties in attaining the sustainability goals related to third parties in the supply chain and higher transition costs due to the more restrictive regulations issued by regulatory bodies for meeting climate change targets.
- Cyberattacks or security incidents that allow access to confidential information or cause a disruption of business activities.
- Impairment of intangible assets and goodwill due to lower-than-projected revenue streams.
- Inability to have a sufficiently balanced and differentiated R&D pipeline in its various phases, either with internal or external innovation, to nurture the portfolio of products.
- Difficulties in attracting and retaining talent.

In addition, the Statement of Non-Financial Information and Sustainability Report attached as Appendix I to the Consolidated Management Report of Almirall, S.A. and subsidiaries (Almirall Group), of which the Company is the parent, explains the Group's risk management system (Section 2.1.4).

7. Treasury shares

The Company has a liquidity contract with a financial intermediary, effective as from 4 March 2019, with the aim of favouring liquidity and stability of prices of the Company's shares, within the limits established by the General Shareholders' Meeting and by current regulations, in particular, Circular 1/2017, of 26 April, of the National Securities Market Commission (CNMV), on liquidity contracts. This contract means that, as at 31 December 2025, the Company holds treasury shares representing 0.06% of the share capital and an overall nominal value of 16,3 thousand euros, which have been recognised in accordance with the current regulations. The average acquisition price of these shares in 2025 was 12.9 euros per share. The Company's own shares are intended to be traded on the market.

8. Staff

The average number of Company employees during the 2025 financial was 708.

9. Average payment period

The Company's average payment period to creditors and suppliers for the financial year 2025 was approximately 38 days.

10. Trends for fiscal year 2026

For fiscal year 2026, the growth trajectory of the biological product portfolio is expected to continue, with Ebglyss for the treatment of atopic dermatitis and Ilumetri for psoriasis. It is worth noting that Ebglyss was already launched in the major European markets as at 31 December 2025. Within the dermatological portfolio, other outstanding products are Wynzora and Klisyri, the former for the treatment of psoriasis and the latter for the treatment of actinic keratosis. They are expected to continue growing significantly.

In terms of R&D activities, the focus will be on products that are in the early development stages, linked to agreements with Evotec, Ichnos, Simcere, Ethernal, Novo Nordisk and Eloxx. Specifically, the goal remains to have six proof-of-concept (PoC) studies underway before the end of 2026. Of the upcoming milestones, we highlight the transition to Phase I of a bispecific antibody (anti-IL-13 and OX40L) for the treatment of atopic dermatitis, as well as the start of a Phase III study with Lebrikizumab (active ingredient of Ebglyss) for nummular eczema, a pathology with significant unmet medical needs.

Finally, the Company's Management continues to focus on opportunistic acquisition transactions that fit with the Company's business strategy, while always maintaining a prudent financial approach.

11. Annual Corporate Governance Report / Annual Directors' Remuneration Report

The Annual Corporate Governance Report and the Annual Directors' Remuneration Report is included in the Consolidated Management Report of Almirall S.A. and subsidiaries (Almirall Group), of which the Company is the parent.

12. Capital structure. Significant shareholdings

As at 31 December 2025, the Company's share capital is represented by 214,785,198 fully subscribed and paid-up shares with a par value of 0.12 euros each.

Shareholders with significant holdings, both direct and indirect, in the share capital of Almirall, S.A., exceeding 3% of the share capital, and of which the Parent Company is aware, according to the information contained in the official records of Spain's National Securities Market Commission (CNMV) as at 31 December 2025 and 2024, are as follows:

<i>Name or company name of the direct holder of the interest</i>	% Interest 31/12/2025	% Interest 31/12/2024
Grupo Plafin, S.A.U	44.3%	44.5%
Grupo Corporativo Landon, S.L.	15.6%	15.6%
Norbel Inversiones, S.L.	5.1%	5.1%
Total	65.0%	65.2%

As at 31 December 2025 and 2024, the Company is not aware of any other holdings equal to or greater than 3% of the Company's share capital or voting rights, or that, being less than the established percentage, would enable the exercise of significant influence over the Company.

13. Private agreements among shareholders and restrictions on transferability and voting

There is a private agreement among shareholders, which has been duly notified to the CNMV, and the full text thereof can be consulted on the website www.almirall.com. It was signed by Antonio Gallardo Ballart and Jorge Gallardo Ballart, and it regulates the concerted action of its signatories in Almirall, S.A. and the exercise of the voting rights that they possess indirectly in the Company through Grupo Plafin, S.A.U., on one hand, and Grupo Corporativo Landon, S.L., on the other hand.

There are no restrictions set out in the Articles of Association on the free transferability of the Company's shares, nor are there any statutory or regulatory restrictions set out in the Articles of Association or in other regulations on voting rights.

14. Governing bodies

Appointment of directors

Proposals for the appointment of directors are submitted to the General Shareholders' Meeting (i) at the proposal of the Appointments and Remuneration Committee, in the case of independent directors, and (ii) subject to a report from the Appointments and Remuneration Committee, in the case of other directors, in accordance with the provisions of the Spanish Capital Companies Act.

When a new director is appointed, they must follow the orientation programme for new directors established by the Company, so that they can quickly acquire sufficient knowledge of the Company and of its rules for corporate governance.

When designating external directors, the Board of Directors endeavours to ensure that candidates are chosen who have recognised solvency, competence and experience, given that great care must be taken when filling the posts of independent director provided for in Art. 6 of the Board Regulations. The Board of Directors has approved a specific and verifiable Policy for the Selection of Directors and Composition of the Board of Directors, aimed at favouring an appropriate and balanced composition of the Board, which ensures that proposals for appointment or re-election are based on a prior analysis of the competencies required by said Board and favours diversity of knowledge, experience, age and gender.

Directors affected by proposals for re-election will abstain from taking part in deliberations and from voting on such proposals.

Directors hold office for the term stipulated by the General Shareholders' Meeting, which must be the same for all of them and may not exceed four years. At the end of this term, they may be re-elected one or more times for periods of the same maximum duration.

Replacement of Directors

Directors will leave office when the term for which they were appointed has elapsed or when so decided by the General Shareholders' Meeting in the exercise of the powers conferred upon it by law or by the Company's Articles of Association. In any case, the appointment of directors will end when the term has expired and the next General Meeting has been held or when the legal deadline for holding the meeting that must pass a resolution approving the previous year's annual accounts has elapsed.

The Board of Directors may only propose the dismissal of an independent director before expiry of the term established in the Articles of Association when there is just cause, as determined by the Board following a report from the Appointments and Remuneration Committee. In particular, just cause will be deemed to exist when the director has failed to comply with the duties inherent in their position or has incurred in any of the circumstances that prevent them from holding office as described in the definition of independent director established in the good corporate governance recommendations currently in force.

Directors affected by proposals for dismissal will abstain from taking part in the deliberations and voting on such proposals.

Directors must submit their resignation to the Board of Directors and, if the Board deems it appropriate, officially resign their post in the following cases:

- a) When they leave the executive positions associated with their appointment as director.
- b) When they find themselves in any of the situations resulting in incompatibility or prohibition as stipulated by law.
- c) When they are seriously reprimanded by the Board of Directors for having breached their obligations as directors.
- d) When their continued presence on the Board may jeopardise or damage the interests, credit or reputation of the Company or when the reasons for which they were appointed cease to exist (for example, when a proprietary director sells their stake in the Company).
- e) In the case of independent directors, they may not remain in their posts for a continuous period of more than 12 years, and once this period has elapsed, they must submit their resignation to the Board of Directors and officially resign.

- f) In the case of proprietary directors (i) when the shareholder they represent sells its entire stake and; , likewise (ii) in the corresponding number, when this shareholder reduces its stake to a level that requires a reduction in the number of proprietary directors.

In the event that, due to resignation or for any other reason, a director leaves their post before the end of their term of office, they must explain the reasons in a letter to be sent to all the members of the Board.

Amendment of Articles of Association

The amendment of the Articles of Association is the responsibility of the General Shareholders' Meeting and is governed by Art. 160 of the Spanish Capital Companies Act and other concordant provisions, and there are no relevant specifications in this regard in the Articles of Association or the Regulations of the General Shareholders' Meeting.

Powers of Members of the Board of Directors

All the powers corresponding to the Board of Directors are permanently delegated in favour of the Company's CEO, according to an instrument authorised by the Notary Public of Barcelona, Mr. Enrique Viola Tarragona, acting as substitute for his colleague of the same city, Ms. Blanca Pardo García, and for the notarial records pertaining to the latter, on 19 May 2025.

15. Significant agreements

There are no significant agreements, either in relation to changes of control of the Company or between the Company and its Directors and Management or Employees, regarding compensation for resignation (except those described in the Annual Remuneration Report), dismissal or takeover bids (except those described in the Annual Report on Directors' Remuneration and Corporate Governance Report included in the Consolidated Annual Accounts of Almirall S.A. and subsidiaries (Almirall Group), of which the Company is the parent).

16. Subsequent events

At the date of preparation of these annual accounts, the Company's Board of Directors resolved to propose to the General Meeting of Shareholders the distribution of a dividend charged to unrestricted reserves in the amount of 40.8 million euros (equivalent to 0.19 euros per share). For the purposes of this dividend distribution, it is proposed to once again utilise the "Flexible Dividend" shareholder remuneration system, already applied in 2025.

17. Statement of Non-Financial Information and Sustainability Information

The Non-Financial Information Statement and the Sustainability Information is included in the Consolidated Management Report of Almirall, S.A. and subsidiaries (Almirall Group), of which the Company is the parent.