

ANNUAL CONSOLIDATED FINANCIAL REPORT December 31, 2025

Kepler S.p.A

Annual Consolidated Financial Report as of and for the year ended
December 31, 2025

REPORT OF OPERATIONS

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INTRODUCTION

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GENERAL INFORMATION ABOUT THE KEPLER S.P.A. AND ITS CONSOLIDATES SUBSIDIARIES (THE “GROUP”)

Kepler S.p.A. is a holding company indirectly controlled by Ardian Buyout Fund VII B SLP through its majority-owned subsidiary Vegeta S.p.A. which was created on February 7, 2022 for the purpose of the Biofarma Group acquisition (following “Biofarma Acquisition”) from White Bridge Investments and certain other sellers.

On March 27, 2022 Ardian Buyout Fund VII B SLP, Victoria HD S.r.l. and managers completed the acquisition of Biofarma Group. The Biofarma Group (or simply “Biofarma”), which operates in manufacturing and research and development of health supplements, medical devices and cosmetics products, was formed in February 2020 from the aggregation of the Biofarma S.r.l., Nutrilinea S.r.l., Apharm S.r.l. (initially acquired a 70% controlling stake), Pasteur S.r.l. (initially acquired a 75% controlling stake) and International Health Science S.r.l., On April 2022 and May 2022 the minority interests in Pasteur S.r.l. and Apharm S.r.l. have been acquired respectively. Kepler S.p.A. performed the acquisition through the newco Tauri S.p.A. that was subsequently merged in Biofarma, S.r.l. with retrospective accounting and fiscal effects at acquisition date. The acquisition price for Euro 945 million has been paid partially by equity injections and banks loan. In connection with the Acquisition, on March 22, 2022, Kepler, S.p.A. entered into (i) the Bridge Facility Agreement, which provides for the Euro 345.0 million Bridge Facilities (comprising the following virtual tranches: the Bridge Acquisition Tranche, the Bridge Refinancing Tranche and the Bridge General Corporate Purpose Tranche) and (ii) the Revolving Credit Facility Agreement, which provides for the Euro 60.0 million Revolving Credit Facility.

Then the entity successfully completed the offering of Euro 345 million aggregate principal amount of Senior Secured Floating Rate Notes due 2029 (the “Notes”), as part of the overall financing arrangements for the acquisition of all the equity interests in Biofarma S.r.l., which was completed on March 22, 2022. The Notes bore interest equal to three-month EURIBOR (with 0% floor) plus 5.75% per annum, reset quarterly, and were issued at an issue price of 96.00% of the nominal amount thereof. The Notes were listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market thereof.

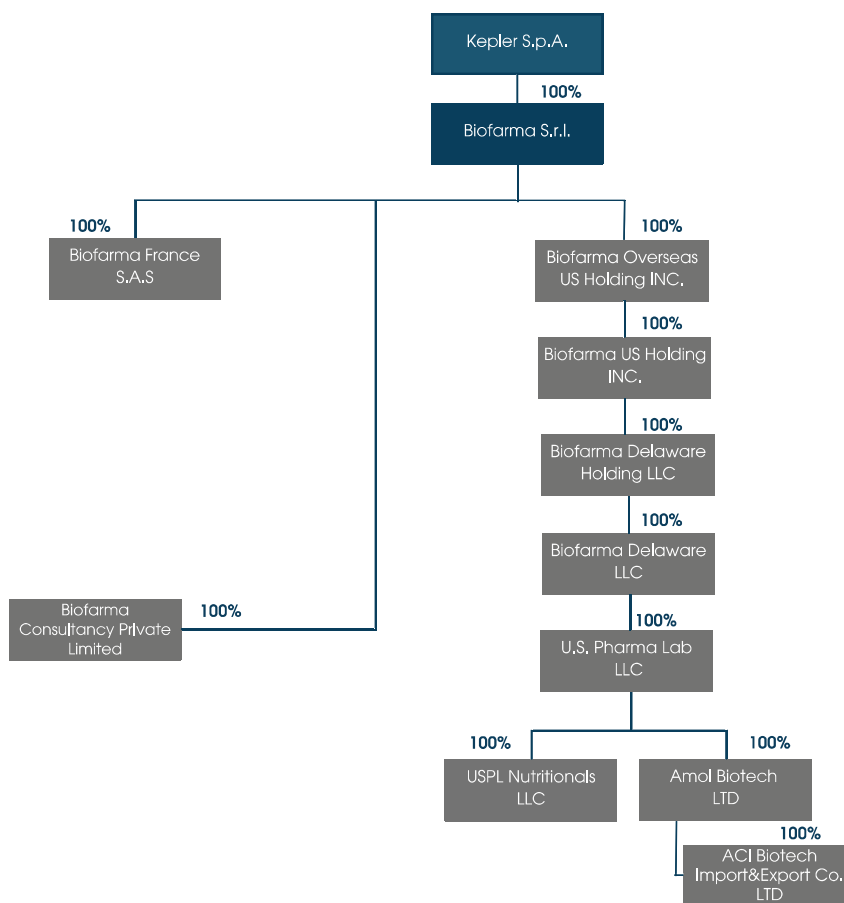
On August 8, 2022, Kepler S.p.A. signed an ISDA master agreement for an interest rate cap based on a notional amount of Euro 345 million with an underlying rate based on 3m Euribor, a maturity of 3 years (starting from 15/09/2022), and a strike at 0%, to hedge against the interest rate risk relating to the Notes for a running premium of 152bps. Thus, the Group capped its EURIBOR exposure to 1.52% for 3 years, which is expected to generate savings in the current rising interest-rate environment.

On September 15, 2022, the Group completed the acquisition of 100% of the shares of Codilab and Laboratoire Pierre Caron (together “Nutraskills”), two French companies specialized in the research and development, manufacture, and packaging of food supplements. That operation on French territory has been settled thank to the constitution of Biofarma France legal entity, which is controlled by 100% by Biofarma S.r.l. and which is structured with the aim of becoming the legal and fiscal vehicle for all Kepler initiative in France. In line with the Group’s strategic objective to streamline its organizational and administrative structure, in June 2025 the Group finalized the merger of Laboratoire Pierre Caron and Codilab into Biofarma France. Both mergers are effective retroactively, for tax and accounting purposes, as of January 1, 2025. This consolidation represents a key step toward enhancing operational efficiency and becoming an industry leader in the French market.

In July 2025, Kepler S.p.A. successfully completed the offering of Euro 500.0 million in aggregate principal amount of its senior secured floating rate notes due 2029 (the “2025 Notes”). In conjunction with the offering, Kepler S.p.A. secured a new revolving credit facility of up to Euro 135.0 million. This facility replaced the previous one and is intended to support the Group’s general corporate and liquidity needs. Additionally, as part of the broader refinancing of the Group’s outstanding debt, Biofarma Delaware LLC (“Biofarma Delaware”), an indirect subsidiary of Kepler S.p.A., issued USD 110.6 million in senior secured notes due 2029 through a private placement (the “2025 Private Notes”).

In addition, the subscribers to the 2025 Private Notes committed to purchase up to an additional Euro 200.0 million-equivalent in senior secured notes, subject to certain conditions. These additional notes may be issued by either the Kepler S.p.A. or Biofarma Delaware in one or more future tranches. Proceeds from the offering of the 2025 Notes were used to: (i) Redeem in full the outstanding Notes; (ii) Repay outstanding amounts under the previous revolving credit facility; Fund general corporate purposes; and (iii) Cover fees and expenses related to the transactions. These financing transactions mark a strategic step for the Biofarma Group in strengthening its capital structure, extending debt maturities, decreasing cost of debt and enhancing financial flexibility.

The Group structure is represented below:

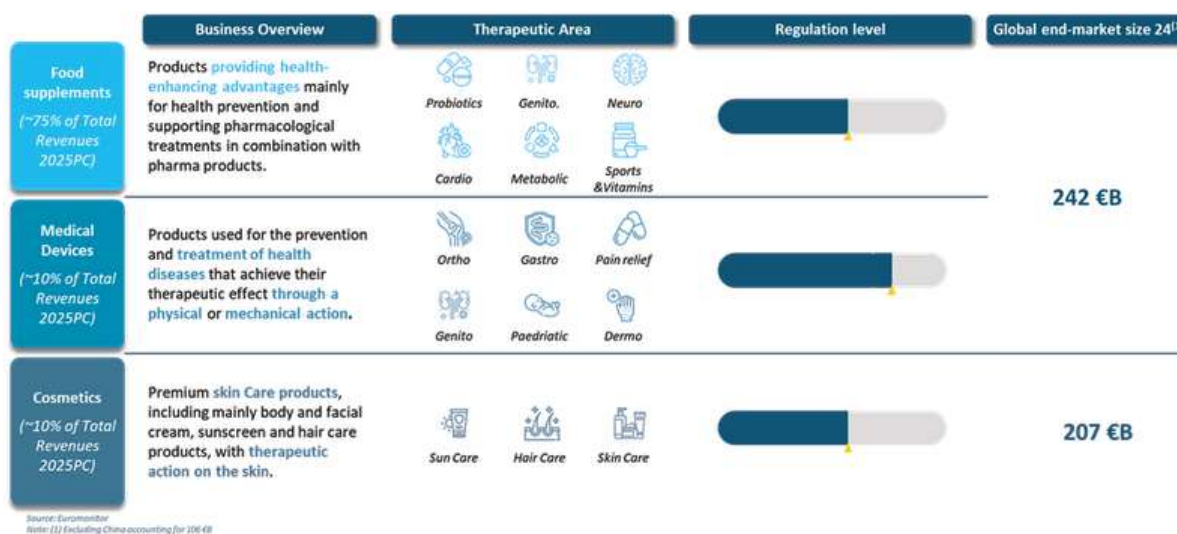


As of December 31, 2025, the scope of consolidation perimeter of Kepler S.p.A. is set out below:

Company	Country	Control	Percentage Holding	Owned by:
Kepler S.p.A.	Italy	Parent Company	100%	Denis S.p.A.
Biofarma S.r.l.	Italy	Direct	100%	Kepler S.p.A.
Biofarma France SAS	France	Indirect	100%	Biofarma S.r.l.
Biofarma Overseas US Holding, Inc.	USA	Indirect	100%	Biofarma S.r.l.
Biofarma US Holding, Inc.	USA	Indirect	100%	Biofarma Overseas US Holding INC
Biofarma Delaware Holding LLC	USA	Indirect	100%	Biofarma US Holding INC
Biofarma Delaware LLC	USA	Indirect	100%	Biofarma Delaware Holding LLC
U.S. Pharma Lab LLC	USA	Indirect	100%	Biofarma Delaware LCC
USPL Nutritionals LLC	USA	Indirect	100%	U.S. Pharma Lab LCC
Amol Biotech Ltd.	China	Indirect	100%	U.S. Pharma Lab LCC
ACI Biotech Import & Export Co. Ltd	China	Indirect	100%	Amol Biotech Ltd.
Biofarma Consultancy Private Limited	India	Indirect	100%	Biofarma S.r.l.

MARKET TRENDS

Biofarma operates in the consumer healthcare sector, a resilient and growing market worthing Euro 450 billion ca. at global level that after strong growth during the COVID-19 pandemic, will continue to grow driven by a strong awareness on prevention.

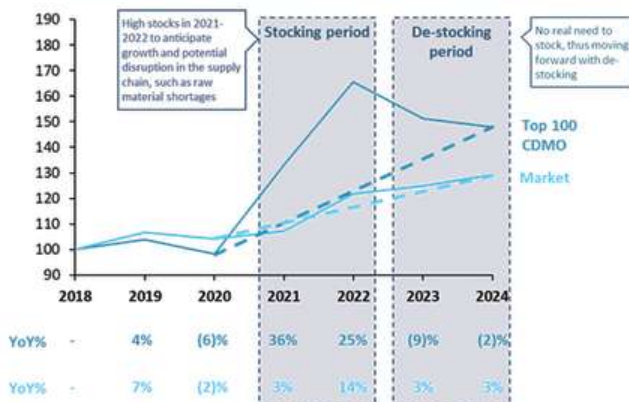


In particular, Biofarma operates in the CDMO market, leveraging its specialized innovation and operational capabilities, which are increasingly demanded by clients.

Top 100 CDMO performance vs consumer healthcare market

(2018-2025 | 100 Index (Base 100=2018); Y-o-Y %)

— FCS projections with normalized growth (excl. stocking-de-stocking effect)



Drivers behind the rising demand for CDMOs

- Lack of innovation know-how**: Increasing demand for innovative and specific technologies (e.g. new formats and delivery technologies) and uncertainty to invest due to future market dynamics
- Lack of manufacturing capabilities**: Limited manufacturing capacity with no adequate scale to meet the fluctuating volumes demand
- Reduce complexity & fixed costs/capex**: Streamline organizational complexity and limit fixed costs / capex enabling on asset light business model
- Faster time-to-market**: Need of speeding up launches' time-to-market notably when it comes to regulatory compliance
- Focus on core business**: Willingness to focus investments on their core business (e.g. marketing, brand equity, etc...)

Based on the latest available market researches, such broad end-markets, i.e. total food supplements, medical devices and skin and suncare markets are showing a consistent CAGR of about 5%. The growth of our underlying markets is expected to be driven by structural trends such as (i) increased health and wellness awareness boosted by the COVID-19 pandemic, (ii) the rise of preventive healthcare and self-care, (iii) the growing popularity of natural dietary supplements, (iv) an aging population coupled with rising chronic and metabolic disorders, (v) broader consumer education, and (vi) the emergence of a millennial consumer segment influenced by social media in their approach to self-improvement and wellness. Within the underlying nutraceutical market, specialty products, including probiotics, innovative formats and medical devices, which accounted over half of our revenues, are expected to grow at a faster rate.

We operate in the large and rapidly growing CDMO market, supported by a resilient underlying broader end-market, which has consistently grown at a faster pace than the strong underlying market. In particular, such CDMO market is outperforming end-market growth trends, expanding at an estimated CAGR of 7%.

This positive trend is underpinned by the increasing importance of CDMO services sustained by customers. CPGs and pharmaceutical companies, particularly, are increasingly outsourcing the development and production of their products. This is due to a variety of reasons, including (i) the increasing client demand for innovative and specific formats, (ii) our customers' limited manufacturing capabilities and inability to meet volume demands that may fluctuate significantly over time, (iii) a shift to asset-light business models, which requires limited fixed costs and streamlining of operational complexities, (iv) our clients' request for accelerated go-to-market capabilities and (v) customers' willingness to focus their investments on core business areas such as marketing, distribution, and brand development.

Furthermore, the CDMO market is experiencing a significant shift toward scientifically-backed nutraceutical solutions. This trend benefits "innovation-driven" players, such as Biofarma, which leverage their R&D know-how and deep industry knowledge to develop new innovative products, while delivering superior manufacturing capabilities for a limited amount of quality products. The shift toward scientifically-backed nutraceutical solutions aligns with evolving consumer expectations for premium-grade, innovative, and high-quality products, as regulatory standards become increasingly stringent.

As a result, “innovation-driven” players benefit from stronger and more collaborative relationship with customers, which in certain cases derive also from the co-development of products and solutions, and stronger negotiation power, resulting in better contractual terms and higher margins.

Our leadership position in the CDMO market is reinforced by infrastructural, customer-centric, and legislative barriers to entry. Our industry requires significant R&D capabilities, manufacturing complexity and sizeable upfront capital expenditure. In order to enter the CDMO space, in particular with respect to nutraceutical products, a new market entrant would need to acquire or develop innovative or patent-protected technologies and adopt complex manufacturing models with the flexibility to ensure business continuity for customers as well as efficient quality control and quality assurance processes in order to comply with applicable certification requirements. New entrants would also need to build significant in-house R&D expertise, which typically requires significant time and resources, notably when patents are involved. These factors, coupled with the necessity for new entrants to reach significant sizes to achieve acceptable economies of scale, translate into a high-level of upfront investment, which can be a strong barrier to entry. Sizeable R&D capabilities underpinned by strong proprietary technologies also offer significant competitive advantages with respect to the acquisition of large customers that have broad product portfolio needs. We proactively approach and partner-up with our key customers, such as large consumer health companies, to co-develop new innovative products and launch them to the market in a timely manner, leveraging the shorter innovation cycle in the nutraceutical space of an average of six to 18 months as compared to the average 36 to 60-month cycle in the pharmaceutical space according to management estimates. Additionally, our significant capabilities in the co-development of products with, and high switching costs for, our customers (including relating to the transfer of know-how and technology) translate to our strong customer relationships and significant client stickiness, which we believe are key factors in our ability to act as the de facto exclusive supplier for certain of our key customers and limit the ability of incumbent market participants to penetrate the market. Finally, our business is subject to stringent regulatory requirements across multiple jurisdictions, with a market participant’s ability to provide local and international regulatory expertise being a critical service for CDMO customers.

After the destocking caused by the re-normalization of stock levels, which had increased significantly in the aftermath of COVID-19 effect from retailers and brand owners hitting the industry between 2024 and the first part of 2025, market demand experienced a recovery starting from the end of the first half of 2025.

SIGNIFICANT EVENTS THROUGHOUT THE PERIOD



LAUNCH OF DIGITAL TRANSFORMATION PROGRAM

In Q1 2025 its large-scale, multi-year digital transformation program was launched. This initiative is designed to overhaul the global information technology infrastructure, processes, and reporting systems across all Group legal entities.

The program will enhance capabilities in digital commerce, customer experience, and analytics, positioning the Group to maintain a competitive edge through integrated and state-of-the-art information systems, backed by AI features.



BOND REFINANCING

In July 2025, Kepler S.p.A. successfully completed a complex transaction involving the offering of Euro 500 million in aggregate principal amount of its senior secured floating rate notes due December 2029, securing a new revolving credit facility of up to Euro 135 million, issuing and selling to certain subscribers in a private placement Euro 110,6 million privately placed notes due 2029. In addition, the subscribers to the 2025 Private Notes committed to purchase up to an additional Euro 200 million-equivalent in senior secured notes, subject to certain conditions.

The Notes will bear interest at a rate equal to the sum of the three-month EURIBOR (subject to a 0% floor) plus 4.125%. These financing transactions constitute a key strategic milestone for the Biofarma Group, strengthening its capital structure, lengthening debt maturities, lowering the cost of debt, and enhancing overall financial flexibility.



INDUSTRIAL FOOTPRINT RATIONALIZATION AND EXPANSION

To leverage operational synergies across its Italian manufacturing facilities, the Group ramped down and subsequently shut down the Cusano Milanino plant, transferring its operations to the Gallarate and Mereto sites. Biofarma continued implementing its footprint expansion plan, having completed in July 2025 the next-generation greenfield European plant in France, and progressing according to plan in the United States, where the new 15,000 m² facility is expected to become operational in the first quarter of 2026.

These investments form part of a three-year “transformational” capex plan that the Group has put in place for the 2024–2026 period, aimed at supporting future growth and further widening the competitive advantage vis a vis competition, strengthening the position of Biofarma as the only real “global” player in our reference market.



NEW CEO APPOINTMENT

Alberto Urli was appointed CEO in September 2025, meaning both continuity in the Biofarma transformation path and the acceleration of the industrial plan that aims to consolidate Biofarma global leadership in the CDMO space for nutraceuticals and cosmetics. This important step marks the completion of the senior management team's formation and will help drive the Group's growth over the next few years.



WAR IN UKRAINE

The Group is not directly exposed with sales to Russia or Ukraine; however, it manufactures nutraceuticals products for European clients, which deliver these goods to such markets. The total estimated yearly sales to those markets in 2025 were equal to Euro 13.8 million, which is less than 3% of the total consolidated turnover and over time, they have not undergone any significant changes.



INSTABILITY IN MIDDLE EAST

Although the Group has a minor direct exposure with direct sales to Middle East region, with direct sales to Middle East of Euro 0.4 million in 2025 and the total yearly indirect sales to those markets equal to Euro 5.2 million; we are assessing the situation regularly to adjust guidance as needed.



TARIFFS

During 2025, the Group effectively mitigated the impact of newly introduced U.S. tariffs through a disciplined and proactive operational strategy. Leveraging advanced inventory planning, Biofarma optimized stock positioning ahead of tariff implementation, thereby reducing exposure to higher import costs and ensuring continuity of supply. In parallel, the strength of its long-standing supplier partnerships enabled constructive renegotiations and flexible sourcing arrangements, partially offsetting cost pressures. This combined approach not only preserved margin resilience but also reinforced supply chain stability.



NEW STRATEGIC PROJECTS

Our operational excellence program, "Biofarma Way for Excellence," continues to deliver strong progress. Built on Lean Six Sigma (LSS) principles and targeted indirect cost (INCO) initiatives, the program serves as a structured engine for continuous improvement across geographies and functions. As of year-end 2025, more than 80 employees have been trained as Black and Green Belts, with over 200 projects launched. Together, these initiatives are streamlining processes and driving sustainable efficiency gains while reducing indirect costs.



02

GROUP ACTIVITIES AND OPERATIONS

- **MAIN FIGURES**
- **TOTAL REVENUES
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GROUP ACTIVITIES AND OPERATIONS

The Group is the leading global CDMO fully focused on nutraceuticals, and the undisputed leader of the Italian market. The Group is the result of a “buy-and-build” story of complementary businesses that led to the creation of a leading player with a wide portfolio of differentiated products and manufacturing technologies.

The Group positions itself as large Pharmaceutical Companies’ (“PharmaCos”) and Consumer Health Clients’ (“CHCs”) partner-of-choice for co-development projects thanks to:

- An end-to-end Contract Development and Manufacturing Organization proposition from market intelligence, R&D and regulatory, to finished dosage forms (“FDFs”) manufacturing and packaging.
- A proactive offer of innovative solutions (“push innovation model”), trying to anticipate market trends and clients’ needs also leveraging on a strong R&D department and a solid portfolio of differentiated technologies (e.g., Microencapsulation, Dry-Cap, T-Win)

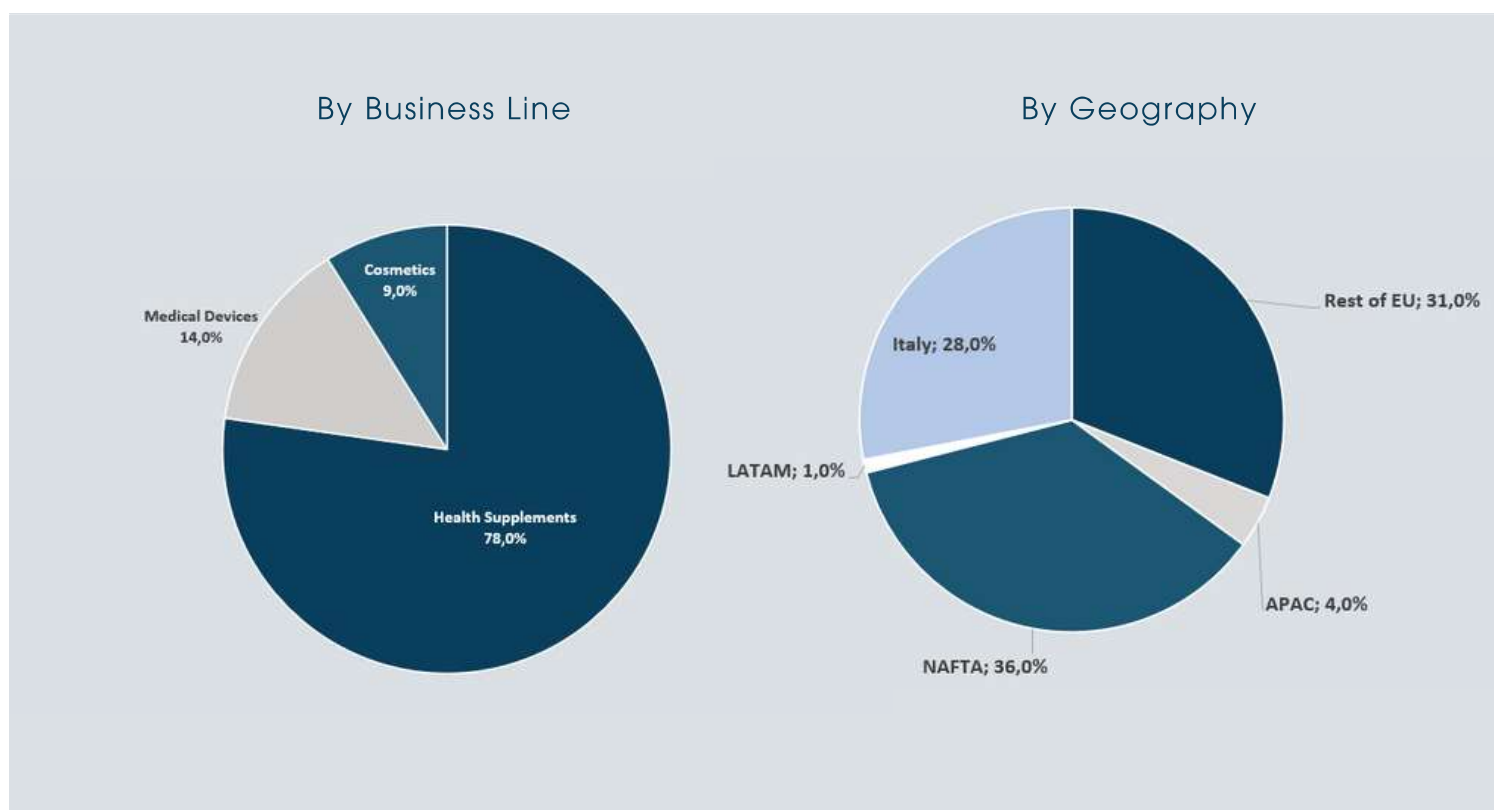
Kepler’s differentiated positioning is based on:

- Strong in-house R&D capabilities and a team of over 100 FTEs working on the development of new products and performing clinical studies to support products’ claims;
- Regulatory know-how with a dedicated team of c. 24 FTEs, supporting clients in registering product dossiers both at local and international level.
- State-of-the-art manufacturing capabilities, with several “pharma-like” manufacturing equipment and quality control systems.

MAIN FIGURES



TOTAL REVENUES BREAKDOWN



Kepler operates its business through three business units:

- Health Supplements. Through our Health Supplements business unit, Kepler develops and manufactures health-enhancing products that primarily enable the maintenance of good health and support or enhance prevention treatments individually or in combination with pharmaceutical products, including for chronic diseases. While the purchase of Health Supplements does not require a formal doctor's prescription in most of its geographies, the initial purchase of health supplements by end consumers is usually driven by doctors' recommendations.
- Medical Devices. Through our Medical Devices business unit, Kepler develops and manufactures products that achieve their therapeutic effect through a physical (e.g., aerosol) or mechanical (e.g., a protective layer in the stomach) action to prevent and treat diseases. Medical devices are closer to pharmaceuticals (compared to health supplements) due to the specific regulatory framework they need to comply with at a national and European level. Similar to health supplements, medical devices are typically recommended by doctors and sold to end-customers through pharmacies.
- Cosmetics. Through our Cosmetics business unit, Kepler primarily develops and manufactures premium skin care products, such as anti-ageing creams, sun care and hair care products. Kepler's strategic focus in this business unit is represented by "cosmeceuticals," consisting of cosmetic products that are purported to have therapeutic action. The Cosmetics business unit includes certain differentiated innovative technologies, such as the Bag on Valve ("BOV") technology.



03

ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- KEY FINANCIAL INFORMATION
- RESULTS OF OPERATIONS
- FINANCIAL POSITION
- KEY PERFORMANCE INDICATORS (KPI'S)
- FINANCIAL RISK MANAGEMENT
- INVESTMENTS
- PERSONNEL
- RESEARCH AND DEVELOPMENT
- EXPECTED MACROECONOMICS TRENDS AND FORESEEABLE EVOLUTION OF MANAGEMENT
- EARNING PER SHARE

KEY FINANCIAL INFORMATION

The following table provides an overview of the Group's key results for the fiscal year ended December 31, 2025. A detailed description of the figures utilized for the analysis and for the discussion is detailed below.

(In thousand of Euro)	2025
Revenue and other income	464.035
Government grants	500
Reclasses	2.570
Pro-Forma Revenues (1)	467.106
Statutory EBITDA (2)	88.647
Adjusted EBITDA (3)	109.077

- (1) Pro-Forma Revenues (unaudited) consider the Revenue and other income included in Statutory reporting, increased by Government grants not yet certified and received as well as income reclassified from Service cost.
- (2) Statutory EBITDA considers the net profit before depreciation, amortization and impairment losses, income taxes, finance costs and finance income.
- (3) Adjusted EBITDA as Statutory EBITDA without the EBITDA contribution of Kepler S.p.A and US bidco's (following the "Holdings"), minus/plus certain income and costs that management does not consider to be representative of the underlying operations of the business because they either relate to actions taken in relation to transformation projects in connection with certain acquisitions, are not expected to recur within the next years or are costs associated with business combinations that are expensed as incurred. In addition, the measure includes EBITDA related to a minority share in a non-consolidated company.

(In thousand of Euro)	2025
Revenues	460.224
Other operating income	3.811
Cost for services	-76.960
Personnel costs	-89.590
Other operating costs	-1.597
Depreciation and amortisation expenses	-66.678
Impairment of intangible and tangible assets	0
Share of results of associates	0
Impairment losses of financial assets	0
Operating result	21.969
Finance income	9.345
Finance costs	-85.711
Result before tax	-54.396
Income taxes	6.777
Result for the year	-47.620
Reported Statutory EBITDA	88.647
Holding cost exclusion (A)	2.159
Extraordinary items (B)	12.704
Government grants (C)	500
Other Adjustments (D)	5.068
Adjusted EBITDA	109.077

- (A) Holding accounting adjustments related to Adjusted EBITDA contribution of Kepler and the Holdings not included in management reports for Euro 2.2 million.
- (B) Extraordinary items amount to Euro 12.7 million and are primarily driven by one-off items, reflecting initiatives and extraordinary events. Specifically, (i) Euro 2.9 million relates to restructuring costs linked to employee exits, retention bonuses, and non-compete agreements, following the arrival of new C-level leadership. This led to a partial review of the organizational structure, aiming to create a leaner, more agile, and value-generating setup. The short-term impact is attributable to exit packages and support measures for departing employees. (ii) Euro 3.0 million refers to the Biofarma Way for Excellence project, an initiative designed to improve operational efficiency and strengthen the organization through a structured Lean Six Sigma approach. The associated consulting support is classified as extraordinary, as it is non-recurring in nature and intended to generate long-term value through the adoption of the right methodologies and operational insights. (iii) Euro 1.4 million is associated with strategic consulting activities across Corporate functions, specifically Finance, Sales, HR, and IT. (iv) Euro 0.8 million relates to M&A consulting services, aimed at supporting inorganic growth initiatives. (v) Euro 2.1 million concerns tax penalties arising from a review conducted by the Italian tax authorities, resulting in non-recurring sanctions, as well as R&D Tax Credit reviews from previous years impacting the financials.

(vi) Euro 0.4 million is linked to considering “external” BoD member as one-off costs, reflecting a Biofarma choice rather than a mandatory or recurring business expense. (vii) Euro 0.6 million mainly relates to extraordinary costs in France connected to the merger of Codilab and LPC and the opening of a new facility as of July 1, 2025. Finally, (viii) Euro 1.5 million is composed of sales credit notes (Euro 0.4 million) related to past years, write-downs of capitalizations linked to previous exercises (Euro 0.3 million), and other minor non-recurring costs.

- (C) Represent the government grants evaluation and project launched in 2025 which still must be settled.
- (D) Other Adjustments amount to Euro 5.0 million and are primarily driven by one-off items, reflecting events and activities that are not part of the company’s underlying operational performance. Specifically, (i) Euro 3.9 million relates mainly to US operations and reflects P&L impacts associated with the start-up of the new production facility, which is planned to be fully operational in 2026. Start-up costs and R&D project expenditures have been recognized as adjustments to EBITDA to isolate non-recurring effects and provide a clearer view of the underlying business performance. (ii) Euro 1.1 million corresponds to Biofarma’s 45% share of EBITDA generated by an associate company in which Biofarma owns 45% of the shares; as the company is not consolidated, this adjustment ensures proportional recognition of non-recurring contributions to EBITDA.

RESULTS OF OPERATIONS

The following table provides an overview of the results of the operation of the Group, as per managerial reporting, for the year ended December 31, 2025 and 2024. Both periods consider the same consolidation perimeter (the Group excluding Kepler and the Holdings) and a 12 months period. Please consider that managerial reporting figures for the years ended December 31, 2025 and 2024 are unaudited.

YTD (€m)	Dec-25A	Dec-24A	Δ (%)	Δ
Net Sales	466,6	440,1	6,00%	26,5
Government Grants	0,5	3,3	(84,7%)	(2,8)
Total Revenues	467,1	443,3	5,40%	23,8
Raw Material Costs	(202,2)	(205,2)	(1,5%)	3,1
First Margin	264,9	238,1	11,3%	26,8
<i>First Margin (%)</i>	56,7%	53,7%	+301 pb	
Third Party Works Costs	(18,0)	(19,6)	(8,2%)	1,6
Direct Personnel Costs	(40,4)	(36,3)	11,2%	(4,1)
Other Direct Production Costs	(21,8)	(16,7)	30,5%	(5,1)
Transformation Margin	184,7	165,5	11,6%	19,2
<i>Transformation Margin (%)</i>	39,6%	37,3%	+222 pb	
Indirect Personnel Costs	(21,4)	(19,5)	9,4%	(1,8)
Maintenance Costs	(10,3)	(9,6)	7,5%	(0,7)
Logistics and Storage Costs	(8,3)	(8,1)	2,9%	(0,2)
Other Indirect Production Costs	(5,1)	(3,7)	39,9%	(1,5)
Second Margin	139,6	124,6	12,0%	15,0
<i>Second Margin (%)</i>	29,9%	28,1%	+178 pb	
Total SG&A Costs	(40,9)	(36,1)	13,1%	(4,7)
<i>% of revenue</i>	(8,8%)	(8,1%)	(60 pb)	
EBITDA	98,7	88,5	11,6%	10,2
<i>EBITDA Margin (%)</i>	21,1%	20,0%	+118 pb	
Adjustments	5,1	4,7	8,3%	0,4
Adjustments IFRS	5,3	3,5	50,5%	1,8
Adj. EBITDA	109,1	96,7	12,8%	12,4
<i>Adj. EBITDA Margin (%)</i>	23,4%	21,8%	+155 pb	

Total Revenues Growth: Euro +23.8 million / +5.4% YoY

The company delivered a solid top-line performance, recording a year-over-year revenue increase over 5%. This result was driven by the strong expansion in the U.S. market and the positive trend of European sales in the second half of the year, notwithstanding the final part of the destocking affecting demand in the first part of the year. Net Sales rose by 6.0% at current exchange rates and by 7.5% at constant exchange rates.

First Margin Expansion: Euro +26.8 million / +11.3% YoY

The first margin registered a double digit increase, outpacing revenue growth and improving 300 bps versus previous year. This margin expansion reflects procurement efficiencies and the continuous focus on delivering differentiated solutions to our clients.

Transformation Margin Improvement: Euro +19.2 million / +11.6% YoY

Transformation margin saw a notable improvement of Euro 19.2 million (+11.6% year-over-year), improving over 200 bps versus previous year, mainly driven by the implementation of optimized operational processes and a disciplined approach to cost management, the deployment of new and more efficient manufacturing lines and the insourcing of production processes.

Second Margin Growth: Euro +15.0 million / +12.0% YoY

The second margin increased by Euro 15.0 million, doubling the growth rate of Net Sales with a 12.0% improvement compared to the previous year. This growth is a direct result of the enhancements achieved in variable margins and less than proportional dynamics in indirect operations costs.

SG&A Expenses: Euro -4.7 million / -13.1% YoY

SG&A expenses increased by Euro 3.7 million, representing an increase of 13.3% compared to previous year. This reflects the setup of a more structured and scalable organization designed to support both current operations and future growth ambitions, mainly relative to R&D, Sales and Digital.

EBITDA Growth: Euro +10.2 million / +11.6% YoY

EBITDA increased by Euro 10.2 million, corresponding to a 11.6% growth. This demonstrates a robust improvement in profitability, which has outpaced the growth in Total Revenues.

Adjusted EBITDA: Euro +12.4 million / +12.8% YoY

Adjusted EBITDA rose by Euro 12.4 million (12.8% year-over-year) to 23.4% of Total Revenues, confirming the presence of structural improvements and the sustainability of earnings quality not considering one-off, extraordinary expenses and IFRS 16 leases.

REVENUES BY BUSINESS UNIT¹

YTD €M	Dec '25	Dec '24	25A vs. 24A	25 vs. 24A
Health Supplements	363,1	337,3	25,8	7,7%
Medical Devices	64,1	61,3	2,8	4,6%
Cosmetics	39,9	44,7	(4,8)	(10,8%)
Total	467,1	443,3	23,83	5,4%

Health Supplements: Total Revenues stood at Euro 363.1 million, growing by +7.7% compared to 2024 (+10% growth ca. at constant exchange rate), mainly driven by U.S. organic growth with existing customers and solid development of European key accounts.

Medical Devices: Total Revenues stood at Euro 64.1 million, with a progress of +4.6% compared to previous year, mainly thanks to the growth of the demand for proprietary medical devices.

Cosmetics: Total Revenues amounted to Euro 39.9 million, -10.8% compared to the 2024, mainly due to phasing of orders, involving the largest customer in Germany.

REVENUES BY REGION²

YTD €M	Dec '25	Dec '24 (*)	25A vs. 24A	25 vs. 24A
Italy	133,1	132,3	0,8	0,6%
Other EMEA	143,6	135,2	8,4	6,3%
APAC	20,7	25,4	(4,7)	(18,5%)
NAFTA	166,8	147,6	19,2	13,0%
LATAM	2,9	2,9	0	0,1%
Total	467,1	443,3	23,7	5,4%

(*) Comparative information relating to sales by country has been restated to ensure a more accurate allocation based on destination country.

Italy: Total revenues increased by 0.6% compared to the previous year, mainly due to final phase of the de-stocking effects impacting the first half of the year.

Other EMEA: Total Revenues increased by 6.3% compared to the previous year, mainly coming from the growth of French and German large accounts.

Asia and Pacific (APAC): Total Revenues decreased by -18.5% compared to the previous year, mainly due to delays of the orders of Korean and Chinese customer.

North America (NAFTA): Total Revenues increased by 13.0% compared to the previous year driven by improved sales performance of the USPL subsidiary.

Latin America (LATAM): Total Revenues are in line with previous year, remaining a marginal business for the group for time being.

1,2 Pro-forma Revenues

FINANCIAL POSITION

The following table summarizes the Group's Consolidated Statement of Financial Position as at December 31, 2025, with presentation of the Net invested capital, Equity and Net financial Position.

(€m)	Dec-25	Dec-24
Intangible Assets	452,8	493,9
Tangible Assets	202,8	146,2
Long-Term Financial Assets	5,0	4,2
Goodwill	955,2	955,2
Fixed Assets	1.615,8	1.599,50
Account Receivables	59,4	73,6
Account Payables	(70,6)	(65,6)
Inventory	84,7	85,5
TWC	73,5	93,4
Other WC Items (e.g. Tax A&L)	(92,9)	(107,4)
NWC	(19,4)	(14,0)
Total Assets	1.596,4	1.585,50
Cash & Cash Equivalents	(25,4)	(19,5)
Financial Debt	645,7	591,3
Net Financial Position	620,3	571,8
Employee Leaving Liability	1,8	2,4
Shareholders' Equity	974,3	1.011,3
Total Liabilities & Shareholders' Equity	1.596,4	1.585,5

The figures above were obtained from the financial statements. Some items have been modified and/or aggregated as follows:

- The net working capital is the sum of "inventories" and "trade receivables" less "trade payables".
- The net financial debt is the sum of "cash and cash equivalents" and "current financial assets", less "current and non-current financial liabilities".

The Financial debt is composed by Euro 500 million as Bond liability, Euro 94,2 million by new private placement facility, Euro 17,4 million by short term credits with banks and Euro 33,6 million of long-term loans in Biofarma France and leasing debt. This value is partially offset by Euro 18,2 million of amortized costs.

KEY PERFORMANCE INDICATORS (KPI'S)

The Key Performance indicators (KPI's) help to understand the performance and operating result of the Group.

The result indicators taken into consideration are:

- financial performance indicators;
- non-financial performance indicators.

These are quantitative measures that reflect the critical success factors of the Group and measure the progress relating to one or more objectives.

The term financial result indicators defines the performance indicators that are defined starting from the information contained in the financial statements and can be divided into:

- income indicators;
- economic indicators;
- solidity indicators;
- indicators of solvency (or liquidity).

Financial indicators have the characteristic of being sufficiently standardized, precisely because of the external significance of the budget documents underlying their calculation.

Finally, it should be remembered that the doctrine usually divides the indicators into margins (absolute values) and quotients (relative values) but both types of indicators are commonly defined as "indexes"; for ease of understanding, therefore, also in this document reference will be made to the terms used in common parlance.

FINANCIAL PERFORMANCE INDICATORS

Financial Performance indicators listed below have been calculated by considering results of operations of the Group from Consolidated Income Statement and Financial Position data as of December 31, 2025 and 2024.

As per above, please consider that all KPI's are based on Statutory results.

Income indicators

The following table summarizes certain the indicators that investors may consider helpful.

The analysis of the development of these indicators highlights the trend of the main production drivers of the Group's income.

KPI (€M)	2025	2024
Total Revenues	464	446,9
Operating result	22	17,9
Result for the year	-47,6	-35,3

Result of the year is heavily impacted by the write-down of amortized cost for a value of Euro 15.4 million relative to the issuance of 2022 notes, after the recall that happened in July 2025.

Economic Indicators

KPI (%)	2025	2024
ROE (Return on Equity)	-4,9%	-3,5%
ROI (Return on Investment)	1,2%	1,0%
ROS (Return on Sales)	4,7%	4,0%

Return on Equity in the Group is referred to the ratio loss for the period (Euro -47,6 million) on Total Equity (Euro 974,3 million). The negative performance versus previous year is due to the write-down of the amortized cost relative to the issuance of 2022 notes.

Return on Investment in the Group is the ratio between Operating result (Euro 22,0 million) and Net Invested Capital (Euro 1,808 million). Despite the negative impact driven by the high level of depreciation and amortization of intangible assets arose from purchase price allocation, the KPI shows an improvement versus 2024, mainly due to business growth, transformation cost efficiencies and lower transaction costs.

Return on Sales in Kepler is the ratio between Operating result (Euro 22,0 million) and Revenues (Euro 464,0 million). Despite the negative impact driven by the high level of depreciation and amortization of intangible assets arose from purchase price allocation, the KPI shows an improvement versus 2024, mainly due to business growth, transformation cost efficiencies, lower transaction costs as well as due to the sales increase.

Solidity indicators

The analysis of capital strength has the purpose of studying the Group's ability to maintain financial equilibrium in the medium to long term.

This ability depends on:

- methods of financing medium-long term loans.
- composition of funding sources.

With reference to the method of financing medium-long term loans, considering that the recovery time of loans must be "logically" related to the recovery time of the sources, the indicators deemed useful to highlight this correlation are the following.

KPI (€M ; %)	2025	2024
Primary margin of structure (Equity - Total Assets)	-833,3	-786,0
Primary structure ratio (Equity / Total Assets)	53,9%	56,3%
Secondary margin of structure (Equity + Non current Liabilities - Total Assets)	-121,2	-109,4
Secondary margin quotient [(Equity + Non current Liabilities) / Total Assets]	93,3%	93,9%

Primary margin and primary ratio show that equity, even if significant, is not able to cover the total investment. This is due to the impact of goodwill deriving from the Group, US Pharmed and Nutraskills acquisitions.

Secondary margin and secondary ratio confirmed the primary trend mentioned above: even if including non-current liabilities, the Group is not completely solid to cover all Assets and part of it is financed by current liabilities. The ratio is not 100% as there is a relevant goodwill impact on Total Assets.

KPI (%)	2025	2024
Total Debt ratio [(Current + Non current Liabilities) / Equity]	85,5%	77,7%
Financial debt ratio (Net Financial position / Equity)	63,4%	56,5%
Financial debt ratio w/o Amortized cost (Net Financial position w/o Amortized cost / Equity)	65,2%	59,3%

All indicators, being lower than 100%, shows that the Group has a relevant Equity level and therefore is solid and properly capitalized.

Liquidity indicators

In 2025 the Group also confirmed a satisfactory level of solvency or liquidity: the Group's ability to pursue short-term financial equilibrium was maintained, i.e to meet expected short-term outflows (current liabilities) with existing liquidity (immediate cash) and expected short-term income (deferred cash).

Considering that the recovery time of loans must be "logically" related to the recovery time of sources, the indicators considered useful to highlight this correlation are the following:

- Availability Margin: Current Asset less Current Liability
- Availability Quotient: Current Asset / Current Liability

KPI (€M)	2025	2024
Availability margin (Current Assets - Current Liabilities)	65,4	85
Availability ratio (Current Assets / Current Liabilities)	1,5	1,8

Both indicators are positive, and the availability quotient is above 1, which means that the Group is able to cover short term liabilities using the current asset: no tension on liquidity.

The managerial reporting includes also the following KPI's.

Pro-Forma Adjusted EBITDA, which is composed of Adjusted EBITDA incremented by twenty-four months synergies (PF adjustments).

1. Adjusted EBITDA is equal to Euro 109.1 million.
2. Twenty-four months synergies are equal to Euro 9.2 million. The future synergies are out of the audit perimeter as not measurable in the IFRS framework.

Finally, the KPI Pro-Forma Adjusted EBITDA with synergies is equal to Euro 118.3 million.

The synergies included in the calculation are related to the operational activities defined and planned for 2026 and 2027 and they refer to:

- Procurement, shift to direct suppliers, reducing intermediaries
- Organizational redesign, to improve efficiency
- CapEx impact, efficiency gains from recent EU & US investments
- US synergies, integration benefits from acquisition
- LSS / Inco, ongoing initiatives

Therefore, the index Net Financial Position on Pro-Forma Adjusted EBITDA ratio results as following: Proforma Adjusted Net Financial Position (Euro 619.7 million)³ versus Pro-Forma Adjusted EBITDA (Euro 118.3 million), is equal to 5.2x.

(3) Net debt without shareholders loan, amortized cost and interest accruals

Non-Financial Performance Indicators

Non-financial result indicators are measures of a quantitative, but not monetary, nature, which have the objective of analyzing management performance in more detail by monitoring the factors that influence economic and financial results. The main advantage of these indicators compared to the financial ones is represented by their ability to signal the trends of the economic-financial results, also and above all in a long-term perspective.

Contrary to what happens for financial indicators, for which there are certain parameters commonly accepted by the market, it should be noted that for non-financial indicators there are no applicable standards and precise rules for choosing them; they were therefore chosen with reference to the characteristics of the company and the type of business.

Advertising costs on turnover	0,2%
Research and developments expenses on turnover	1,2%
Costs for Regulatory on turnover	0,3%

FINANCIAL RISK MANAGEMENT

The Group's business is exposed to several types of risk: market risk, credit risk and liquidity risk. The Group's risk management strategy focuses on market unpredictability and aims to minimize the potential adverse effects on the Group's financial performance. Some types of risk are mitigated through derivatives.

Risk management is centralized with the Treasury Management function, which identifies, assesses and hedges financial risks by working closely with the Group's business units. The Treasury Management function provides policies and guidelines for monitoring risk management particularly with respect to interest rate risk and credit risk.

MARKET RISK

In performing its business activity, the Group is exposed to various market risks, particularly the risk of fluctuations of interest rates, volatility in the availability and price of the raw materials, and utilities and also for the risk of for foreign exchange risks.

INTEREST RATE RISK

Group analyzes the sensitivity of its exposure by estimating the effects of a change in interest rates on the portfolio of its financial liabilities. More specifically, sensitivity analysis measures the potential impact on profit or loss and on equity of market scenarios that would cause a change in the financial expense associated with unhedged gross debt.

These market scenarios are obtained by simulating parallel increases and decreases in the yield curve as at the reporting date.

There were no changes introduced in the methods and assumptions used in the sensitivity analysis compared with the previous years.

With all other variables held constant, applying a 25 bps interest rate variation, the Group's tax profit would be affected by a change in the level of interest rates as follows:

<i>(in Euro thousand)</i>				
Year	Net result for the period		Total equity (increase)/decrease	
	-25 bps	+25 bps	-25 bps	+25 bps
2025	-1.485	1.485	-1.485	1.485
2024	-544	544	-544	544

Financial risk changes are mainly driven by the higher debt structure. The Group is currently evaluating an interest risk hedging strategy.

PRICE RISK

The Group is exposed to price risk primarily on vitamins, different ingredients and packaging material as well as on energy procurement, whose costs are subject to market volatility.

The Group controls the exposure to raw material and energy commodity price changes by monitoring the costs on monthly basis and by comparing it against budget assumptions. In order to mitigate that risk, the Group implemented the following actions:

- Continuous diversification of suppliers for ingredients and vitamins, in order to avoid the supplier concentration and the negotiation power;
- Continuous scouting of alternative sources for raw material supply by skipping, where possible, the intermediators and by certification of new overseas and low-cost country suppliers which met our international quality, sustainability and pricing standards;
- Definition of the price and delivery conditions on middle term in the contract with supplier, in order to fix as much as possible the purchase price and, at the same time, to assure relevant contract flexibility which allow the Group to change the supplier in case of price and delivery condition deterioration;
- Definition of middle term flexible contracts with energy supply brokers, which allow us to obtain on quarterly basis the best possible ratio between price and quality and quantity of utility supply;
- the Company R&D and Regulatory departments, in collaboration with Purchasing, research and implement engineering innovation by activation of new and alternative raw materials that can replace the current supply primary sources.

Despite the exposure to raw material price risk, the Group decided to manage this risk without starting any commodity swap contracts for its industrial activities.

The Group mitigated tariffs impact thanks to multiple sources of supply and the ability to pass through any material cost variation to its customers.

The following table presents the results of the analysis of sensitivity to a reasonably possible change in the vitamins, different ingredients and packaging material. More in details, to conduct such sensitivity analysis, the quantities of purchasing for the fiscal years ended December 31, 2025 and 2024, along with their average prices, were analyzed. A variation of +/- 10% was then applied to these values.

<i>(in Euro thousand)</i>				
Year	Net result for the period		Total equity (increase)/decrease	
	-10%	10%	-10%	10%
2025	20.724	-20.724	20.724	-20.724
2024	20.523	-20.523	20.523	-20.523

VOLATILITY AND AVAILABILITY OF RAW MATERIALS

The Group is exposed also to raw material volatility an availability and the risk mitigation measures have been described also on the Price risk chapter. In addition to that, the Group continuously search the alternative local backup supplies in case on delivery term extensions practiced by the primary supplier.

Finally, the Company R&D and Regulatory departments, in collaboration with Purchasing, research and implement engineering innovation by activation of new and alternative raw materials that can replace the current supply primary sources.

FOREIGN EXCHANGE RISK

The Group predominantly conducts its operations in Euros, however, subsequent to recent acquisitions, the operational landscape now includes transactions denominated in US dollars (USD), Chinese Renminbi (RMB) and Indian Rupee (INR) even if with very limited number of transactions. To mitigate the adverse effects of currency exchange rate volatility, the Group employs various organizational instruments. One strategy involves maintaining a diversified portfolio of suppliers and customers across different regions. By conducting business with entities in various geographical locations, the Group can offset potential losses in one currency with gains in another, thus reducing overall exposure to exchange rate volatility.

Additionally, fostering strong relationships with banks and financial institutions in various regions can provide the Group with access to expert advice and tailored solutions for managing currency risk. Collaborating with these partners enables the Group to stay abreast of market trends and leverage their expertise in implementing effective risk management strategies. Through a combination of these organizational measures and financial instruments, the Group aims to enhance its resilience to currency risk and safeguard its financial performance in a dynamic global market place.

The Group's exposure to currency risk is mainly connected with sale denominated in US dollars (USD). In the year ended December 31, 2025, the Group made sales in US dollars totaling approximately USD 170 million (equivalent to about Euro 151 million at an average EUR/USD exchange rate of 1,13). For the year ended December 31, 2024 US dollar sales amounted to approximately USD 140 million (Euro 129 million at 1,08). The following table details the group's sensitivity to a 10 per cent increase and decrease in currency units against the relevant foreign currencies. 10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10 per cent change in foreign currency rates.

(in Euro thousand)	Year ended December 31, 2025		Year ended December 31, 2024	
	USD		USD	
	-10%	10%	-10%	10%
Investments in financial assets	107	-87	120	-98
Trade receivables	2.088	-1.709	2.706	-2.214
Other current assets	216	-177	91	-74
Cash and cash equivalents	321	-263	1.115	-912
Non-current financial liabilities	9.438	-7.722	12.460	-10.194
Current financial liabilities	460	-376	396	-324
Trade payables	2.377	-1.945	2.619	-2.143
Other current liabilities	1.445	-1.182	958	-784
Net result for the period	16.451	-13.460	20.465	-16.744

Please note that the sensitivity analysis in the table does not account for the effects and risks related to currency fluctuations due to sales pricing adjustments based on currency-linked formulas.

It is noted that, given the market context, during the fiscal years ended December 31, 2025 and 2024, the Company did not choose to use derivative financial instruments to hedge against currency risk.

CREDIT RISK

The credit risk essentially coincides with the amount of trade receivables recognized at the reporting dates.

The Company carefully assesses credit risk, which is reflected in the trade receivables recognized at the reporting dates. In order to mitigate credit concentration risk, the following strategies have been defined:

- Activation of pro-soluto factoring with all top ten customers by involving the primary Italian banks;
- Implementation of strict credit collection policies based on weekly dunning letters, weekly credit collection calls with customers with outstanding balances;
- Block of sales order production and shipments in case of missing outstanding balances settlement within maximum 30 days.

All the same, procedures are in place to ensure that the sales of products and services are conducted with customers that have shown to be reliable in the past.

For trade receivables and contract assets, the Group uses a simplified approach to calculate expected losses; the Group monitors changes in credit risk using a simplified approach based on brackets of shared credit risk characteristics and past-due days. Therefore, the Group discloses the full amount of expected credit losses at each reporting date, please refer to Note "Trade receivables". The Group has defined a provision matrix based on historical experience, adjusted for forward-looking information about specific types of debtors and their economic environment, as a tool for determining expected credit losses.

The Group manufacture highly customized products and thanks to its differentiated technology which are difficult to replace by our competitors. That competitive advantage in combination with our credit management policy help us to minimize any relevant market threat. The following table sets forth an aging analysis of the trade receivables at December 31, 2025 and 2024 stating separately the provision for doubtful debts:

	Expiring	Expired				Provision for doubtful debts	Total trade receivables
<i>(in thousands of Euros)</i>		0-30	31-60	61-90	more than 90		
December 31, 2024	55.731	5.475	9.599	320	4.116	-1.683	73.558
December 31, 2025	50.461	6.380	474	166	3.505	-1.618	59.368

LIQUIDITY RISK

Liquidity risk concerns the ability to meet obligations arising on financial liabilities. Prudent management of the liquidity risk stemming from the Group's ordinary operating activities entails keeping up sufficient levels of cash holdings, short-term securities and funding available through adequate credit lines. The Group must have adequate stand-by credit lines to finalize contracts and collect invoices, to an extent that ensures financial flexibility. Management monitors the cash turnover projections, including undrawn credit lines, and available cash and cash equivalents, based on expected cash flows.

The following tables set forth a maturity analysis of the financial liabilities at December 31, 2025 and 2024. The maturities are based on the period from the reporting date to the contractual maturity date of the obligations.

At December 31, 2024					
<i>(in Euro thousand)</i>	Carrying value	Contractual cash flow	Within 1 year	From 1 to 5 years	Beyond 5 years
Borrowings	555.936	583.859	9.243	574.615	0
Lease liabilities	24.817	24.817	3.341	20.849	627
Other current financial liabilities	10.529	10.529	10.529	0	0
Trade payables	65.599	65.599	65.599	0	0
Non-derivative liabilities	656.881	684.804	88.712	595.464	627
Derivative financial instruments	-2.229	-2.229	-2.229	0	0
Total	654.652	682.575	86.483	595.464	627

At December 31, 2025					
<i>(in Euro thousand)</i>	Carrying value	Contractual cash flow	Within 1 year	From 1 to 5 years	Beyond 5 years
Borrowings	600.102	600.102	15.998	584.105	0
Lease liabilities	37.202	37.202	4.090	16.146	16.965
Other current financial liabilities	8.414	8.414	8.414	0	0
Trade payables	70.629	70.629	70.629	0	0
Non-derivative liabilities	716.347	716.347	99.131	600.251	16.965
Derivative financial instruments	0	0	0	0	0
Finance lease receivables	-2.930	-2.930	-2.930	0	0
Total	713.417	713.417	96.201	600.251	16.965

The value of the liability for the Senior Secured Notes contracts as of December 31, 2025 is based on a nominal amount of 594 thousand of Euro, offset by 18 thousand of Euro of amortized cost.

EQUITY RISK

The Group's equity risk management objective is to maintain the going concern status to assure returns to shareholders and benefits to other stakeholders. The Group also aims to maintain an optimal capital structure to reduce debt costs.

Net invested capital is calculated as the sum of equity attributable to the shareholders and net financial debt.

Below is the breakdown of the Group's net financial debt at December 31, 2025 and 2024, determined in accordance with Committee of European Securities Regulators (CESR) Recommendation n. 05/054b, Paragraph 127, for implementation of EC Regulation n. 809/2004, and the gearing ratios at December 31, 2025:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
A Cash and cash equivalents	25.427	19.517
Liquidity (A)	25.427	19.517
B Borrowings	15.998	9.242
C Current Lease liabilities	4.090	3.341
D Other financial liabilities	8.414	10.529
E Current financial indebtedness (B+C+D)	28.502	23.111
F Net current financial indebtedness (E-A)	3.075	3.594
G Investments in financial assets	1.728	1.610
H Finance lease receivables	2.930	0
I Derivative financial instruments	0	2.229
J Non-current financial assets (G+H+I)	4.658	3.839
K Borrowings	584.105	546.695
L Non-current Lease liabilities	33.112	21.475
M Non-current financial indebtedness (K+L)	617.216	564.331
N Financial indebtedness (F-J+M)	615.633	567.925
O Equity	974.291	1.011.292
Gear ratio (M/N)	63%	56%

The non-current financial assets are mainly related to the security deposits for operating assets of the US subsidiaries (Euro 1.728 thousand) and to a finance lease receivable connected with a sublease agreement signed in 2025 for Euro 2,930 thousand. The current financial indebtedness is composed of other financial liabilities Euro 8.414 thousand, which include Euro 5.029 thousand of banks overdraft and banks advance in 2025 (Euro 7.125 thousand in 2024), and factor for Euro 3.385 thousand in 2025 (Euro 3.404 thousand in 2024). The non-current financial indebtedness in 2025 include Euro 584.105 thousand of non-current portion of the borrowings (Euro 546.695 in 2024) and Euro 33.112 thousand (Euro 21.475 thousand in 2024) related to the non-current portion of the lease liabilities. The borrowings for the periods 2025 and 2024 are composed, respectively, from 99% and 95% of Senior Secured Notes.

INVESTMENTS

Total Investments was equal to Euro 63.6 million and are related to:

Maintenance: Euro 4.0 million related to routine maintenance activities across the 9 plants.

Capacity: Euro 50.4 million, of which related to:

- US Investments Euro 33.6 million for a new plant and machinery to support business development.
- Italy investments Euro 9.3 million for machinery and equipment at the Mereto, Gallarate, and San Pietro plants.
- France investment Euro 7.5 million for the Codilab Green field

Efficiency: Euro 1 million aimed at improving production processes and operational efficiency.

IT Euro 4,5 million for new infrastructure and systems to support the growth of the IT platform.

R&D Euro 3,7 million dedicated to research and development projects aimed at driving company growth through innovation.

PERSONNEL

Kepler management decided to base the Human Resource strategy on the following pillar assumptions: dedicated, engaged and highly invested employees are arguably the most valuable asset to a business. Additionally, the longer an employee stays at an organization, the more valuable they become to the growth and success of the Group.

Kepler structured five strategy pillars in people management:

- Offering opportunities for professional development, based on internal open market tools, as well as by launching international opportunities.
- Supporting employee's individual passions and interests, by introduction of welfare measures and incentives for hobbies and free time
- Supporting personal health and wellness, by reinforcing the welfare program as well as enlarging the health insurance for the management
- Creating opportunities for connection and team building, by launching several inter-functional and interregional projects.
- Consistent and supportive communication, by review of Biofarma website, insertion of four learning and development projects and by launching several self-formation training platforms online.

RESEARCH AND DEVELOPMENT

During the year, the Group continued to strengthen its innovation pipeline through a diversified portfolio of R&D initiatives spanning advanced skin applications, novel delivery technologies, and next-generation nutraceutical solutions. The following projects constituted the primary focus areas of our research and development activities in 2025. The Electrospinning program advanced the development of innovative cosmetic and medical device patches targeting acne-prone, atopic-prone, mature skin, and wound-healing needs. These bio-inspired patches are engineered to mimic the extracellular matrix, enhance skin homeostasis, and activate natural repair pathways. Progress included completion of formulation and pre-clinical activities, accompanied by analyses of industrial scale-up requirements and business-case validation. The next phase involves a client pilot to evaluate technical performance, industrial feasibility, and market acceptance under real-use conditions, providing crucial data to support scalability and commercialization.

In parallel, the Nanoemulsion project advanced its technology platform designed for high-performance cosmetic formulations, including high-SPF sun care and nano-sizing of traditional emulsions. By stabilizing droplets ≤ 100 nm, the technology improves formulation stability, active-ingredient distribution, and sensory attributes.

The ALA Project progressed in response to potential regulatory restrictions, focusing on developing new, patentable ingredient associations that ensure compliance while maintaining commercial potential. The team advanced preliminary feasibility testing and initiated a robust stability protocol to assess long-term product performance. Next steps include producing a pilot batch for clinical evaluation, alongside continued scouting for alternative sources and exploring a sachet format to accommodate high active dosages.

In the healthcare segment, the UTI Project aims to introduce an innovative alternative to the established cranberry + D-mannose combination, anticipating both evolving consumer needs and potential regulatory changes related to the EFSA evaluation of D-mannose. Preparations for the clinical trial are well underway, with patient enrollment planned for the first half of 2026, followed by three months of treatment and six months of follow-up. Final trial results are expected in Q4 2026, positioning the Group to proactively address regulatory and market shifts in the UTI segment.

Finally, the RYR Project responds to EFSA's planned 2027 ban on Red Yeast Rice by developing a patented, RYR-free solution for metabolic syndrome and cholesterol management. Significant progress was made during the associative phase, enabling the drafting of a new patent. Upcoming work includes prototype development, initiation of stability studies, and definition of the clinical-trial framework. This initiative strategically positions the Group to offer a compliant and effective alternative in a category facing major regulatory transitions.

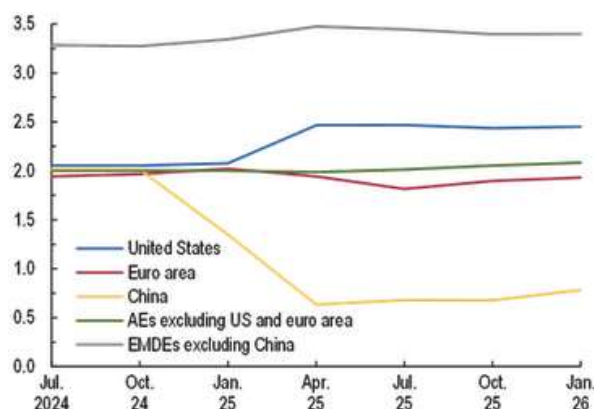
EXPECTED MACROECONOMIC TRENDS AND FORESEEABLE EVOLUTION OF MANAGEMENT

Global Economic Outlook

In 2026, the global macroeconomic environment is expected to remain increasingly exposed to potential downside risks. According to the International Monetary Fund, global GDP growth is projected at around 3.3%, supported by continued investment—particularly in technology and AI—and adaptive private sector dynamics, although with significant regional divergence. At the same time, OECD anticipates a more moderate expansion of approximately 2.9%, reflecting the impact of tighter financial conditions, trade frictions, and structurally weaker demand in advanced economies. Global inflation is expected to continue its gradual normalization to 2.6% in 2026, but US inflation could return to target more gradually, supported by restrictive monetary policies and easing supply constraints. However, recent geopolitical developments, particularly the escalation of the Middle East crisis, introduce renewed upside risks to energy and commodity prices, potentially delaying disinflation and weighing on real incomes.

Inflation trend

Source: IMF - World Economic Outlook, January 2026



Source: IMF staff calculations.

Note: The x-axis shows the months the *World Economic Outlook* is published. The two aggregates are medians of respective groups. AEs = advanced economies; EMDEs = emerging market and developing economies.

Output value

Source: IMF - World Economic Outlook, January 2026

	2024	2025	2026	2027
World Output	3,3	3,3	3,3	3,2
Advanced Economies	1,8	1,7	1,8	1,7
United States	2,8	2,1	2,4	2,0
Euro Area 3/	0,9	1,4	1,3	1,4
Germany	-0,5	0,2	1,1	1,5
France	1,1	0,8	1,0	1,2
Italy	0,7	0,5	0,7	0,7
Spain	3,5	2,9	2,3	1,9
Japan	-0,2	1,1	0,7	0,6
United Kingdom	1,1	1,4	1,3	1,5
Canada	2,0	1,6	1,6	1,9
Other Advanced Economies 4/	2,3	1,8	2,0	2,1
Emerging Market and Developing Economies	4,3	4,4	4,2	4,1
Emerging and Developing Asia	5,3	5,4	5,0	4,8
China	5,0	5,0	4,5	4,0
India 5/	6,5	7,3	6,4	6,4
Emerging and Developing Europe	3,5	2,0	2,3	2,4
Russia	4,3	0,6	0,8	1,0
Latin America and the Caribbean	2,4	2,4	2,2	2,7
Brazil	3,4	2,5	1,6	2,3
Mexico	1,4	0,6	1,5	2,1
Middle East and Central Asia	2,7	3,7	3,9	4,0
Saudi Arabia	2,6	4,3	4,5	3,6
Sub-Saharan Africa	4,1	4,4	4,6	4,6

Overall, the 2026 outlook is characterized by a “soft landing” baseline scenario, but with elevated uncertainty driven by geopolitical tensions, trade policy shifts, and fiscal vulnerabilities. Growth is expected to remain positive but below long-term averages, while companies will need to navigate a still-fragile environment marked by cost volatility, uneven regional performance, and ongoing structural transformation linked to digitalization and supply chain reconfiguration.

Tariff measures introduced or expanded in 2025, notably by the United States on selected industrial and consumer goods, are expected to have a lagged impact in 2026, contributing to cost pressures and incentivizing further supply chain regionalization. At the same time, companies are increasingly adopting mitigation strategies, including supplier diversification, nearshoring, and contractual price adjustment mechanisms. While these actions support resilience, they may also lead to structurally higher operating costs.

Sector-Specific Outlook

In 2026, the nutraceutical and nutricosmetics industries are expected to continue their structural growth trajectory, supported by increasing consumer focus on preventive healthcare, longevity, and holistic well-being. The convergence of nutrition, health, and beauty is accelerating, with nutricosmetics gaining traction as consumers seek ingestible solutions for skin health, anti-aging, and overall wellness.

At the same time, the industry is undergoing a shift toward science-backed formulations, clean-label products, and personalized nutrition, supported by advances in clinical research and digital health technologies. Regulatory scrutiny is also increasing across major markets, requiring greater transparency, traceability, and substantiation of health claims. While supply chain complexity and raw material volatility remain areas of attention, companies are responding through strategic sourcing, innovation in ingredients, and strengthened partnerships. Overall, the sector and, in particular, the CDMOs position, remains highly attractive, combining resilient demand fundamentals with opportunities for premiumization and innovation-driven growth.

Significant events occurred after December 31, 2025

The escalation of tensions and conflict in the Middle East in 2026 has generated broad macroeconomic and geopolitical repercussions, including heightened volatility in energy markets, increased freight and insurance costs, and disruptions to key logistics corridors, particularly along routes in the Persian Gulf.

In response, the Group has implemented a structured monitoring and mitigation framework, combining continuous sourcing intelligence with cross-functional scenario planning to anticipate potential disruptions. Dedicated task forces regularly assess developments and activate predefined contingency measures, including alternative routing, supplier diversification, and dynamic inventory rebalancing. In parallel, the Group has leveraged contractual pass-through mechanisms, and ongoing efficiency programs to contain cost inflation and protect margins. This proactive and disciplined approach has strengthened the Group's resilience, enabling it to navigate uncertainty while maintaining operational continuity and financial stability.

As of the date of this report, no material variances from the projected results for Q1 2026 have been identified.

On February 18, 2026, the shareholders' meeting of Kepler S.p.A. approved a dividend distribution in the aggregate amount of Euro 8,707,301. The dividend was approved in order to ultimately permit Tatoonine S.p.A., an indirect parent company of Kepler S.p.A., to repurchase, cancel and retire for value certain equity interests in Tatoonine S.p.A. held by former managers, officers, directors (whether executive or non-executive), employees and other members of the management of, or consultants to, the Group, which had been issued to such persons pursuant to the Group's then-existing management incentive plan. Such dividend was paid on February 19, 2026 to Denis S.p.A., the immediate parent company of Kepler S.p.A.

Recently, the US subsidiary has become involved in a commercial dispute related to the ramp-up of the new U.S. plant, currently at a very early stage with limited visibility; the matter will be closely monitored.

In February 2026 Italian Tax Authorities started an audit on Biofarma S.r.l. concerning the fiscal year 2023. The audit is currently at its early stages and further updated will be promptly disclosed.

Evolution of Management and Strategic Outlook

The Group benefits from a solid management structure that underpins the effective execution of its growth strategy. The leadership team is well equipped to support future expansion by fostering long-term customer partnerships, advancing product innovation, and successfully integrating strategic acquisitions to capture synergies and drive scale.

Strategic priorities for 2026 will focus on accelerating the ramp-up of the new U.S. production site and maximizing its delivery potential, while leveraging the expanded global footprint to boost organic growth and capture additional market share. The Group will also advance the deployment of its digital transformation program and further enhance customer excellence, manufacturing automation, operational excellence, and efficiency initiatives. In parallel, it will continue to drive innovation-led growth, for all three business units, and strengthen the integration of sustainability and ESG principles across its operations.

Overall, despite a complex and evolving global environment, Biofarma remains well positioned to capitalize on its international presence, innovation capabilities, and strategic agility to deliver sustainable growth and long-term value creation.

EARNING PER SHARE

(in thousand of Euro)	Year ended December 31, 2025
Result for the year attributable to Owners of the parent company	(47,620)
Basic earnings per share (in Euro)	(15,9)
Diluted earnings per share (in Euro)	(15,9)

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2025	2024
<i>(In Euro Thousand)</i>			
Continuing operations			
Revenues	32	460.224	431.578
Other operating income	33	3.811	15.366
Cost of raw materials	34	-207.242	-205.233
Cost for services	35	-76.960	-76.318
Personnel costs	36	-89.590	-78.786
Other operating costs	37	-1.597	-3.157
Depreciation and amortization expenses	38	-66.678	-65.545
Operating result		21.969	17.905
Finance income	39	9.345	12.023
Finance costs	39	-85.711	-69.512
Result before tax		-54.396	-39.584
Income taxes	40	6.777	4.279
Result for the year		-47.620	-35.305
Results for the year attributable to:			
Owners of the parent company		-47.620	-35.305
Non-controlling interests		0	0
Earnings per share from continuing operations:			
Basic		-15,9	-11,8
Diluted		-15,9	-11,8

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	2025	2024
<i>(In Euro Thousand)</i>		
Result for the period	-47.620	-35.305
Actuarial (losses)/gains on post-employment benefit obligation	60	92
Tax effect	-14	-22
Items that will not be reclassified to profit or loss	45	70
Foreign exchange differences on translation of foreign operations	12.074	-6.333
Fair value gain/(loss) arising on hedging instruments during the period	-2.229	-5.463
Tax effect	535	1.311
Items that may be reclassified to profit or loss	10.380	-10.485
Other comprehensive income for the period	10.425	-10.415
Total comprehensive income for the period	-37.195	-45.720
Total comprehensive income attributable to:		
Owners of the parent company	-37.195	-45.720
Non-controlling interests	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(In Euro Thousand)</i>	Notes	31/12/2025	31/12/2024
Goodwill	12	955.209	955.209
Intangible assets	12	452.757	493.905
Property plant and equipment	13	171.174	120.675
Right-of-use assets	14	31.625	25.482
Investments in associates	15	384	384
Investments in financial assets	16	1.728	1.610
Derivative financial instruments	17	0	2.229
Deferred tax assets	18	5.185	3.408
Finance lease receivables		2.930	0
Total non-current assets		1.620.993	1.602.902
Inventories	19	84.713	85.451
Trade receivables	20	59.368	73.558
Tax receivables	21	5.846	11.353
Other current assets	22	11.289	4.529
Cash and cash equivalents	23	25.427	19.517
Total current assets		186.643	194.408
Total assets		1.807.635	1.797.310
Issued share capital and share premium	24	3.000	3.000
Other reserves	24	1.123.871	1.113.252
Retained earnings (losses)	24	-104.960	-69.655
Result for the year	24	-47.620	-35.305
Equity attributable to owners of the parent company		974.291	1.011.292
Non-controlling interests	24	0	0
Total equity		974.291	1.011.292
Borrowings	25	584.105	546.695
Non-current Lease liabilities	14	33.112	21.475
Retirement benefit obligations	26	1.800	2.403
Provisions	27	779	3.794
Deferred tax liabilities	28	91.252	101.034
Other non-current liabilities	31	1.070	1.210
Total non-current liabilities		712.117	676.611
Borrowings	25	15.998	9.242
Current Lease liabilities	14	4.090	3.341
Other current financial liabilities	25	8.414	10.529
Trade payables	29	70.629	65.599
Current tax liabilities	30	1.550	3.043
Other current liabilities	31	20.546	17.654
Total current liabilities		121.227	109.407
Total liabilities		833.344	786.018
Total equity and liabilities		1.807.635	1.797.310

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of Euro)</i>	31/12/2025	31/12/2024
Result before tax	-54.396	-39.584
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	20.242	19.058
Amortization of intangible assets	46.436	46.487
Finance income	-9.345	-11.592
Finance cost	85.711	69.081
Share-based payment expense	195	168
Increase/(decrease) in provisions and employee benefit		67
Accrual for expected credit losses provision	2.411	519
Operating cash flows before movements in working capital	91.252	84.204
Change in trade receivables	14.190	-2.895
Change in trade payables	5.030	-13.082
Change in inventories	-885	-7.230
Cash settlement of provisions for risks	-3.127	-210
Retirement benefit obligations paid	-1.278	-531
Change in other assets and liabilities	-8.741	-10.117
Cash generated by/(used in) operations	96.441	50.139
Income taxes paid	-3.058	-418
Net cash from/(used in) operating activities	93.382	49.721
Investments in intangible assets	-5.287	-4.330
Investments in property, plant and equipment	-63.620	-32.668
Proceeds on disposal of property, plant and equipment	43	53
Interest received	2.021	11.277
Acquisition of subsidiaries net of cash and cash equivalents	0	0
Dividends received	450	315
Net cash (used in) investing activities	-66.393	-25.352
Capital injection	0	0
Interest paid	-48.332	-59.237
Proceeds from securities/notes	507.659	20.000
Repayment of securities/notes and long-term loans	-468.747	-3.714
Proceeds from long-term loans	-2.788	4.818
(Repayment)/proceeds of lease liabilities	-6.756	-2.242
Proceeds from reverse factoring and from banks advances	0	1.502
Repayment from reverse factoring and from banks advances	-2.115	
Acquisition of minority interest	0	0
Net cash (used in)/from financing activities	-21.080	-38.873
Effect of foreign exchange rate changes	0	610
Net increase/(decrease) in cash and cash equivalents	5.910	-13.895
Cash and cash equivalents at the beginning of the period	19.517	33.412
Cash and cash equivalents at the end of the period	25.427	19.517

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Other reserves	Foreign exchange translation reserve	Cash flow hedging reserve	Retained earnings (loss)	Result for the period	Equity attributable to owners of the parent company	Non- controlling interest	Total equity
Balance as of February 7, 2022	-	-	-	-	-	-	-	-	-	-
Capital contribution	3.000	834.123	92.322					929.445		929.445
Other movements			-359					-359		-359
Actuarial gains/(losses)			539					539		539
Cash Flow Hedge					11.265			11.265		11.265
Result for the year							-27.157	-27.157		-27.157
Total comprehensive income for the period	0	0	539	0	11.265	0	-27.157	-15.353	0	-15.353
Balance as of December 31, 2022 (Restated)	3.000	834.123	92.502	0	11.265	0	-27.157	913.733	0	913.733
Allocation of the profit (loss) for the period						-27.157	27.157	0		0
Capital contribution			189.883					189.883		189.883
Share-based payment			297					297		297
Other movements			215					215		215
Changes in foreign currency translation reserve				225				225		225
Actuarial gains/(losses)			313					313		313
Cash Flow Hedge					-5.419			-5.419		-5.419
Result for the year							-42.499	-42.498		-42.498
Total comprehensive income for the period	0	0	313	225	-5.419	0	-42.499	-47.379	0	-47.379
Balance as of December 31, 2023 (Restated)	3.000	834.123	283.210	225	5.846	-27.157	-42.499	1.056.749	0	1.056.749
Allocation of the profit (loss) for the period						-42.499	42.499	0		0
Capital contribution								0		0
Share-based payment			168					168		168
Other movements			95					95		95
Changes in foreign currency translation reserve				-6.333				-6.333		-6.333
Actuarial gains/(losses)			70					70		70
Cash Flow Hedge					-4.152			-4.152		-4.152
Result for the year							-35.305	-35.305		-35.305
Total comprehensive income for the period	0	0	70	-6.333	-4.152	0	-35.305	-45.720	0	-45.720
Balance as of December 31, 2024	3.000	834.123	283.543	-6.108	1.694	-69.656	-35.305	1.011.292	0	1.011.292
Allocation of the profit (loss) for the period						-35.305	35.305			
Capital contribution										
Share-based payment			195					195		195
Other movements			-2					-2		-2
Changes in foreign currency translation reserve				12.074				12.074		12.074
Actuarial gains/(losses)			45					45		45
Cash Flow Hedge					-1.694			-1.694		-1.694
Result for the year							-47.620	-47.620		-47.620
Total comprehensive income for the period	0	0	45	12.074	-1.694	0	-47.620	-37.195	0	-37.195
Balance as of December 31, 2025	3.000	834.123	283.782	5.966	0	-104.960	-47.620	974.291	0	974.291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

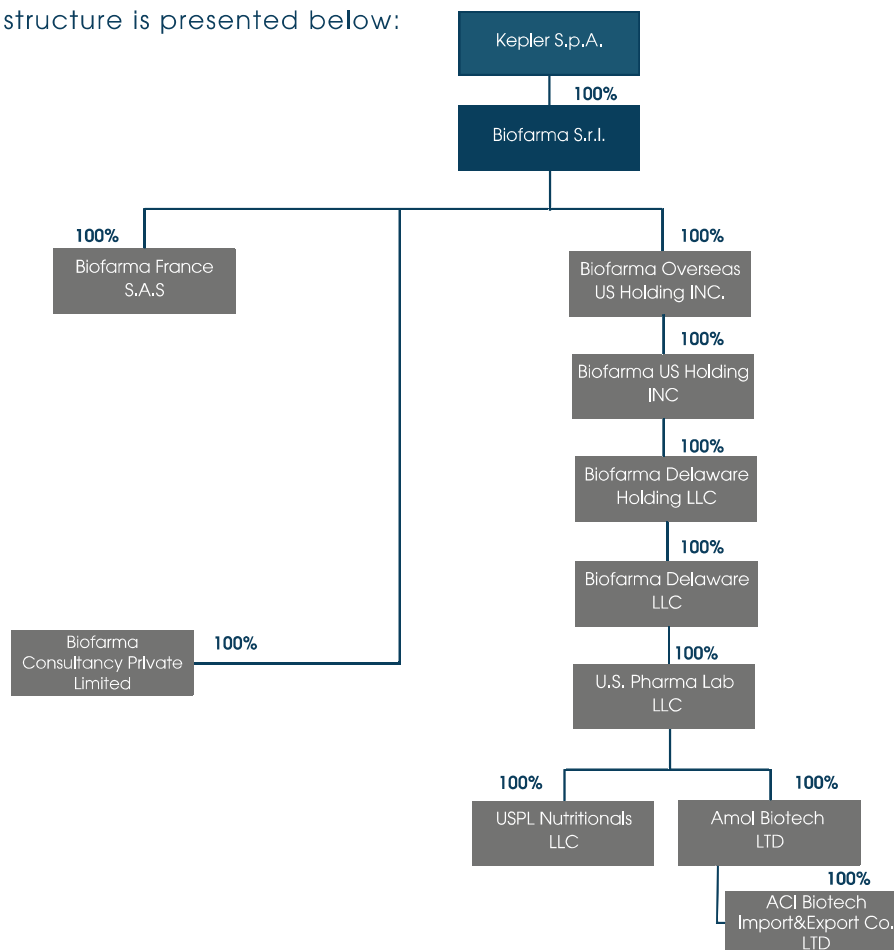
1. INTRODUCTION

Kepler S.p.A. (hereinafter the “Kepler”, the “Parent Company”, the “Company”, or the “Issuer” and together with its subsidiaries the “Group”) is a company domiciled in Italy, with registered office in Largo Francesco Richini 2/A, Milan, Italy, organized under the laws of the Republic of Italy. The share capital of the Company amounts to Euro 3.000.000, divided into n. 3.000.000 ordinary shares with nominal value equals to 1,00 Euro. Kepler is a holding company its ultimate controlling party is Ardian Buyout Fund VII B SLP through its wholly-owned subsidiary Vegeta S.p.A. which was created on February 7, 2022 for the purpose of the Biofarma Group acquisition (following “Biofarma Acquisition” or “Transactions”).

Kepler S.p.A. is a leading global contract development and manufacturing organization (“CDMO”) specialized in the development, manufacturing and packaging of nutraceuticals (including health supplements and medical devices) and cosmetics. The Company is the result of a ‘buy-and-build’ strategy involving complementary businesses, which has led to the creation of a leading player with a broad portfolio of differentiated products and manufacturing technologies.

The Parent Company does not carry out any revenue-generating activities and has no operating business or material assets other than its equity interests. It does not have any material indebtedness, except for outstanding debt and intercompany balances incurred in connection with the Transactions.

The Group’s structure is presented below:



As of December 31, 2025, the scope of consolidation perimeter of Kepler S.p.A. is set out below:

Company	Country	Control	Percentage Holding	Owned by:
Kepler S.p.A.	Italy	Parent Company	100%	Denis S.p.A.
Biofarma S.r.l.	Italy	Direct	100%	Kepler S.p.A.
Biofarma France SAS	France	Indirect	100%	Biofarma S.r.l.
Biofarma Overseas US Holding, Inc.	USA	Indirect	100%	Biofarma S.r.l.
Biofarma US Holding, Inc.	USA	Indirect	100%	Biofarma Overseas US Holding INC
Biofarma Delaware Holding LLC	USA	Indirect	100%	Biofarma US Holding INC
Biofarma Delaware LLC	USA	Indirect	100%	Biofarma Delaware Holding LLC
U.S. Pharma Lab LLC	USA	Indirect	100%	Biofarma Delaware LCC
USPL Nutritionals LLC	USA	Indirect	100%	U.S. Pharma Lab LCC
Amol Biotech Ltd.	China	Indirect	100%	U.S. Pharma Lab LCC
ACI Biotech Import & Export Co. Ltd	China	Indirect	100%	Amol Biotech Ltd.
Biofarma Consultancy Private Limited	India	Indirect	100%	Biofarma S.r.l.

2. BASIS OF PREPARATION

This document contains the consolidated financial statements of the Group as of and for the years ended December 31, 2025 and 2024 (the "Consolidated Financial Statements"), comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes.

The comparative figures as of and for the year ended December 31, 2024 have been derived from the statutory consolidated financial statements of the Group.

The Financial Statements were prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), which include all International Financial Reporting Standards (IFRS), all International Accounting Standards (IAS) and all interpretation published by the International Financial Reporting Interpretations Committee (IFRIC), previously Standing Interpretations Committee (SIC), which at the date of approval of the Financial Statements, had been endorsed by the European Union in accordance with the procedure set forth in EC Regulation No. 1606/2002 of the European Parliament and European Council of July 19, 2002.

2.1 Going concern

The Financial Statements were prepared based on the going concern assumption, as there were no financial, operational or other indicators suggesting difficulties about the ability of the Group to meet its obligations in the foreseeable future and specifically over the next 12 months.

2.2 Form, content and preparation criteria

Functional Currency and Presentation Method

The Financial Statements were prepared in Euro, which is the currency of the primary economic environment in which the Group operates. All amounts included in the Financial Statements are presented in thousands of Euro, unless otherwise stated.

Format of the Financial Statements

The format of the Financial Statements and the relative classification criteria adopted by the Group, within the framework of the options provided by IAS 1 – Presentation of financial statements are presented below:

- the statement of financial position uses a format classifying the assets and liabilities according to current and non-current;
- the statement of profit or loss classifies costs according to their nature;
- the statement of comprehensive income includes, besides the profit or loss for the year, other non-owner changes in equity;
- the statement of cash flows is prepared by recognizing cash flows from operating activities according to the “indirect method”.

The presentation formats used, as specified above, are those that best represent the operating performance, financial position and cash flow of the Group.

The Explanatory Notes are sequentially numbered. These numbers are also referenced in the Consolidated statement of financial position and in the Consolidated statement of profit or loss, for ease of reading. The accounting principles adopted in the preparation of the Financial Statements are consistent with those used in the preparation of the previous year's financial statements. Any other economic effects resulting from the fair value evaluation of other assets and liabilities are classified by economic nature and are reported in the appropriate items of the Consolidated statement of profit or loss. Any changes to the reclassification criteria are also applied to the previous years and may be reflected in the Consolidated statement of cash flows for the previous years.

3. ACCOUNTING PRINCIPLES

3.1 Accounting principles, amendments, and interpretations applied as of January 1, 2025

The following accounting standards, amendments and interpretations of IFRS Accounting Standards were first applied by the Group as of January 1, 2025:

- On 15 August 2023, the IASB issued an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to identify a methodology to be applied consistently to assess whether a currency can be exchanged for another, and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the notes. The adoption of this amendment did not have a material impact on the Group's consolidated financial statements.

3.2 Accounting principles, amendments, and IFRS interpretations endorsed by the European Union, not yet mandatorily applicable, and not early adopted by the Group as of December 31, 2025

As of the reporting date of this document, the competent bodies of the European Union have completed the endorsement process required for the adoption of the amendments and standards described below; however, such standards are not yet mandatorily applicable and have not been early adopted by the Group as of 31 December 2025:

- On May 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7". The document clarifies some problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to:
 - Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the assessment of the SPPI test;
 - determine that the date on which the liability is settled by electronic payment systems is the date on which the liability is settled. However, an entity is allowed to adopt an accounting policy to allow a financial liability to be derecognized before delivering cash on the settlement date under certain specific conditions.

With these amendments, the IASB has also introduced additional disclosure requirements with regard in particular to investments in equity instruments designated as FVOCI.

The amendments will be effective for financial statements covering periods beginning on or after 1 January 2026, with early application permitted. Management does not expect the adoption of this amendment to have a material impact on the Group's consolidated financial statements.

- On 18 December 2024, the IASB issued an amendment entitled “Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7”. The objective of the document is to support entities in reporting the financial effects of electricity purchase contracts for electricity generated from renewable sources (often structured as Power Purchase Agreements). Under such contracts, the quantity of electricity generated and purchased may vary due to uncontrollable factors, such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
 - a clarification on the application of the “own use” requirements to this type of contract;
 - criteria allowing the recognition of such contracts as hedging instruments; and
 - new disclosure requirements to enable users of the financial statements to understand the effect of these contracts on an entity’s financial performance and cash flows.

The amendments will be effective for financial statements covering periods beginning on or after 1 January 2026, with early application permitted. Management does not expect the adoption of this amendment to have a material impact on the Group’s consolidated financial statements.

- On July 18, 2024, the IASB published a document called "Annual Improvements Volume 11". The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended principles are:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and related guidelines on the implementation of IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; e
 - IAS 7 Statement of Cash Flows.

The amendments will be effective for financial statements covering periods beginning on or after 1 January 2026. Management does not expect the adoption of this amendment to have a material impact on the Group’s consolidated financial statements.

3.3 Accounting principles, amendments, and IFRS interpretations not yet endorsed by the European Union and not yet mandatorily applicable

As of the reporting date of this document, the competent bodies of the European Union have completed the endorsement process required for the adoption of the amendments and standards described below; however, such standards are not yet mandatorily applicable and have not been early adopted by the Group as of 31 December 2025.

- On April 9, 2024, the IASB published a new IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires to:
 - classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the categories of taxes and discontinued operations already present in the income statement;
 - Submit two new sub-totals, operating income and earnings before interest and taxes (i.e. EBIT).

The new principle also:

- requests more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information;
- introduces some changes to the cash flow statement format, including the requirement to use the operating result as a starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of some classification options for some currently existing items (such as interest paid, interest received, dividends paid and dividends received).

The new standard will come into force from January 1, 2027, but early application is allowed. Management is currently assessing the potential impact of the adoption of this new standard on the Group's consolidated financial statements.

- On May 9, 2024, the IASB published a new IFRS 19 standard Subsidiaries without Public Accountability: Disclosures. The new standard introduces some simplifications with reference to the information required by the IFRS Accounting Standard in the financial statements of a subsidiary, which complies with the following requirements:
 - has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
 - its parent company prepares consolidated financial statements in accordance with IFRS.

The new standard will come into force from 1 January 2027, but early application is allowed.

Management is currently assessing the potential impact of the adoption of this new standard on the Group's consolidated financial statements.

- On 13 November 2025, the IASB issued a document entitled "Translation to a Hyperinflationary Presentation Currency - Amendment to IAS 21", which clarifies the procedures for translation by an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - its functional currency is that of a non-hyperinflationary economy and it is translating its financial position and performance into the currency of a hyperinflationary economy; or
 - it is translating the financial position and performance of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, into the currency of a hyperinflationary economy.

The amendments will be effective for financial statements for periods beginning on or after 1 January 2027. Management does not expect the adoption of this amendment to have a material impact on the Group's consolidated financial statements.

- On January 30, 2014, the IASB published IFRS 14 – Regulatory Deferral Accounts, which allows only those who adopt IFRS for the first time to continue to recognize amounts relating to activities subject to regulated tariffs ("Rate Regulation Activities") according to the previous accounting standards adopted. Since the Group is not a first-time adopter, this principle is not applicable.

4. BASIS OF CONSOLIDATION

Described below are the criteria adopted by the Group in determining the companies to be consolidated in terms of subsidiaries and associates and their respective consolidation methods.

CONSOLIDATED COMPANIES

i) Subsidiaries

The Consolidated Financial Statements include those of the Company and companies over which, in accordance with IFRS 10, Kepler S.p.A. exercises control either directly or indirectly by virtue of direct or indirect ownership of the majority of voting rights or the exercise of dominant influence in terms of the power to make decisions about the financial and operating policies of the companies/entities, obtaining the related benefits, regardless of the ownership interest. All subsidiaries are included in the consolidation perimeter from the date on which they are acquired until the date on which control over the subsidiary ceases.

Subsidiaries are consolidated on a line-item basis as described below:

- the assets and liabilities, income and expenses are consolidated line by line, with non-controlling interests allocated their share of equity and net profits as shown separately in the statement of changes in equity, consolidated income statement, and consolidated statement of comprehensive income;
- the acquisition of non-controlling interests related to entities in which there is already control, or the sale of non-controlling interests that do not result in a loss of control, are considered equity transactions. This means that, in the event of acquisition or sale of non-controlling interests that result in control being maintained, any difference between the acquisition/sale cost and the related share of equity acquired/sold is recognized in equity;
- receivables, payables, income and expenses between the consolidated companies as well as significant profits and losses and related tax effects resulting from transactions conducted between companies and not yet realized with other parties are eliminated, with the exception of unrealized losses, which are not eliminated if the transaction provides evidence of an impairment loss of the business transferred. Also eliminated, if material, are reciprocal receivables and payables, revenues and expenses, financial income and finance costs;
- profits or losses resulting from the sale of equity interests in consolidated companies that results in a loss of control over that entity are recognized through profit or loss in an amount equal to the difference between the selling price and the corresponding share of the equity sold.

The financial statements of subsidiaries are prepared with reporting periods ending on December 31, which is the same reporting date for the Consolidated Financial Statements and have been prepared and approved by the Boards of Directors of the respective entities and adjusted, as necessary, to ensure uniformity in the accounting standards adopted within the Group.

ii) Associates

Associates are companies over which the Group exercises significant influence, which is the power to contribute to determining the financial and operating policies of the entity without having either control or joint control. Significant influence is assumed to exist when at least 20% of the exercisable voting rights is held either directly or indirectly through subsidiaries. When determining the existence of significant influence, potential voting rights that are actually exercisable or convertible are also taken into account. Investments in associates are measured using the equity method and initially recognized at the cost incurred for their acquisition. A description of the equity method is provided hereunder:

- the carrying value of these investments is aligned with the equity held and adjusted, as necessary, in application of the EU-IFRS; this includes the recognition of the greater value attributed to the assets and liabilities and any goodwill established at the time of acquisition;
- profit or loss attributable to owners of the parent company is recognized from the date on which significant influence began until the date on which it ceases; if realized losses of a company measured at equity should result in negative equity, the carrying value of the investment is eliminated, and any excess attributable to the owners of the parent is recognized in a specific reserve if the parent has undertaken to meet the associate's legal or other constructive obligations; changes in equity for companies measured at equity that are not related to net profits are recognized as a direct adjustment to equity reserves;
- significant unrealized profits and losses generated on transactions between the Company, its subsidiaries and equity-accounted associates are eliminated based on the value of the equity interest that the Group owns in the associate; unrealized losses are eliminated, apart from cases in which such losses represent an impairment loss.

TRANSLATION OF FOREIGN CURRENCY BALANCES

The financial statements of subsidiaries and associates are prepared using the currency of the primary economy in which they operate (i.e. the "functional currency"). The rules for translating financial statements expressed in a currency other than the Euro are as follows:

- Assets and liabilities are translated using the exchange rates in effect at the end of the reporting period;
- Income and expenses are translated at the average exchange rate for the reporting period;
- the translation reserve reported in the statement of comprehensive income includes both the exchange rate differences generated by the translation of balances at a different rate from that of the closing date and those generated by the translation of opening equity balances at a different rate from that of the reporting date;
- Goodwill and fair-value adjustments relating to the acquisition of foreign entities are treated as assets and liabilities of the foreign entity and translated at the end-of-period exchange rate.

The companies included in the consolidation perimeter at December 31 2025 whose functional currency differs from the Euro are Biofarma Overseas US Holding, Inc. (USD), Biofarma US Holding, Inc. (USD), Biofarma Delaware Holding LLC (USD), Biofarma Delaware LLC (USD), Amol Biotech Ltd. (RMB), ACI Biotech Import & Export Co. Ltd (RMB), U.S. Pharma Lab LLC (USD), USPL Nutritionals LLC (USD) and Biofarma Consultancy Private Limited (INR).

The exchange rates used to translate the financial statements of companies with a different functional currency from the Euro are reported in the following table:

Currency	At July 25,*	At September 30,**	Average	At December 31,	Average	At December 31,
	2023	2024	2024	2024	2025	2025
USD	1,1052		1,0824	1,0389	1,1300	1,1750
RMB	7,8808		7,7875	7,5833	8,1185	8,2262
INR		93,8130	90,1785	88,9335	98,5239	105,5965

*Date of the US Pharma acquisition

**Date of the Biofarma Consultancy Private Limited establishment

TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in a currency other than the functional currency are recognized at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in a currency other than the Euro are subsequently adjusted at the exchange rate in effect at the end of the reporting period. Non-monetary assets and liabilities denominated in a currency other than the Euro are recognized at historical cost using the exchange rate in effect when the transaction was initially recognized. Any currency differences arising from such translation are recognized in the consolidated income statement.

5. MATERIAL ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at purchase or production cost net of accumulated depreciation and any impairment losses. The purchase or production cost includes any charges incurred directly to bring the assets to working condition for their intended use, as well as any charges for disposal and removal that should be incurred as a result of contractual obligations that require restoring the asset to its original condition. Finance costs directly attributable to the purchase or construction of qualified assets are capitalized and depreciated over the useful life of the related asset.

Expenditure incurred for routine and/or cyclical maintenance and repairs is fully recognized directly in the income statement of the period in which they are incurred.

Costs related to the expansion, modernization, or improvement of structural components of owned assets are capitalized when such components meet the requirements for separate classification as assets or part of an asset in application of the component approach, which establishes that each component subject to separate determination of its useful life and related value must be treated individually.

Depreciation is recognized monthly on a straight-line basis based on rates that enable the asset to be fully depreciated by the end of its useful life.

The useful lives estimated by the Group for the main categories of fixed assets are reflected in the following depreciation rates:

Buildings	3%-10%
Plant and machinery	10% - 20%
Equipment	10% - 40%
Other tangible assets	20% - 25%

The useful lives of property, plant and equipment and the residual value of such assets are reviewed and updated as necessary at the end of each year. Land is not depreciated.

LEASES

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease, i.e., whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group adopts a single recognition and measurement model for all leases, excluding short-term leases and leases of low-value assets. The Group recognizes the liabilities referring to lease payments and the right-of-use asset, which represents the right to use the underlying asset in the lease.

RIGHT-OF-USE ASSET

The Group recognizes the right-of-use assets at the commencement date of the lease (the date on which the underlying asset is available for use). The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, adjusted by any remeasurements of lease liabilities. The cost of the right-of-use asset comprises the amount of lease liability recognized, the initial direct costs incurred, and any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the useful life of the underlying asset or, if earlier, to the end of the lease term.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

The right-of-use assets are subject to impairment testing. More information is provided in the section on impairment testing.

LEASE LIABILITY

At the lease's commencement date, the Group measures the lease liability at the present value of the lease payments not paid at that date. The lease payments due include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and the payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognized as costs in the period in which the event or condition that generated the payment occurs.

In calculating the present value of the lease payments due, the Group uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be determined easily. After the commencement date, the lease liability is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised contractual terms for payment modifications; it is also remeasured to reflect any changes in the assessment of whether the option to purchase the underlying asset is reasonably certain to be exercised or modifications in future payments deriving from a change in the index or rate used to determine such payments.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies the exemption for recognizing short-term leases (those that, at the commencement date, have a term of 12 months or less and do not contain a purchase option). The Group also applies the exemption for leases with low-value assets mainly to leases for office equipment considered to have a low value. The payments on short-term leases and low-value leases are recognized as costs on a straight-line basis over the lease term.

THE GROUP AS A LESSOR

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

INTANGIBLE ASSETS

Intangible assets are identifiable, non-monetary items without physical substance, which generate future economic benefits. Goodwill is included when acquired for valuable consideration. Intangible assets are recognized at purchase and/or production cost including any directly attributable expenses incurred to prepare the asset for use and net of accumulated amortization and any impairment losses. Any interest expense accrued during and for the development of intangible assets is considered part of the purchase cost.

Amortization begins when the asset is available for use and is recognized systematically in relation to the remaining useful life of the asset. Amortisation of intangible assets is included in "Depreciation and amortization expenses" line item of the consolidated statement of profit and loss.

Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life, i.e. the estimated period in which such assets will be used by the Group. Intangible assets with a finite useful life are tested for impairment in order to determine whether those assets have suffered a loss in value (impairment loss) whenever there is any indication thereof.

Intangible assets with an indefinite useful life are not depreciated, but they are tested for impairment at least annually). The impairment test is described in the section on "Impairment Test".

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill associated with the operation disposed of is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(a) Industrial patents and intellectual property rights

Patents and intellectual property rights are amortized on a straight-line basis over their useful life, over a variable period of 6-9 years.

(b) Concessions, licenses and trademarks

Concessions, licenses and trademarks are amortized on a straight-line basis over their respective term except for the brands, emerging when accounting for the acquisitions, which are measured using the royalty method and are not amortized because they have indefinite useful lives but are tested annually for impairment.

Costs for software licenses, including expenses incurred in order to make the software ready for use, are amortized on a straight-line basis over a period of 3 years.

Costs related to software maintenance are expensed as incurred.

(c) Customer relationships

Customer relationships represents the total contractual relationships (supply agreements, service agreements, etc.) and non-contractual relationships with customers and are amortized over their useful life, estimated as 15 years for the historical data.

(d) Research and development costs

Research costs are expensed as incurred, whereas development costs are recognized as intangible assets when all the following conditions are met:

- the project is clearly identified and the related costs can be reliably identified and measured;
- the technical feasibility of the project has been demonstrated;
- the intention to complete the project and to sell the intangible assets generated has been demonstrated;
- a potential market exists or, in the event of internal use, the utility of the intangible asset to produce the intangibles generated by the project has been demonstrated;
- the technical and financial resources needed to complete the project are available.

The amortization of any development costs recognized as intangible assets begins on the date on which the project becomes marketable.

In an identified internal project for the creation of an intangible asset, if the research stage is indistinguishable from the development stage, the cost of this project is fully recognized through profit or loss as if there had only been a research stage.

BUSINESS COMBINATION

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below);
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

IMPAIRMENT OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

At each reporting date, a review is performed to determine whether there is any indication that assets have suffered an impairment loss. Both internal and external sources of information are taken into account for the impairment testing. Internal sources include: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the financial performance of the asset compared to expectations. External sources of information include trends in the market price of the asset; any technological, market or legislative changes; trends in market interest rates or in the cost of capital used to measure the value of the investment.

If any such indication exists, the recoverable value of the asset is estimated, and any impairment loss compared to the current carrying value is recognized in the income statement. The recoverable value of an asset is its fair value less any costs to sell or its value in use (i.e. the present value of estimated future cash flows generated by the asset), whichever is greater. To determine value in use, the present value of expected future cash flows is calculated using a post-tax discount rate that reflects the current market values of the cost of money based on the investment period and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the recoverable value is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized when the carrying value of the asset or of the related cash-generating unit exceeds its recoverable value. Impairment of cash-generating units is initially recognized as a reduction of the carrying value of any goodwill attributed to it and subsequently as a reduction of the other assets proportionate to their carrying values and to the extent of their respective recoverable values. If the conditions for a previous impairment loss should cease to exist, the carrying value of the asset is reinstated and recognized in the income statement to the extent of the net carrying value that the asset would have had if it had not been written down and all related depreciation or amortization had been recognized.

TRADE RECEIVABLES AND OTHER FINANCIAL ASSETS

Trade receivables and other financial assets are initially recognized at fair value and subsequently at amortized cost in accordance with the effective interest rate approach, net of any write-downs. Trade receivables and other financial assets are included among current assets, excluding those contractually due after twelve months from the reporting date, in which case they are classified as non-current assets.

Impairment losses on receivables are recognized when there is objective evidence that the Group will not be able to collect the amount from the counterparty based on the related agreement's terms.

Objective evidence includes events such as:

- significant financial difficulty of debtor;
- pending legal disputes with the debtor concerning the receivables;
- likelihood that the debtor will declare bankruptcy or will initiate other such financial restructuring procedures.

The Group transfers certain of its trade receivables through factoring transactions. Factoring transactions are all without recourse. These types of transactions meet the requirements of IFRS 9 for the derecognition of the assets since the risks and rewards connected with ownership of the financial asset are substantially transferred, and accordingly the Group derecognize these receivables within the Consolidated Statement of Financial Position.

The amount of the write-down is measured as the difference between the carrying value of the asset and the present value of the future cash flows and is recognized in the income statement under "other costs". Uncollected receivables are eliminated from the statement of financial position and recognized in a provision for doubtful debts. If the reasons for a previous write-down should cease to exist in future periods, the value of the asset is reinstated at the value of its amortized cost without the write-down.

Financial assets are written off when the right to receive cash flows from them ceases or is transferred, or when the Group has substantially transferred all risks, rewards and control associated with the financial instrument to a third party.

FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as derivatives, at fair value at the end of each financial period. 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.

Fair value measurement assumes a sale of the asset or transfer of the liability taking place:

- in the principal market for the asset or liability; or
- in the absence of a principal market, the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group. Fair value measurement takes into account the characteristics of the asset or liability being measured that market participants would consider when pricing the asset or liability, assuming that market participants act with the aim of best satisfying their economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic rewards by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques appropriate to the circumstances and for which sufficient data for fair value measurement are available, thus maximizing the use of significant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, the fair value of which has been measured or recognized in the financial statements, are categorized based on the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - measurement techniques whereby inputs are unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the hierarchy level of the lowest level input that has been used for the measurement.

For assets and liabilities that are measured at fair value on a recurring basis, the Group determines whether shifts have occurred between \hierarchy levels and revises the categorization (based on the lowest level input that is significant to the entire fair value measurement) at the end of each financial period.

DERIVATIVES AND HEDGE ACCOUNTING

The use of derivatives is regulated by the Group's policies approved by the management bodies, which lay down precise written procedures on the use of derivatives in keeping with the Group's risk management strategies. Derivative agreements were stipulated with some of the most financially solid counterparties to reduce the risk of contractual breach. The Group does not use derivatives for trading purposes, but to hedge against identified financial risks. A description of the criteria and methods used to manage financial risks is contained in the "Financial risk management" section.

Derivatives are initially measured at their fair value, in accordance with IFRS 13, and the attributable transaction costs are recognized in profit and loss as incurred. After initial recognition, the changes in fair value are recognized in profit and loss if the derivatives do not qualify for hedge accounting due to their type or to the Group's decision not to perform effectiveness testing. Derivatives are designated as hedging instruments when formal documentation of the hedging relationship exists and the hedge effectiveness, tested periodically, is high, under IFRS 9.

Hedge accounting differs according to the purpose of the hedge: hedging of the exposure to variability in future cash flows (cash flow hedge) or of changes in fair value (fair value hedge):

- Cash flow hedge: the changes in the fair value of the derivatives that are designated, or are effective, for hedging future cash flows regarding probable transactions are recognized directly in other comprehensive income and other reserves, while the ineffective portion is recognized immediately in profit or loss. The amounts, which had been recognized directly in the Statement of Comprehensive Income and accumulated in equity, are included in profit or loss when the hedged transactions affect profit or loss.
- Fair value hedge: for effective hedging of exposure to changes in fair value, the hedged item is adjusted by the fair value changes attributable to the risk hedged with a balancing item in the income statement. Gains and losses deriving from measurement of the derivative are also recognized in profit or loss. Fair value changes of derivatives that do not qualify for hedge accounting are recognized in profit or loss as they occur.

In the absence of quoted prices on active markets, the fair value is the amount resulting from appropriate valuation techniques that take into account all factors adopted by market participants and the prices obtained in an actual market transaction. The fair value of the interest rate swaps is determined by discounting the future cash flows to their present value.

DERIVATIVES QUALIFIED AS TRADING INSTRUMENTS

Derivative instruments are used for strategic and financial hedging purposes. However, since some derivatives do not meet conditions set by EU-IFRS for hedge accounting, those derivatives are recognized as trading instruments. Accordingly, the derivatives are initially recognized at fair value, and subsequent changes in fair value are recognized as components of financial income and finance costs for the period. The fair value of financial instruments not listed on an active market is determined using valuation approaches based on a series of methods and assumptions related to the market conditions at the reporting date.

The fair value classification of financial instruments is set forth below based on the following hierarchical levels:

- Level 1: fair value determined based on quoted (non-adjusted) prices in active markets for identical financial instruments;
- Level 2: fair value determined using valuation techniques based on inputs that are observable in active markets;
- Level 3: fair value determined using valuation techniques based on unobservable inputs in active markets.

Given the short-term nature of trade receivables and payables, we believe that the carrying value is a good approximation of their fair value.

INVENTORIES

Inventories are recognized at the lower of purchase or production cost and net realizable value, i.e. the amount that the Group expects to receive on their sale in the ordinary course of business, less costs to sell. The cost of inventories of raw and ancillary materials, consumables and finished products is determined by using the weighted average cost method.

The cost of finished products and semi-finished goods includes the costs of raw materials, direct labor, and other production costs (based on normal operating capacity). Finance costs are not included in the measurement of inventories because the conditions for their capitalization are not present.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include available bank deposits and other forms of short-term investment with a maturity not exceeding three months. At the reporting date, bank overdrafts are classified as current financial liabilities in the statement of financial position. The items included in cash and cash equivalents are measured at fair value, and subsequent changes are recognized through profit or loss.

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are initially recognized at fair value net of directly attributable costs and are subsequently measured at amortized cost using the effective interest rate method.

FINANCIAL LIABILITIES

Financial liabilities, which relate to loans, leases and other payment obligations, are initially recognized at fair value net of transaction costs and are subsequently recognized at amortized cost using the effective interest rate method. In the event of changes in the expected cash flows, the value of the liability is recalculated in order to reflect such change based on the present value of the new expected cash flows and using the initially determined internal rate of return. Financial liabilities are classified among current liabilities, excluding those with a contractual maturity of twelve months after the reporting date and excluding those for which the Group has the unconditional right to defer payment for at least twelve months from such date. Purchases and sales of financial liabilities are recognized on the transaction settlement date.

Financial liabilities are eliminated from the statement of financial condition when paid in full and/or when the Group has transferred all risks and charges related to the instrument.

EMPLOYEE BENEFITS

Short-term benefits include wages, salaries, related social security charges, compensation for unused vacation time, and incentives and bonuses payable within twelve months of the reporting date. These benefits are recognized as components of the cost of personnel during the service period.

Pension funds

The companies of the Group have both defined-contribution and defined-benefit plans.

The defined-contribution plans are managed by external fund managers in relation to which there are no legal or other obligations to pay further contributions if the fund should have insufficient assets to meet the obligations toward employees. For those defined-contribution plans, the Group gives voluntary or contractually set contributions to both public and private pension funds. The contributions are recognized as costs of personnel on an accruals basis. Advance contributions are recognized as an asset to be reimbursed or used to offset any future payments due.

A defined-benefit plan is one that cannot be classified as a defined-contribution plan. In defined-benefit plans, the amount of the benefit to be paid to the employee is quantifiable solely upon termination of employment and is tied to one or more factors, such as age, seniority, and salary level. As such, the obligations of a defined-benefit plan are determined by an independent actuary using the projected unit credit method.

The present value of a defined-benefit plan is determined by discounting the future cash flows at an interest rate that is equal to that of high-quality corporate bonds issued in the currency in which the liability is to be settled and which considers the term of the related pension plan. Actuarial gains or losses resulting from these adjustments are shown in the statement of comprehensive income as a component of such income. The Group manages solely one defined-benefit plan, which is the fund for employee severance indemnities (or "TFR"). This fund, which is a form of deferred remuneration, is mandatory for Italian companies in accordance with Article 2120 of the Italian Civil Code and is correlated to the length of employment and the salary received throughout the period of service. On January 1, 2007, Italian law no. 296 of December 27, 2006 ("2007 Financial Law"), and subsequent law decrees and regulations introduced significant changes as to how this fund is to be handled, including the right for employees to choose whether their benefit is accumulated in a supplemental pension fund or in the "treasury fund" managed by INPS. As a result, the obligation toward INPS and the contributions to supplementary pension funds have, in accordance with IAS 19 – Employee Benefits, become defined-contribution plans, whereas the amounts contributed to the TFR fund as at January 1, 2007 maintain their status as defined-benefit plans.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognized for certain or probable losses and other charges of a given nature, but for which the amount and/or timing cannot be determined. The provision for agency termination represents amounts that could be due because of the termination of agency relationships in effect at the reporting date.

Provisions are recognized only when there is a present obligation (legal or constructive) for a future outflow of economic resources that has arisen because of past events and when it is probable that such outflow will be required to settle the obligation. The amount allocated represents the best estimate of the amount required to settle the obligation. The discount rate used to determine the present value of the liability reflects current market values and considers the specific risk associated with each liability.

Where the effect of the time value of money is material and the payment dates of the obligations can be estimated reliably, the provisions are measured at the present value of the outflow expected using a rate that reflects current market conditions, the change in the time value of money, and the risks specific to the liability. Any increases in value of the provision attributable to changes in the time value of money are recognized as interest expense.

Risks for which a liability is only possible are disclosed in the section on contingent liabilities, and no provision is allocated for them.

RECOGNITION OF REVENUES

Sales revenues

The Group revenues are mainly composed of finished product related to health supplements, medical devices and cosmetic products.

The Group recognizes revenue from contracts with customers at an amount that reflects the consideration at which the Group expects to be entitled in exchange for those goods or services, using the five-step model envisaged by IFRS 15:

- identify the contract with the customer;
- identify the performance obligations in the contract, that is, all goods or services promised in the contract;
- determine the transaction price at inception of the contract considering any variable considerations, noncash consideration received from a customer or payable to the customer, significant financing components;
- allocate the transaction price, at contract inception, to each separate performance obligation;

recognize revenue, when (or as) each performance obligation is satisfied by transferring the promised good or service to the customer. Revenues related to health supplements, medical devices and cosmetic products are recognized at point in time when the customer gains control of the goods, net of returns. Transfer of control is determined using a five-step analytical model applied to all revenues from customer contracts, mentioned above. This occurs when the goods are delivered to the customer and there is no unfulfilled obligation that could affect acceptance by the customer. Delivery takes place when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the sales contract, the terms and conditions of acceptance have expired, or the Group has objective evidence that all criteria for acceptance have been met. Revenues are recognised at the price stated in the contract, net of any estimates of deferred discounts or incentives granted to the customer in line with industry practice. In accordance with IFRS 15, the Group checks whether there are any contractual terms that represent separate performance obligations to which the transaction price must be allocated (such as guarantees), and effects deriving from the presence of variable consideration, significant financing components or non-monetary exchanges that must be paid to the customer.

Other operating income

The other operating income is composed of penalties to customer not related to the core business, insurance reimbursement and other recharges to the customers.

Interest income

Interest income is recognized in the consolidated income statement based on the effective rate of return. It refers primarily to interest income related to hedging instrument.

GOVERNMENT GRANTS

When formally authorized and when the right to their disbursement is deemed definitive based on reasonable certainty that the Group will meet the underlying conditions and that the grants will be received, government grants are recognized based on the matching concept of income and expenses.

Grant relating to assets

Government grants relating to fixed assets are recognized as deferred income among "other liabilities", either current for short-term portions or non-current for long-term portions. Deferred income is recognized in the income statement as "other operating income" on a straight-line basis over the useful life of the asset for which the grant is received.

Grants for operating expenses

Grants other than those relating to assets are recognized on the income statement under "other income".

RECOGNITION OF EXPENSES

Expenses are recognized when relating to goods or services acquired or consumed during the period or when systematically allocated.

INCOME TAXES

Current income taxes are calculated based on the taxable income for the period at the tax rates in effect on the reporting date.

Deferred taxes are calculated for differences emerging between the tax base of an asset or liability and its related carrying value, with the exception of goodwill and differences related to investments in subsidiaries when the timing of such differences is subject to control by the Group and it is probable that they will not be recovered in a reasonably foreseeable time frame. Deferred tax assets, including those concerning accumulated tax losses, for the portion not offset by deferred tax liabilities, are recognized to the extent to which it is probable that there will be sufficient future taxable earnings to recover the deferred taxes. Deferred tax assets and liabilities are measured based on the tax rates expected to apply in the period in which the differences will be realized or settled.

Current and deferred taxes are recognized in the income statement under "income taxes", excluding those related to items shown in the consolidated statement of comprehensive income other than net profits and items recognized directly in equity. In the latter cases, deferred taxes are recognized under "income taxes related to other comprehensive income" in the consolidated statement of comprehensive income and directly in equity. Income taxes are offset when they are assessed by the same fiscal authority, there is a legal right to such offsetting, and the net balance is expected to be settled.

Other taxes unrelated to income, such as indirect taxes and other duties, are included with "other costs".

Since 2023, the Group has opted for the national tax consolidation procedure, governed by Article 117/129 of the Italian Consolidated Law on Income Tax ('TUIR'). The decision to adopt this procedure is reflected in the accounting entries, showing receivables and payables arising from the tax consolidation procedure towards the controlling shareholder Vegeta S.p.A.

With reference to Organisation for Economic Cooperation and Development ('OECD') global minimum taxes ('Pillar two'), the Group has not met the quantitative requirement for the application (group with global annual turnover of Euro 750 million or more in at least two of the previous four fiscal years), so that no further assessment has been performed.

EARNINGS PER SHARE

Earnings per share - basic

Basic earnings per share is calculated by dividing the Group's net profit (from continuing operations and discontinued operations) by the weighted-average number of ordinary shares in circulation during the year, excluding treasury shares.

Earnings per share - diluted

Diluted earnings per share is calculated by dividing the Group's net profit (from continuing operations and discontinued operations) by the weighted-average number of ordinary shares in circulation during the year, excluding treasury shares.

To calculate diluted earnings per share, the weighted-average number of shares in circulation is adjusted by assuming the exercising of all rights that could potentially have a dilutive effect, and the Group's net profit is adjusted to take into account any effect, net of taxes, of exercising such rights.

6. FINANCIAL RISK MANAGEMENT

The Group's business is exposed to several types of risk: market risk, credit risk and liquidity risk. The Group's risk management strategy focuses on market unpredictability and aims to minimize the potential adverse effects on the Group's financial performance.

Risk management is centralized with the Treasury Management function, which identifies, assesses and hedges financial risks by working closely with the Group's business units. The Treasury Management function provides policies and guidelines for monitoring risk management particularly with respect to interest rate risk and credit risk.

6.1 Market risk

In conducting its business activities, the Group is exposed to various market risks, in particular fluctuations in interest rates, volatility in the availability and price of raw materials and utilities, and foreign exchange risk.

Interest rate risk

Group analyzes the sensitivity of its exposure by estimating the effects of a change in interest rates on the portfolio of its financial liabilities. More specifically, sensitivity analysis measures the potential impact on profit or loss and on equity of market scenarios that would cause a change in the financial expense associated with unhedged gross debt.

These market scenarios are obtained by simulating parallel increases and decreases in the yield curve as at the reporting date.

There were no changes introduced in the methods and assumptions used in the sensitivity analysis compared with the previous years.

With all other variables held constant, applying a 25 bps interest rate variation, the Group's tax profit would be affected by a change in the level of interest rates as follows:

<i>(in Euro thousand)</i>				
Year	Net result for the period		Total equity (increase)/decrease	
	-25 bps	+25 bps	-25 bps	+25 bps
2025	-1.485	1.485	-1.485	1.485
2024	-544	544	-544	544

For the years ended December 31, 2025, and 2024, the borrowing Notes consistently represented the vast majority of financial liabilities exposed to interest rate risk, accounting for approximately 99%, and 95% of the total, respectively.

The Group is currently evaluating an interest risk hedging strategy.

Price risk

The Group is exposed to price risk primarily on vitamins, various ingredients, packaging materials, and energy procurement, as their costs are subject to market volatility.

The Group monitors exposure to raw material and energy price changes on a monthly basis, comparing actual costs against budget assumptions. To mitigate this risk, the Group has implemented the following measures:

- Continuous diversification of suppliers for ingredients and vitamins to avoid supplier concentration and reduce the supplier’s negotiation power;
- Identification and certification of alternative raw material sources, including bypassing intermediaries where possible and certifying new overseas and low-cost suppliers that meet the Group’s international quality, sustainability, and pricing standards;
- Medium-term contracts with suppliers, defining price and delivery conditions to stabilize purchase costs while maintaining flexibility to change suppliers if price or delivery conditions deteriorate;
- Medium-term flexible contracts with energy brokers, enabling the Group to optimize the price/quality/quantity ratio on a quarterly basis;
- Collaboration between the Company’s R&D, Regulatory, and Purchasing departments to research and implement engineering innovations, activating alternative raw materials that can replace primary supply sources.

Despite exposure to raw material price risk, the Group has decided not to enter into commodity swap contracts for its industrial activities.

The following table presents the results of the analysis of sensitivity to a reasonably possible change in the vitamins, different ingredients and packaging material. More in details, to conduct such sensitivity analysis, the quantities of purchasing for the fiscal years ended December 31, 2025 and 2024, along with their average prices, were analyzed. A variation of +/- 10% was then applied to these values.

<i>(in Euro thousand)</i>				
Year	Net result for the period		Total equity (increase)/decrease	
	-10%	10%	-10%	10%
2025	20.724	-20.724	20.724	-20.724
2024	20.523	-20.523	20.523	-20.523

Foreign exchange risk

The Group primarily conducts its operations in euros. However, following recent acquisitions, the Group is also exposed to transactions denominated in US dollars (USD), Chinese Renminbi (RMB), and Indian Rupee (INR), although the number of such transactions remains very limited.

To mitigate the adverse effects of currency exchange rate volatility, the Group has implemented a series of organizational measures. One key strategy is maintaining a diversified portfolio of suppliers and customers across different regions. By conducting business with entities in multiple geographical locations, the Group can offset potential losses in one currency with gains in another, thereby reducing overall exposure to currency fluctuations.

Additionally, the Group maintains strong relationships with banks and financial institutions in various regions, providing access to expert advice and tailored solutions for managing currency risk. Collaborating with these partners enables the Group to monitor market trends and apply effective risk management strategies. Through this combination of organizational measures and financial instruments, the Group aims to enhance its resilience to currency risk and protect its financial performance in a dynamic global market.

The Group's exposure to currency risk is primarily related to sales denominated in US dollars (USD). For the year ended December 31, 2025, sales in USD totalled approximately USD 170 million (equivalent to approximately Euro 151 million at an average EUR/USD exchange rate of 1.13). For the year ended December 31, 2024, USD sales amounted to approximately USD 140 million (Euro 129 million at an average rate of 1.08).

The following table illustrates the Group's sensitivity to a 10% increase or decrease in foreign currency exchange rates against the relevant currencies. The 10% sensitivity rate is used internally when reporting foreign currency risk to key management personnel and represents management's assessment of a reasonably possible change in exchange rates. The analysis includes only outstanding foreign currency-denominated monetary items, with their translation adjusted at the year-end for a 10% change in foreign currency rates.

<i>(in Euro thousand)</i>	Year ended December 31, 2025		Year ended December 31, 2024	
	USD		USD	
	-10%	-10%	-10%	10%
Investments in financial assets	107	-87	120	-98
Trade receivables	2.088	-1.709	2.706	-2.214
Other current assets	216	-177	91	-74
Cash and cash equivalents	321	-263	1.115	-912
Non-current financial liabilities	9.438	-7.722	12.460	-10.194
Current financial liabilities	460	-376	396	-324
Trade payables	2.377	-1.945	2.619	-2.143
Other current liabilities	1.445	-1.182	958	-784
Net result for the period	16.451	-13.460	20.465	-16.744

Please note that the sensitivity analysis in the table does not account for the effects and risks related to currency fluctuations due to sales pricing adjustments based on currency-linked formulas.

It is noted that, given the market context, during the fiscal years ended December 31, 2025 and 2024, the Company did not choose to use derivative financial instruments to hedge against currency risk.

6.2 Credit risk

The credit risk essentially coincides with the amount of trade receivables recognized at the reporting dates.

The Company carefully assesses credit risk, which is reflected in the trade receivables recognised at the reporting dates. In order to mitigate credit concentration risk, the following strategies have been defined:

- Activation of pro-soluto factoring with all top ten customers, involving the main banks institutes, and, from 2025, also involving US and French banks to extend factoring coverage for the full group.
- Implementation of strict credit collection policies based on weekly dunning letters, weekly credit collection calls with customers with outstanding balances;
- Block of sales order production and shipments in case of missing outstanding balances settlement within maximum 30 days.

All the same, procedures are in place to ensure that the sales of products and services are conducted with customers that have shown to be reliable in the past.

For trade receivables and contract assets, the Group uses a simplified approach to calculate expected losses; the Group monitors changes in credit risk using a simplified approach based on brackets of shared credit risk characteristics and past-due days. Therefore, the Group discloses the full amount of expected credit losses at each reporting date, please refer to Note "Trade receivables". The Group has defined a provision matrix based on historical experience, adjusted for forward-looking information about specific types of debtors and their economic environment, as a tool for determining expected credit losses.

The Group manufactures highly customized products using differentiated technology that is difficult for competitors to replicate. This competitive advantage, combined with the Group's credit management policies, helps minimize potential market-related risks.

The following table presents an aging analysis of trade receivables as of December 31, 2025 and 2024, separately indicating the provision for doubtful debts.

(in Euro thousand)	Expiring		Expired			Provision for doubtful debts	Total trade receivables
	0-30	31-60	61-90	more than 90			
December 31, 2024	55.731	5.475	9.599	320	4.116	-1.683	73.558
December 31, 2025	50.461	6.380	474	166	3.505	-1.618	59.368

6.3 Liquidity risk

Liquidity risk concerns the ability to meet obligations arising on financial liabilities. Prudent management of the liquidity risk stemming from the Group's ordinary operating activities entails keeping up sufficient levels of cash holdings, short-term securities and funding available through adequate credit lines. The Group must have adequate stand-by credit lines to finalize contracts and collect invoices, to an extent that ensures financial flexibility. Management monitors the cash turnover projections, including undrawn credit lines, and available cash and cash equivalents, based on expected cash flows.

The following tables set forth a maturity analysis of the financial liabilities at December 31, 2025 and 2024. The maturities are based on the period from the reporting date to the contractual maturity date of the obligations.

<i>(in Euro thousand)</i>	At December 31, 2024				
	Carrying value	Contractual cash flow	Within 1 year	From 1 to 5 years	Beyond 5 years
Borrowings	555.936	583.859	9.243	574.615	0
Lease liabilities	24.817	24.817	3.341	20.849	627
Other current financial liabilities	10.529	10.529	10.529	0	0
Trade payables	65.599	65.599	65.599	0	0
Non-derivative liabilities	656.881	684.804	88.712	595.464	627
Derivative financial instruments	-2.229	-2.229	-2.229	0	0
Total	654.652	682.575	86.483	595.464	627

<i>(in Euro thousand)</i>	At December 31, 2025				
	Carrying value	Contractual cash flow	Within 1 year	From 1 to 5 years	Beyond 5 years
Borrowings	600.102	600.102	15.998	584.105	0
Lease liabilities	37.202	37.202	4.090	16.146	16.965
Other current financial liabilities	8.414	8.414	8.414	0	0
Trade payables	70.629	70.629	70.629	0	0
Non-derivative liabilities	716.347	716.347	99.131	600.251	16.965
Derivative financial instruments	0	0	0	0	0
Finance lease receivables	-2.930	-2.930	-2.930	0	0
Total	713.417	713.417	96.201	600.251	16.965

The value of the liability for the Senior Secured Notes contracts as of December 31, 2025 is based on a nominal amount of 594 thousand of Euro, offset by 18 thousand of Euro of amortized cost.

6.4 Equity risk

The Group's equity risk management objective is to maintain the going concern status to assure returns to shareholders and benefits to other stakeholders. The Group also aims to maintain an optimal capital structure to reduce debt costs.

Net invested capital is calculated as the sum of equity attributable to the shareholders and net financial debt.

Below is the breakdown of the Group's net financial debt at December 31, 2025 and 2024, determined in accordance with Committee of European Securities Regulators (CESR) Recommendation n. 05/054b, Paragraph 127, for implementation of EC Regulation n. 809/2004, and the gearing ratios at December 31, 2025:

<i>(in Euro thousand)</i>	2025	2024
A Cash and cash equivalents	25.427	19.517
Liquidity (A)	25.427	19.517
B Borrowings	15.998	9.242
C Current Lease liabilities	4.090	3.341
D Other financial liabilities	8.414	10.529
E Current financial indebtedness (B+C+D)	28.502	23.111
F Net current financial indebtedness (E-A)	3.075	3.594
G Investments in financial assets	1.728	1.610
H Finance lease receivables	2.930	0
I Derivative financial instruments	0	2.229
J Non-current financial assets (G+H+I)	4.658	3.839
K Borrowings	584.105	546.695
L Non-current Lease liabilities	33.112	21.475
M Non-current financial indebtedness (K+L)	617.216	564.331
N Financial indebtedness (F-J+M)	615.633	567.925
O Equity	974.291	1.011.292
Gear ratio (M/N)	63%	56%

The non-current financial assets are mainly related to the security deposits for operating assets of the US subsidiaries (Euro 1.728 thousand) and to a finance lease receivable connected with a sublease agreement signed in 2025 for Euro 2.930 thousand. The current financial indebtedness is composed of other financial liabilities Euro 8.414 thousand, which include Euro 5.029 thousand of banks overdraft and banks advance in 2025 (Euro 7.125 thousand in 2024), and factor for Euro 3.385 thousand in 2025 (Euro 3.404 thousand in 2024). The non-current financial indebtedness in 2025 include Euro 584.105 thousand of non-current portion of the borrowings (Euro 546.695 in 2024) and Euro 33.112 thousand (Euro 21.475 thousand in 2024) related to the non-current portion of the lease liabilities. The borrowings for the periods 2025 and 2024 are composed, respectively, from 99% and 95% of Senior Secured Notes.

6.5 Financial assets and financial liabilities by category

The following table presents the financial assets and liabilities aggregated by category with their fair values stated as of December 31, 2025 and 2024:

<i>(in Euro thousand)</i>	At December 31, 2025		At December 31, 2024	
	Fair value through other comprehensive income	Amortized Cost	Fair value through other comprehensive income	Amortized Cost
Derivative financial instruments	0		2.229	
Finance lease receivables		2.930		
Investments in financial assets		1.728		1.610
Borrowings		600.102		555.937
Lease liabilities		37.202		24.816
Other current liabilities		20.546		17.654

7. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to apply accounting policies and methodologies that, in some cases, depend upon difficult or subjective assessments and estimates based on experience and assumptions deemed reasonable and realistic given the specific circumstances involved. Application of such estimates and assumptions affects the figures reported in the Consolidated Financial Statements, including the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the related explanatory notes. The final results of the items for which such estimates and assumptions have been made may vary from those reported in the financial statements that show the effects of the occurrence of the event subject to the estimate, due to the uncertainty that characterizes the assumptions and the conditions on which the estimates were based. The following is a brief description of the accounting policies that entail the greatest extent of management subjectivity in calculating estimates, and for which a change in the underlying conditions and assumptions could have a significant impact on the consolidated financial information.

(a) Provision for inventory obsolescence

The provision for inventory obsolescence reflects management's best estimate of expected losses, determined on the basis of historical experience, past trends, and expected market conditions.

Raw materials and finished goods that are slow-moving are regularly analyzed based on historical data and their expected net realizable value. Where necessary, inventory is written down to its recoverable amount, and a corresponding provision is recognized.

(c) Goodwill and fixed assets

Goodwill and fixed assets recognized in the Consolidated Financial Statements are tested for impairment by calculating the value in use of the cash generating units ("CGU") to which goodwill has been allocated. Using different methods for the different business segments, the Group conducted testing in which goodwill was allocated to a group of CGU that benefit from the synergies of the specific business combination (in accordance with IAS 36, paragraph 80).

The CGU has been identified, consistently with the Group's organizational and business structure, as uniform combinations able to generate cash flows independently from the continuing use of the assets allocated to them.

Value in use was measured as the present value of the estimated future cash flows for each CGU in its current condition, excluding estimated future cash flows that could derive from future restructuring plans or other structural change, using the Discounted Cash Flow (DCF) model.

More information on the methodology used is reported in Note 12.

The business plan, used for the impairment testing, prepared by the Group's management is based on financial performance projections of business plan for period 2026-2032. The business plan is based on variables controllable by the Group's management and theoretical changes in exogenous variables not directly controllable or manageable by the Group's management.

If the main estimates and assumptions used to prepare the business plans should change, the value in use and the calculation of the recoverable value of the assets could change.

Therefore, the Group is not able to assure that the assets disclosed in the financial statements at December 31, 2025 will not suffer an impairment loss in the future.

8. SEGMENT REPORTING

The criteria used to identify operating segments are consistent with the way in which the Group is managed. The segmentation for reporting purposes reflects the internal reporting structure regularly reviewed by the Group's key management personnel, who are considered the Chief Operating Decision Maker (CODM).

The Group's activities are organized into three business lines: Health Supplements, Medical Devices, and Cosmetics.

The Group's management evaluates the performance of these segments primarily based on revenues, analyzed by business line and by geographical area of sales. The revenues presented in the table below are reconciled with those reported in the IFRS Consolidated Statement of Profit or Loss.

<i>(In Euro Million)</i>	2025	2024
Health Supplement	363,1	337,3
Medical Devices	64,1	61,3
Cosmetics	39,9	44,7
Consolidated	467,1	443,3

9. SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

In January 2025, the Group appointed a Chief HR & Transformation Officer to lead human resources, transformation initiatives, and the legal function. The officer is responsible for organizational development, talent management, the implementation of transformation programs aimed at enhancing operational efficiency, and overseeing the Group's legal and compliance matters, supporting the Group's strategic objectives.

In the first half of 2025, the Group completed the shutdown of the Cusano Milanino plant. All relevant operations, equipment, and personnel were fully transferred to the Gallarate and Mereto plants. The reorganization process is now fully completed.

In 2025, the Lissone site was assigned a clear strategic direction as a dedicated R&D hub, in line with the Group's long-term value creation strategy. The site is primarily focused on research and development activities and supports a structured and ongoing innovation plan aimed at identifying and developing new technologies. This initiative is intended to enhance the Group's competitive positioning, foster innovation-driven growth, and create scalable market opportunities, ultimately contributing to sustainable value generation over the medium to long term.

In July 2025, Kepler S.p.A. successfully completed the offering of Euro 500.0 million in aggregate principal amount of senior secured floating rate notes due 2029 (the "2025 Notes"). In connection with the offering, Kepler S.p.A. also entered into a new revolving credit facility of up to Euro 135.0 million, replacing the previous facility and supporting the Group's general corporate and liquidity needs.

As part of the broader refinancing of the Group's outstanding debt, Biofarma Delaware LLC ("Biofarma Delaware"), an indirect subsidiary of Kepler S.p.A., issued USD 110.6 million in senior secured notes due 2029 through a private placement (the "2025 Private Notes").

In addition, the subscribers to the 2025 Private Notes committed to purchase up to an additional Euro 200.0 million (or equivalent) of senior secured notes, subject to certain conditions. These additional notes may be issued by either Kepler S.p.A. or Biofarma Delaware in one or more tranches.

The proceeds from the 2025 Notes were used to: (i) redeem in full the outstanding notes, (ii) repay amounts outstanding under the previous revolving credit facility, (iii) fund general corporate purposes, and (iv) cover fees and expenses related to the transactions.

These transactions represent a refinancing of the Group's outstanding debt, strengthening its capital structure, extending debt maturities and enhancing financial flexibility.

In July 2025, Laboratoire Pierre Caron S.A.S.U and Codilab S.A.S fused into Biofarma France S.A.S. On the same date, the new manufacturing facility in Montaigu was inaugurated and now serves as the French company's headquarters.

In September 2025, Alberto Urli, previously serving as Chief Operating Officer (COO) of the Group, was appointed Chief Executive Officer (CEO), replacing Germano Scarpa, Chairman of the Board of Kepler, who had supported the role on an interim basis. In his position, the CEO is responsible for overseeing the Group's overall strategy, operational and commercial activities, and the execution of the industrial plan, ensuring continuity in the ongoing transformation initiatives and alignment of organizational resources and governance with the Group's strategic objectives. The COO position is currently covered on an interim basis by Alberto Urli, with a modified governance structure for operations in Europe and US.

In September 2025, the Group also appointed a new Chief Commercial Officer (CCO) to strengthen its commercial leadership. The CCO is responsible for enhancing the Group's commercial organization, overseeing sales operations across geographic regions and business segments, and supporting the execution of the Group's growth strategy. This appointment reflects the Group's commitment to having experienced personnel in key roles to ensure operational focus and long-term planning.

10. SUBSEQUENT EVENTS

Starting from 2026, the Group has significantly strengthened its commercial organization by appointing experienced profiles to cover sales roles across different geographic regions and parallel business segments. This initiative is aimed at enhancing commercial capabilities and supporting the Group's growth strategy.

In January 2026, Richard White was appointed Chief Executive Officer (CEO) of Biofarma US. In this role, he is responsible for overseeing the operations, strategy, and commercial activities of the Group's US business.

In 2026, the company plans to inaugurate a new production facility in the United States, which will represent a strategic milestone in its international development. This facility is expected to act as a key driver of growth in the U.S. market, increasing production capacity and supporting the expansion of the company's commercial activities.

The investment reflects the company's commitment to strengthening its presence in North America, enhancing operational efficiency, and positioning the organization to capture long-term business opportunities, thereby contributing significantly to the overall development and value creation of the group.

In 2026, the Group plans to achieve significant progress in its global IT platform by introducing enterprise management systems in selected European production sites. This initiative is focused on strengthening IT infrastructure, improving the collection and management of critical business data, and supporting a scalable model aligned with the Group's future growth objectives.

During 2026, the Italian Tax Authority initiated a tax audit on Biofarma Srl concerning the fiscal year 2023. Given the preliminary stage of this verification, it is not possible to predict its future developments.

Recently, the US subsidiary has become involved in a commercial dispute related to the ramp-up of the new U.S. plant, currently at a very early stage with limited visibility; the matter will be closely monitored.

11. BUSINESS COMBINATION

Business Combination of the financial year 2022

On March 27, 2022, Kepler S.p.A. acquired Biofarma S.r.l., Nutrilinea S.r.l., Apharm S.r.l. (initially acquired a 70% controlling stake), Pasteur S.r.l. (initially acquired a 75% controlling stake) and International Health Science S.r.l. (together also "Biofarma Group"). The minority interest in Pasteur S.r.l. and Apharm S.r.l. have been acquired in April and May 2022 respectively.

The total purchase price paid for the acquisition of Biofarma Group was equal to 945,794 thousand of Euro, while the costs incurred for the acquisition, were entirely recognized in the Profit or Loss for the year ended December 31, 2022.

The fair values of the assets and liabilities of the Biofarma Group and the related goodwill, as of the acquisition date, were reflected in the Consolidated Financial Statements. The Purchase Price Allocation ("PPA") procedure for the determination of the fair values of assets and liabilities acquired was conducted internally with the assistance of independent advisor and the results are set out below.

<i>(in Euro thousand)</i>	Net assets after PPA
Goodwill	0
Intangible assets	442.917
Property plant and equipment	77.313
Investments	384
Non-current financial assets	106
Deferred tax assets	728
Inventories	49.990
Trade receivables	54.154
Current income tax receivables	13.719
Other current assets	3.798
Cash and cash equivalents	32.671
Non-current financial liabilities	-27.555
Deferred tax liabilities	-120.966
Provisions	-2.000
Employee benefits	-2.422
Provisions for risks and charges	-206
Current financial liabilities	-225.226
Trade payables	-55.098
Other current liabilities	-47.525
Total	194.783

<i>(in Euro thousand)</i>	PPA Biofarma Group
Price paid for the acquisition (A)	945.794
Book value of net assets acquired (B)	108.103
Pre-existing Goodwill (C)	223.923
Goodwill before allocation (A-B+C)	1.061.614
Inventory step up	3.473
Customer relationship	325.577
Know how	77.104
Patent	27.415
Deferred Taxes	-120.966
Provision	-2.000
Total PPA Allocation	310.603
Residual Goodwill as of March 27, 2022	751.011

The acquisition ultimately resulted in the recognition of goodwill amounting to Euro 751.011 thousand.

On September 15, 2022, Kepler S.p.A. acquired the 100% of the shares of Codilab SAS and Laboratoire Pierre Caron SAS (together "Nutraskills").

The total purchase price paid for the acquisition of Nutraskills was equal to 53.539 thousand of Euro, while the costs incurred for the acquisition, were entirely recognized in the Profit or Loss for the year ended December 31, 2022.

The fair values of the assets and liabilities of the Nutraskills and the related goodwill, as of the acquisition date, were reflected in the Consolidated Financial Statements. The Purchase Price Allocation ("PPA") procedure for the determination of the fair values of assets and liabilities acquired was conducted internally with the assistance of independent advisor and the results are set out below.

<i>(in Euro thousand)</i>	Net assets after PPA
Goodwill	0
Intangible assets	22.165
Property plant and equipment	2.902
Non-current financial assets	356
Inventories	5.733
Trade receivables	3.442
Current income tax receivables	659
Other current assets	182
Cash and cash equivalents	1.736
Deferred tax liabilities	-5.683
Non-current financial liabilities	-2.371
Trade payables	-3.192
Current tax liabilities	-402
Other current liabilities	-1.883
Total	23.644

<i>(in Euro thousand)</i>	PPA Nutraskills
Price paid for the acquisition (A)	53.539
Book value of net assets acquired (B)	7.327
Pre-existing Goodwill (C)	0
Goodwill before allocation (A-B+C)	46.212
Customer relationship	19.500
Know how	2.500
Deferred Taxes	-5.683
Total PPA Allocation	16.317
Residual Goodwill as of September 15, 2022	29.895

Business Combination of the financial year 2023

On July 25, 2023, the Group purchased the entire share capital of US Pharma Lab, Inc. and its subsidiaries USPL Nutritionals LLC, Amol Biotech Ltd. and ACI Biotech Import & Export Co. (together "US Pharma").

The total purchase price paid for the US Pharma Acquisition was equal to Euro 307.545 thousand, while the costs incurred for the acquisition, amounting about Euro 13.000 thousand, were entirely recognized in the Profit or Loss for the year ended December 31, 2023.

The fair values of the assets and liabilities of US Pharma, Inc. and subsidiaries and the related goodwill, as of the acquisition date, were reflected in the Consolidated Financial Statements. The Purchase Price Allocation ("PPA") procedure for the determination of the fair values of assets and liabilities acquired was conducted internally and the results are set out below.

<i>(in Euro thousand)</i>	Net assets after PPA
Goodwill	0
Intangible assets	127.991
Property plant and equipment	41.433
Non-current financial assets	831
Other non-current assets	750
Deferred tax assets	969
Inventories	21.434
Trade receivables	16.010
Current income tax receivables	0
Other current assets	1.100
Cash and cash equivalents	13.407
Deferred tax liabilities	-3.135
Non-current financial liabilities	-17.185
Current financial liabilities	-30.961
Trade payables	-20.151
Other current liabilities	-19.250
Total	133.243

<i>(in Euro thousand)</i>	PPA US Pharma
Price paid for the acquisition (A)	307.545
Book value of net assets acquired (B)	7.649
Pre-existing Goodwill (C)	0
Goodwill before allocation (A-B+C)	299.896
Customer relationship	91.567
Know how	36.193
Deferred Taxes	-2.167
Total PPA Allocation	125.593
Residual Goodwill as of July 25, 2023	174.303

12. INTANGIBLE ASSETS

The changes in this item are detailed below.

<i>(in Euro thousand)</i>	Development costs	Patent and intellectual property rights	Concessions, licenses and trademarks	Other intangible assets	Customer Relationship	Know-How	Goodwill	Work in progress and advances	Total
Cost as at January 1, 2024	2.321	30.028	225	11.260	436.644	115.797	955.209	8.371	1.559.855
Business Combination									-
Additions	2.853	1.406	31	2.929	-	-	-	3.020	10.239
Disposal								-5.907	-5.907
Cost as at December 31, 2024	5.174	31.434	256	14.189	436.644	115.797	955.209	5.484	1.564.187
Business Combination									-
Additions	850	384		347				3.940	5.520
Disposal								-233	-233
Cost as at December 31, 2025	6.024	31.817	256	14.536	436.644	115.797	955.209	9.192	1.569.474
Accumulated Depreciation at January 1, 2024	-717	-5.275	-88	-4.987	-41.527	-15.313	-	-677	-68.584
Amortisation	-607	-3.600	-64	-3.044	-27.594	-11.580	-	-	-46.489
Reclassifications									-
Other changes									-
Accumulated Depreciation at December 31, 2024	-1.324	-8.875	-152	-8.031	-69.121	-26.893	-	-677	-115.073
Amortisation	-663	-2.294	-1.256	-2.956	-28.965	-10.302	-	-	-46.436
Reclassifications									-
Other changes									-
Accumulated Depreciation at December 31, 2025	-1.987	-11.168	-1.408	-10.987	-98.087	-37.195	-	-677	-161.508
Net Book Balance as at December 31, 2024	3.850	22.559	104	6.158	367.523	88.904	955.209	4.807	1.449.114
Net Book Balance as at December 31, 2025	4.037	20.649	-1.152	3.549	338.557	78.602	955.209	8.515	1.407.966

The Development Costs, as of December 31, 2025, are composed of Euro 4,037 thousand of Euro for development regulatory and quality department projects related to premium customers (Euro 3,850 thousand as of 2024). The increase in 2025 is mainly due to gastro protection formulas as well as for new food supplements format.

Patent and intellectual property rights equal to Euro 20,649 thousand, as of December 31, 2025, mainly includes patent arose by purchase price allocations (Euro 22,559 thousand as of 2024).

Other intangible assets of Euro 3,549 thousand, as of December 31, 2025 (6,158 thousand as of 2024), includes various long term intellectual activity for new biochemical laboratories development in science project for the signed product launching in 2025 and 2026.

Customer Relationship of Euro 338,557 thousand of Euro, as of December 31, 2025, are entirely formed from the result of the purchase price allocation on the different client cluster Health Supplements, Medical devices and Cosmetics.

Know how amounting to Euro 78,602 thousand, as of December 31, 2025, arose from purchase price allocation of previous years on different plants expertise, in particular for Biofarma and U.S. entities.

Work in progress of Euro 8,515 thousand, as of December 31, 2025 (Euro 4,807 thousand as of 2024), are mostly related to biochemical formulas development projects in R&D and in regulatory affairs. The residual part is mainly related to partial implementation of new administrative and manufacturing solution software.

The goodwill allocated is set forth below by:

Cash Generating Unit (CGU)	Year ended December 31, 2025	
Health Supplements	615.409	64%
Cosmetics	89.378	9%
Medical Devices	250.422	26%
Total	955.209	100%

Impairment test

As required by IAS 36, the Group tested the carrying amounts of the tangible and intangible assets recognized in its Consolidated Financial Statements at December 31, 2025 with respect to their recoverable amounts. Goodwill is tested for impairment at least annually, even when no indications of impairment losses are present.

In accordance with IAS 36, the Group identified the CGU representing the smallest identifiable group of assets able to generate largely independent cash inflows within the Consolidated Financial Statements. CGU were identified by considering the organizational structure, the type of business and the methods with which control is exercised over the operation of the CGU.

The CGU identified by the Group to monitor goodwill coincides with the aforementioned business in which the Group. The CGU in which goodwill is recognized/allocated, on which the impairment testing was based, are as follows:

- Health Supplements
- Cosmetics
- Medical Devices

The assets were tested for impairment by comparing the carrying amount attributed to the CGU, including goodwill, with its recoverable amount (value in use). The value in use is the present value of the estimated future cash flows to be derived from continuing use of the assets referring to the cash generating units and the terminal value allocated to them.

In conducting the impairment test, the Kepler Group used the most recent forecasts and projections of each CGU as included for 2025 in the business plan 2026-2032, presuming that the assumptions and targets would be met. In preparing its projections, management made assumptions based on past experience and expectations about the developments in the business segments in which the Group operates.

In 2025 the terminal value was calculated by using a growth (G) rate in line with the average inflation expected in the long term (2031-2050) for the main countries where the CGU operates.

The main assumptions underlying the calculation of WACC applied for the CGU's are reported below:

Valuation date Cash Generating Unit (CGU)	At December 31, 2025	
	Health supplements	Medical Devices / Cosmetics
Market premium risk	5.50%	5.50%
Beta unlevered	0.89	0.89
Beta levered	1.04	1.04
Additional risk premium	0.9%	0.9%
Risk free rate	4.0%	3.4%
Cost of own capital	10.6%	10.0%
Target debt ratio	18%	18%
Terminal growth rate (g)	2,00%	2,00%
WACC	9,60%	9,20%

No impairment loss emerged from the impairment test. In detail, the recoverable amounts exceeded the aggregate of carrying amounts for each CGU as follow:

- Health Supplements, the recoverable amounts exceeded the aggregate of carrying amounts for Euro 116.4 thousand as of December 31, 2025.
- Cosmetics, the recoverable amounts exceeded the aggregate of carrying amounts for Euro 52.2 thousand as of December 31, 2025.
- Medical Devices, the recoverable amounts exceeded the aggregate of carrying amounts for Euro 28.7 thousand as of December 31, 2025.

Since the recoverable amount is determined based on estimates, the Group cannot assure that goodwill will not suffer impairment loss in future periods.

The operating cash flow estimate was taken from Business Plan listed above. The estimated cash flows are based on the Directors' assumptions, which are cohesive with the Group's strategy in each business and market where it operates, and they depend on exogenous variables beyond management's control, such as the performance of currency exchange and interest rates, the infrastructural investments of the countries where the Group operates, and macro-policy or social factors having a local or global impact. In accordance with IAS 36, such exogenous variables were estimated on the basis of information known when the business plans were drawn up and examined and consider the effects of the unstable macro-economic environment, which can bring to uncertain business development in the nutraceutical sector. However, each impairment plan has been based on actual conditions.

In addition, the Group performed a stress test analysis determining the WACC of indifference and the annual percentage of EBITDA reduction that reduce the headroom to zero for each CGU.

Cash Generating Unit (CGU)	At December 31, 2025	
	WACC of indifference	EBITDA of indifference (annual reduction)
Health Supplements	10,40%	-7,6%
Cosmetics	11,7%	-24,8%
Medical Devices	9,7%	-6,8%

13. PROPERTY, PLANT AND EQUIPMENT

<i>(in Euro thousand)</i>	Land and buildings	Plant and machinery	Equipment	Other fixed assets	Work in progress and advances	Total
Cost as at January 1, 2024	58.966	46.052	2.825	3.798	11.618	123.259
Business Combination						-
Additions	2.757	9.895	1.596	1.331	17.089	32.667
Disposal	-7	-13	-	-16	-17,46	53
Cost as at December 31, 2024	61.715	55.934	4.421	5.113	28.689	155.873
Business Combination	-	-	-	-	-	-
Additions	23.683	12.829	1.437	3.801	25.385	67.134
Disposal	-	-7	-	-36	-	43
Cost as at December 31, 2025	85.398	68.757	5.857	8.879	54.074	222.964
Accumulated Depreciation at January 1, 2024	-258	-9.896	-1.509	-1.052	-7.919	-20.634
Amortisation	-3.094	-9.290	-1.020	-1.161	-	-14.565
Reclassifications						-
Other changes						-
Accumulated Depreciation at December 31, 2024	-3.352	-19.186	-2.529	-2.213	-7.919	-35.199
Amortisation	-3.211	-8.175	-1.322	-3.922	-	-16.631
Reclassifications	-	-	-	-	-	-
Other changes	-	3	-	36		39
Accumulated Depreciation at December 31, 2025	-6.563	-27.358	-3.851	-6.099	-7.919	-51.790
Net Book Balance as at December 31, 2024	58.363	36.748	1.892	2.901	20.770	120.674
Net Book Balance as at December 31, 2025	78.835	41.398	2.006	2.780	46.155	171.174

Land and buildings as of December 31, 2025 amount to Euro 78.835 thousand, (Euro 58.363 thousand as of 2024). The investments in 2025 are mainly due to green fields in France and US, as well as due to Gallarate plant expansion, acquisition and layout. Plant and machinery equal to Euro 41,398 thousand, as of December 31, 2025 (Euro 36.748 thousand as of 2024) refer to production lines and industrial machinery in all the Groups plants. The increase in 2025 is mainly attributable to machinery for US plant for projects as liquid fill, packaging, probiotics etc.

The equipment for Euro 2.006 thousand, as of December 31, 2025 (Euro 1.892 thousand as of 2024), are related to tools and assets for laboratory and R&D.

Other fixed asset of Euro 2.780 thousand, as of December 31, 2025 (Euro 2.901 thousand as of 2024) include mainly furniture, ICT hardware, machinery and company vehicles.

Work in progress is related to not yet completed investments in production lines and facilities. The increase of 2025 is mainly referred to the new facility in US (Euro 25.385 thousand), that officially opened in February 2026.

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The right of use of 31.625 thousand of Euro, as of December 31, 2025 (25.482 thousand of Euro as of 2024) are entirely related the application of IFRS 16 and is described in the next paragraph.

The following table presents the changes in the right-of-use asset in leases at the respective reporting dates:

<i>(in Euro thousand)</i>	Right of use Land and buildings	Right of use Plant and machinery	Right of use Other fixed assets	Total
Cost as at January 1, 2024	28.839	858	1.728	31.425
Business Combination				-
Additions	89	334	611	1.034
Disposal			-114	-114
Cost as at December 31, 2024	28.928	1.192	2.226	32.346
Business Combination				-
Additions	18.802	9	330	19.142
Disposal	-9.298	-13	-74	-9.385
Cost as at December 31, 2025	38.433	1.188	2.482	42.103
Accumulated Depreciation at January 1, 2024	-2.191	-483	-739	-3.416
Amortisation	-3.725	-190	-579	-4.493
Reclassifications				-
Other changes (effetto cambi)	1.043			1.043
Accumulated Depreciation at December 31, 2024	-4.873	-673	-1.318	-6.866
Amortisation	-2.827	-198	-586	-3.611
Reclassifications				-
Other changes (effetto cambi)				-
Accumulated Depreciation at December 31, 2025	-7.699	-871	-1.904	-10.478
Net Book Balance as at December 31, 2024	24.056	519	908	25.479
Net Book Balance as at December 31, 2025	30.733	317	578	31.625

The main category is related to land and buildings Euro 30.733 (MG1) (VS2) thousand, as of December 31, 2025 (Euro 24.056 thousand as of 2024) that are mostly linked to residual portion of the facility U.S. entities plant not owned by the Group. The increase in 2025 is mainly due to US entity plant.

On February 2025, one of the US entities entered in a sublease agreement, renting out one of the US facilities for the remaining five years of the principal lease agreement. The Company derecognised the right of use asset and recognised a finance lease receivable for Euro 2.930 thousand. The other main decrease is represented by the exercise of the purchase option mentioned above.

The related lease liabilities are composed as follows:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Current lease liabilities	4.090	3.341
Non-current lease liabilities	33.112	21.475
Total current and non-current financial liabilities	37.202	24.816

Lease liabilities as of December 31, 2025 amounted to Euro 37,202 thousand (Euro 24,816 thousand as of December 31, 2024) and are composed of Euro 4,090 thousand as the current portion and Euro 33,112 thousand due after twelve months from the reporting date.

15. INVESTMENTS IN ASSOCIATES

The amount refers for 372 thousand of Euro to the equity interest of 45% in Cura Beauty GmbH and for 12 thousand of investment in Italian Sector associations.

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Associates	372	372
Other companies	12	12
Total investments in associates	384	384

16. INVESTMENTS IN FINANCIAL ASSETS

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Investments in financial assets	1.728	1.610
Total investments in financial assets	1.728	1.610

At December 31, 2025 investments in financial assets amount to 1,728 thousand of Euro (Euro 1,610 thousand as of 2024) and are related to the security deposits for operating assets of the US subsidiaries.

17. DERIVATIVE FINANCIAL INSTRUMENTS

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Derivative financial instruments	0	2.229
Total derivative financial instruments	0	2.229

Following the refinancing, no derivatives were outstanding or designated for hedge accounting, as the refinancing effectively modified the Group's exposure to interest rate risk.

18. DEFERRED TAX ASSETS

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Deferred tax asset	5.185	3.408
Total deferred tax asset	5.185	3.408

The composition of this balance is shown below:

<i>(in Euro thousand)</i>	Actualization of employee benefits	Tax losses carry forward	Provisions for inventories obsolescence	Other differences in tax treatment	Total deferred tax assets
Balance at January 1, 2024	-12	6.815	390	184	7.377
Effect on income statement	-22	-5.345	403	976	-3.988
Effect on statement of comprehensive income	19	-	-	-	19
Balance at December 31, 2024	-15	1.470	793	1.160	3.408
Effect on income statement	-14	-347	-404	2.528	1.763
Effect on statement of comprehensive income	14	-	-	-	14
Balance at December 31, 2025	-15	1.123	389	3.688	5.185

The amount of 2025 is mainly represented by temporary differences in the tax treatment of assets depreciation and provisions.

Furthermore, in 2024 the Tax Authority accepted the request promoted by the Company through an advance ruling for the deductibility of some transaction costs related to the merger between Tauri S.p.A. and Biofarma S.r.l. occurred in 2022.

19. INVENTORIES

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Raw materials	62.115	65.225
Work in progress and semi-finished goods	12.747	11.636
Finished products	9.578	8.590
Advances	273	0
Total inventories	84.713	85.451

<i>(in Euro thousand)</i>	Raw materials	Work in progress and semi-finished goods	Finished products	Advances
Balance at January 1, 2024	59.207	9.746	9.215	53
Variation	6.018	1.890	-625	-53
Balance at December 31, 2024	65.225	11.636	8.590	-
Variation	-3.110	1.111	988	273
Balance at December 31, 2025	62.115	12.747	9.578	273

The inventory in 2025 amounted to Euro 84.713 thousand and reduced by 738 thousand as a result of production dynamics and the optimization of procurement policies.

Inventories are shown net of the provision for inventory obsolescence as detailed below:

<i>(in Euro thousand)</i>	Provision for inventories obsolescence
Balance at January 1, 2024	3.461
Charge	1.728
Use	-686
Balance at December 31, 2024	4.502
Charge	1.623
Use	-537
Balance at December 31, 2025	5.589

No inventories were put up as collateral to guarantee loans received by the Group. The increase of the provision in 2025 is a combined effect of the growth of business and the depreciation of packaging stock.

20. TRADE RECEIVABLES

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Gross trade receivables	60.986	75.241
Provision for doubtful debts	1.618	1.683
Total trade receivables	59.368	73.558

At December 31, 2025 trade receivables amount to 59.368 thousand of Euro, which represent a reduction of 14.190 thousand of Euro compared to last year mainly driven by the increase of factoring in US.

The majority of credits are settled within 90 days and there are no mentionable credit risks. Thanks to a proactive credit management and highly customized products, that are difficult to replace with other suppliers, provide us a strong negotiation power in relation to credit collection versus our clients.

Write-downs are made based on careful analysis of past due accounts, customers in financial difficulties and clients with whom legal action has been initiated, in addition to estimated expected losses on receivables.

The doubtful debt provision reflects management's estimate based on the expected losses by the Group, based on past experience for similar receivables, current and historic amounts overdue, losses incurred, receipts, careful monitoring of the credit quality and projections on economic and market conditions, with the information known at the reporting date.

The table below presents the changes in the provision for doubtful debts:

<i>(in Euro thousand)</i>	Provision for doubtful debts
Balance at January 1, 2024	1.187
Business Combination US Pharma	
Charge	519
Use	-23
Balance at December 31, 2024	1.683
Business Combination	
Charge	242
Use	-307
Balance at December 31, 2025	1.618

21. TAX RECEIVABLES

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Tax receivables	5.846	11.353
Total tax receivables	5.846	11.353

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
VAT receivables	3.218	5.494
R&D receivables	1.517	2.545
Income Tax receivables	1.110	2.944
Other government receivables	-	370
Total tax receivables	5.846	11.353

The VAT receivables derive from the periodic settlement of VAT in the various Group companies, which resulted in a receivable towards the tax authorities. It is entirely attributable to Biofarma S.r.l.

The R&D receivables, totally attributable to Biofarma S.r.l. derives from a multi-year project for the development of products and processes in the nutraceutical and medical device business in accordance with the law pursuant to L. 160/2019 and L. 178/2020.

The value of tax receivables relates to tax advances higher than the amount due from final tax calculations and generated by the core business in previous years.

22. OTHER CURRENT ASSETS

The other current assets are stated in the financial statements net of the related provisions.

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Other assets-gross	11.289	4.529
Provision for other doubtful debts	-	-
Total other current assets	11.289	4.529

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Sundry receivables	5.157	563
Prepaid expenses and accrued income	3.960	1.683
Receivables towards controlling shareholder	1.260	1.260
Security deposits	912	1.018
Due from employees	1	4
Total other current assets	11.289	4.529

The amount mainly include bank credit for pro-soluto factoring not yet settled by the bank due to credit limit. The increase in 2025 is due to a higher amount of credit settled at year end.

Receivables towards controlling shareholders totally refer to the receivables to Vegeta S.p.A. for tax credit transferred according to the tax consolidation agreement signed in 2023.

The prepaid expenses are primarily related to the advance payment for material supply and business related expenses. The increase is mainly related to the Group strategy to obtain the purchase price reduction using the financial advance payment to suppliers.

The increase is related to the subsidiary US Pharma Lab LLC letter of credit for the construction of the new King Arthur facility in North Brunswick received in leasing in 2025.

23. CASH AND CASH EQUIVALENTS

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Cash and cash equivalent	25.427	19.517
Total cash and cash equivalents	25.427	19.517

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Bank deposits	25.424	19.514
Cash and cash equivalents on hand	3	3
Total cash and cash equivalents	25.427	19.517

Please refer to consolidated statement of cash flows for a detailed analysis of changes in cash and cash and equivalents occurred.

24. SHAREHOLDER'S EQUITY

The equity of the Group at December 31, 2025 is set forth below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Issued share capital	3.000	3.000
Share premium reserve	834.123	834.123
Other reserves	283.782	283.543
Foreign currency translation reserve	5.966	-6.108
Reserve for hedging operations of expected cash flows	-	1.694
Retained earnings	-104.960	-69.655
Result of the year	-47.620	-35.305
Total shareholders' equity	974.291	1.011.292
Non-controlling interest	-	-
Total Shareholder's equity	974.291	1.011.292

The share capital subscribed and paid-in amounts to Euro 3.000 thousand.

The share premium reserve amount to Euro 834.123 thousand and represents the value of the capital contribution made by the shareholders in connection with the Kepler S.p.A. constitution.

The other reserves amount to Euro 283.782 thousand as of December 31, 2025 (Euro 283.543 thousand as of 2024). The amount includes also the actuarial reserve for Euro 444 thousand (Euro 933 thousand as of 2024).

The foreign currency translation reserve is related to the translation to Euro from the currencies of US dollars (USD) and Chinese Renminbi (RMB), of the entities that joined the Group in 2023 due to US Pharma Acquisition, and Indian Rupees (INR), of the new entity acquired in in 2024.

25. BORROWINGS AND OTHER FINANCIAL LIABILITIES

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Borrowings	600.102	555.937
Other financial liabilities	8.414	10.529
Total borrowings and other financial liabilities	608.516	566.466

The total amount of Borrowings and other financial liabilities is detailed in the table below:

<i>(in Euro thousand)</i>	31 December 2024	31 December 2025	Portion due within one year	Between 1 and 5 years	Portion due after 5 years
Borrowings:					
Senior Secured Floating Rate Notes (Eur 345 million)	335.656	-			
Senior Secured Floating Rate Notes (Eur 80 million)	78.924	-			
Senior Secured Floating Rate Notes (USD 22 million)	18.879	-			
Senior Secured Floating Rate Notes (Eur 500 million)	-	497.963	6.987	490.976	
Senior Secured Floating Rate Notes (USD 110 million)	94.411	89.078	4.136	84.941	
Subordinated Shareholder Funding	-	7.660		7.660	
Revolving Credit Facility (Eur 20 million)	20.096	-			
Unicredit (Eur 3,5 million)	3.500	2.000	2.000		
Tatooine Loan (Eur 4,4 million)	1.605	1.220	1.220		
Bank of China (Renminbi 10 million)	1.152	1.216	1.216		
Credit Agricole (Eur 350 thousand)	24	-			
Credit Agricole (Eur 425 thousand)	45	-			
Credit Agricole (Eur 700 thousand)	504	367	143	224	
LCL (Eur 700 thousand)	504	367	143	224	
BNP (Eur 350 thousand)	65	-			
CMB (Eur 425 thousand)	89	-			
BNP (Eur 400 thousand)	217	139	80	58	
Credit Agricole (Eur 600 thousand)	81	16	16		
CIC (Eur 100 thousand)	8	-			
CMB (Eur 100 thousand)	11	-			
Credit Agricole (Eur 100 thousand)	8	-			
BPI (Eur 200 thousand)	100	60	40	20	
Credit Agricole (Eur 200 thousand)	57	17	17		
Total borrowings	555.937	600.102	15.998	584.105	-
Other financial liabilities:					
Banks overdraft and banks advance	7.125	5.029	5.029		
Reverse factor	3.404	3.385	3.385		
Total other financial liabilities	10.529	8.414	8.414	-	-
Total borrowings and other financial liabilities	566.466	608.516	24.412	584.105	-

The movement of current and non-current borrowings is detailed below:

<i>(in Euro thousand)</i>	Borrowings
Balance at January 1, 2024	528.501
Proceeds	24.652
Repayments	-3.714
Amortized cost	-271
Net interests	-687
Exchange rate effect	7.456
Balance at December 31, 2024	555.937
Proceeds	507.660
Repayments	-471.535
Amortized cost	9.676
Net interests	8.880
Exchange rate effect	-10.518
Balance at December 31, 2025	600.102

In July 2025, Kepler S.p.A. successfully completed the offering of €500.0 million in aggregate principal amount of its senior secured floating rate notes due 2029 (the "2025 Notes"). In conjunction with the offering, Kepler S.p.A. secured a new revolving credit facility of up to €135.0 million. This facility replaced the previous one and is intended to support the Group's general corporate and liquidity needs. Additionally, as part of the broader refinancing of the Group's outstanding debt, Biofarma Delaware LLC ("Biofarma Delaware"), an indirect subsidiary of Kepler S.p.A., issued \$110.6 million in senior secured notes due 2029 through a private placement (the "2025 Private Notes").

In addition, the subscribers to the 2025 Private Notes committed to purchase up to an additional €200.0 million-equivalent in senior secured notes, subject to certain conditions. These additional notes may be issued by either the Kepler S.p.A. or Biofarma Delaware in one or more future tranches.

Proceeds from the offering of the 2025 Notes were used to:

- Redeem in full the outstanding Notes;
- Repay outstanding amounts under the previous revolving credit facility; Fund general corporate purposes; and
- Cover fees and expenses related to the transactions.

These financing transactions mark a strategic step for the Biofarma Group in strengthening its capital structure, extending debt maturities, decreasing cost of debt and enhancing financial flexibility.

The Other current financial liabilities are composed for:

- Euro 3,385 thousand for reverse factoring agreements (Euro 3,404 thousand as of 2024);
- Euro 5,029 thousand for bank overdraft and bank advance (Euro 7,125 thousand as of 2024).

26. RETIREMENT BENEFIT OBLIGATIONS

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Retirement benefit obligations	1.800	2.403
Total retirement benefit obligations	1.800	2.403

The changes in this item are presented below:

<i>(in Euro thousand)</i>	Retirement benefit obligations
Balance at January 1, 2024	2.612
Finance costs	78
Actuarial gains/(losses)	177
Use	-531
Charge	67
Balance at December 31, 2024	2.403
Finance costs	92
Actuarial gains/(losses)	-60
Use	-2.680
Charge	2.045
Balance at December 31, 2025	1.800

The actuarial assumptions used to determine the obligation for employee benefits are detailed below:

	At December 31, 2025	At December 31, 2024
Economic assumptions		
Inflation rate	2,00%	2,00%
Discount rate	3,09%	2,93%
<hr/>		
"TFR" (provision for severance indemnities) rate of increase	3,00%	3,00%
<hr/>		
Demographic assumptions		
Probability of resignations/dismissals/mortality	7%	7%
Probability of advance payouts	5%	5%

The reference actuarial model for severance indemnity valuation is based on various demographic and economic assumptions. For some of the hypotheses used, where possible, explicit reference was made to the Company's direct experience, for the others the reference best practice was considered.

It should be noted that:

- the annual discount rate used to determine the present value of the obligation was deduced, in line with par. 83 of IAS 19, by the Iboxx Corporate AA index with duration 5-7 recorded at the valuation date. To this end, the return with a duration comparable to the duration of the group of workers being valued was chosen;
- the annual rate of increase of the severance indemnity as provided for by art. 2120 of the Civil Code, is equal to 75% of inflation plus 1.5 percentage points.

The accounting sum of the previous elements makes it possible to identify the value of the provision expected at the end of the observation period (Expected DBO) which, compared with the recalculated DBO at the end of the period on the basis of the collective effective resulting at that date and the new assumptions evaluations, allows the identification of actuarial gains or losses denominated Actuarial Gains/Losses (AGL).

These Actuarial Gains/Losses are divided into three types:

- from experience: due to the variations that the group subject to evaluation has undergone between one evaluation and another, in terms of new entries, resignations, retirements, advance requests, etc... different from what was hypothesized;
- from changes in demographic assumptions: determined by changes to the demographic assumptions between one valuation and another;
- from changes in financial assumptions: determined by changes in economic assumptions and mainly due to the change in the annual discount rate.

27. PROVISIONS

The changes and the detail of this item are presented below:

<i>(in Euro thousand)</i>	Provision for litigation risks	Other provisions	Total
Balance at January 1, 2024	210	0	210
Charge	2.059	1.735	3.794
Use	-210	-	-210
Release	-	-	-
Balance at December 31, 2024	2.059	1.735	3.794
Charge	-	112	112
Use	-1.696	-1.432	-3.127
Release	-	-	-
Balance at December 31, 2025	363	416	779

In 2025 the balance decreased by Euro 3.016 thousand, mainly due to the occurrence of conditions assessed in the previous financial year, mainly linked to production non-conformities with customers and to the restructuring provision established for the closure of the Cusano Milanino site.

28. DEFERRED TAX LIABILITIES

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Deferred tax liabilities	91.252	101.034
Total	91.252	101.034

The composition of this balance is shown below:

<i>(in Euro thousand)</i>	Provisions for risks	Customer relationship (purchase price allocation)	Patent (purchase price allocation)	Know-how (purchase price allocation)	Inventory (purchase price allocation)	Derivatives	Foreign exchange and other differences	Other differences in tax treatment	Total deferred tax liabilities
January 1, 2024	0	86.095	6.530	6530	0	1846	0	29	113897
Effect on Income Statement		-7630	-637	-3193				17	-11444
Effect on statement of comprehensive income						-1311			-1311
December 31, 2024	0	78.465	5.893	16096	0	535	0	46	101035
Effect on Income Statement		-6394	-637	-2216					-9247
Effect on statement of comprehensive income						-535			-535
December 31, 2025	0	72.070	5.256	13880	0	0	0	46	91252

The caption is equal to Euro 91,252 thousand as of December 31, 2025 and decreased by Euro 9,782 thousand mainly due to the amortization of the assets allocated in Purchase Price Allocation process mentioned in paragraph "Business Combination".

29. TRADE PAYABLES

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Trade payables	70.629	65.599
Total trade payables	70.629	65.599

The trade payables equal to 70,629 thousand of Euro, as of December 31, 2025 (65,599 thousand of Euro as of 2024). The increase in 2025 is mainly due to different mix in purchasing and higher production volumes compared to 2024.

30. CURRENT TAX LIABILITIES

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Current tax liabilities	1.550	3.043
Total current tax liabilities	1.550	3.043

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Income Tax liabilities	255	2.039
Employee Tax	851	900
Other	414	98
VAT liabilities	30	5
Tot current tax liabilities	1.550	3.043

The caption Current tax liabilities, as of December 31, 2025, is mainly related to Income employee tax liabilities for Euro 851 thousand (Euro 900 thousand as of 2024). It includes also tax duties referred to external consultants and income taxes for Euro 699 thousand (Euro 2.142 thousand as of 2024).

31. OTHER CURRENT AND NON-CURRENT LIABILITIES

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Other current liabilities	20.546	17.654
Other non-current liabilities	1.070	1.210
Total	21.616	18.864

This item is detailed below:

<i>(in Euro thousand)</i>	At December 31, 2025	At December 31, 2024
Due to employees	9.197	7.120
Accrued expenses and deferred income	4.803	3.172
Social security	3.503	3.024
Contract liabilities	2.521	2.521
Advances	793	1.468
Sundry payables	276	838
Due to supplementary pension fund	453	387
Sundry tax liabilities	28	204
Due to directors	39	125
Withholding taxes	4	4
Total other current and non-current liabilities	21.616	18.864

Employees and social security liabilities, equal to 12.700 thousand of Euro as of December 31, 2025 (10.145 thousand of Euro as of 2024), are mainly related to payroll and social duties and funds. The increase in 2025 is mainly due to bonuses accrued for the fiscal year.

During the 2025 the number of employees increased, leading to higher accrued expenses and obligations related to salaries, wages, and other employee benefits. This trend reflects the Group's ongoing expansion and investment in human resources to support its operational and strategic development.

Accrued expenses amounted to Euro 4.803 thousand as of December 31, 2025 (Euro 3,172 thousand as of 2024). The increase is mainly linked to two claims between USPL and a customer that have been already settled.

Contract liabilities, for Euro 2,521 thousand as of December 31, 2025 (of which Euro 1,070 thousand of non-current liabilities), are related to a contribution received by USPL from a customer for some equipment which will be repaid by the application of a fixed rebate into the future supplies.

Advances refer to advances received from customers, for Euro 793 thousand as of December 31, 2025 (Euro 1,468 thousand as of 2024) and are mainly related to anticipated settlement for finished products to be manufactured to confirm the order and engage formally the Group manufactory activity.

The decrease is attributable to a higher level of order fulfilment achieved in the final part of the year.

Sundry payables amounted to Euro 276 thousand as of December 31, 2025 (Euro 838 thousand as of 2024).

NOTES TO THE INCOME STATEMENT

The income statement for the fiscal year 2025 covers a twelve-month period, including all entities for the full year

32. REVENUES

<i>(in Euro thousand)</i>	2025	2024
Revenues	460.224	431.578
Total revenues	460.224	431.578

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Revenues from sales of product	463.431	432.808
Awards for customers	-3.395	-1.493
Other sales revenues	188	262
Total revenues	460.224	431.578

Revenues from sales of products amounted to Euro 460 thousand in 2025 (Euro 431,578 thousand in 2024) and are related to the Group's core business for manufactured goods related to Health supplements, Cosmetic products and Medical devices. A detailed analysis is included in the Segment reporting section.

The amount awards for customers for Euro -3,395 thousand in 2025 (Euro -1,493 thousand in 2024) relates to customers rebate agreements for annual purchases quantity volumes.

Other sales revenues for Euro 188 thousand in 2025 (Euro 262 thousand in 2024) mainly includes certificates of analysis and clinical studies directly attributable to product sales.

33. OTHER OPERATING INCOME

<i>(in Euro thousand)</i>	2025	2024
Other operating income	3.811	15.366
Total other operating income	3.811	15.366

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Other revenues	2.405	12.430
Other revenues and operating income	1.406	2.936
Total other operating income	3.811	15.366

Within the item "Other revenues," the main components are reimbursements of expenses incurred for the transportation of goods, reimbursements related to CONAI contribution and other recharges to the customers.

The decrease in 2025 is mostly referred to the earn-out of Nutraskills, for which in 2024 the Company paid a lower amount of Euro 9,5 million for the failure to achieve the contractual performance expected by the French entities.

The decrease in grants for operating expenses is mainly attributable to recalculations carried out in the Research and Development area relating to tax credits recognized in previous financial years.

The other items, more closely related to the Company's core business, are substantially in line.

34. COST OF RAW MATERIALS

<i>(in Euro thousand)</i>	2025	2024
Cost of raw materials	207.242	205.233
Total cost of raw materials	207.242	205.233

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Raw materials purchases	199.158	198.350
Purchases of ancillary materials and consumables	8.084	6.882
Total cost of raw materials	207.242	205.233

The total amount of Cost of raw materials is equal to Euro 207.242 thousand in 2025 (Euro 205.233 thousand in 2024) and mainly related to ingredients, packaging as well as semifinished products. The increase in 2025 is mainly due to sales growth trend.

35. COST FOR SERVICES

<i>(in Euro thousand)</i>	2025	2024
Cost for services	76.960	76.318
Total cost for services	76.960	76.318

The detailed services costs split is listed below:

<i>(in Euro thousand)</i>	2025	2024
Outsource production	22.774	23.534
Consultants & Lawyers	12.674	10.854
Utilities	6.539	5.841
Transportation	5.136	5.350
Logistics	5.458	4.995
Maintenance	3.356	4.866
Laboratory cost	4.866	4.320
Directors and Auditors	1.189	2.563
Other	2.423	2.552
Administrative cost	2.861	2.316
Insurance	1.951	2.093
Cleaning	2.012	2.009
Waste disposal	900	1.057
Travel	1.321	1.011
Environmental expenses	1.228	924
Fairs	768	814
ICT Expenses	771	686
Telephone	417	327
Training and Learning	231	134
Marketing	84	73
Total cost for services	76.960	76.318

Cost for services is mainly composed of outsourced production for Euro 22.774 thousand in 2025 (Euro 23.534 thousand in 2024), related to the manufacturing of one or more production phases.

Consultants & Lawyers services, equal to Euro 12.674 thousand in 2025 (Euro 10.854 thousand in 2024), are mainly composed of R&D, quality, and regulatory external consultants' costs, as well as operations costs linked to Lean Six Sigma projects.

Utilities, equal to Euro 6.539 thousand in 2025 (Euro 5.841 thousand in 2024), are related to electricity and natural gas costs. During the year, there has been a mixed effect of higher consumption, in line with business growth, and a reduction in service prices.

Transport costs of Euro 5.136 thousand in 2025 (Euro 5.350 thousand in 2024) are related to both inbound and outbound material flows.

Logistics costs, equal to Euro 5.458 thousand in 2025 (Euro 4.995 thousand in 2024), are related to externalized handling and warehouse services.

Laboratory costs equal to Euro 4.866 thousand in 2025 (Euro 4.320 thousand in 2024) are linked to external analyses performed on products.

Directors and Auditors costs, equal to Euro 1.189 thousand in 2025 (Euro 2.563 thousand in 2024), include charges from supervisory board, directors' compensation, and auditors' fees.

Administrative costs, equal to Euro 2.861 thousand in 2025 (Euro 2.316 thousand in 2024), include general management and office support expenses.

Insurance costs, equal to Euro 1.951 thousand in 2025 (Euro 2.093 thousand in 2024), reflect increased coverage, including more advanced insurance products.

Travel costs, equal to Euro 1.321 thousand in 2025 (Euro 1.011 thousand in 2024), relate to business trips for management and operational activities.

Environmental expenses, equal to Euro 1.228 thousand in 2025 (Euro 924 thousand in 2024), cover compliance with environmental regulations and sustainability initiatives.

Fairs and marketing costs, equal to Euro 768 thousand and Euro 84 thousand respectively in 2025 (Euro 814 thousand and Euro 73 thousand in 2024), support business promotion and industry presence.

ICT expenses, equal to Euro 771 thousand in 2025 (Euro 686 thousand in 2024), are mainly related to software maintenance, development, and new group IT needs.

Telephone costs, equal to Euro 417 thousand in 2025 (Euro 327 thousand in 2024), cover corporate telecommunication services.

Training and learning costs, equal to Euro 231 thousand in 2025 (Euro 134 thousand in 2024), are related to employee development programs.

Other costs, equal to Euro 2.423 thousand in 2025 (Euro 2.552 thousand in 2024), are mainly related to payroll provider services, travel agency services, short-term rental contracts for Group managers, and minor operational services.

Total cost for services is Euro 76.960 thousand in 2025 (Euro 76.318 thousand in 2024).

36. PERSONNEL COSTS

<i>(in Euro thousand)</i>	2025	2024
Personnel costs	89.590	78.786
Total personnel costs	89.590	78.786

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Wage and salaries	67.546	60.417
Social security contributions	14.893	13.387
Accrual for defined contribution and defined benefit plans	6.347	2.959
Other personnel costs	803	2.023
Total personnel costs	89.590	78.786

The personnel costs of 89.590 thousand of Euro in 2025 (78.786 thousand of Euro in 2024) are mainly composed by the total wages, salaries and social security of 82.439 thousand of Euro (73.804 thousand of Euro in 2024). The accruals are linked to welfare and benefits plans.

The plan provides for the assignment of a certain category of Tatoonine S.p.A. shares (direct subsidiary of Vegeta and indirect parent company of the Company) by some managers of Biofarma S.r.l.; the latter give managers the right to receive a preferential return, subject to a four-year vesting period. For some managers, the purchase of these shares was completed through the taking out of a loan with the indirect parent company Tatoonine at an interest rate (range from 2% to 5% per year) based on the year of undersigning. This plan resulted in the recognition of a cost amounting to Euro 467 thousand in the previous two-year period, which was increased in the current financial year by a further Euro 195 thousand.

The major changes driven by the business of the personal costs of Euro 10.804 thousand in 2025 is mainly linked to the growth in both direct and indirect headcount, inflationary pressures on labor costs, and higher ancillary costs such as bonuses, MBO schemes, and other incentive and welfare policies. The Company believes that these costs, as budgeted, are part of the ongoing process of structuring and managerial development of the organization, increasingly aimed at addressing challenges in an international context.

The Group's employee headcount numbers at the reporting date are shown below:

	2025	2024
Management	32	29
White-collar employees	626	593
Blue-collar employees	929	869
Total	1.587	1.491

37. OTHER OPERATING COSTS

<i>(in Euro thousand)</i>	2025	2024
Other operating costs	1.597	3.157
Total other operating costs	1.597	3.157

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Transaction costs	-	1.161
Other costs	1.134	1.207
Indirect taxes	273	610
Membership dues	190	179
Total other operating costs	1.597	3.157

The other costs, amounting to Euro 1.134 thousand in 2025 (Euro 1.207 thousand in 2024), relate to administrative expenses, general operating costs, certain personnel compensation, and other minor items. These costs are associated with external activities as well as testing required under the new European regulations for medical devices.

38. DEPRECIATION AND AMORTIZATION EXPENSES

<i>(in Euro thousand)</i>	2025	2024
Depreciation and amortization expenses	66.678	65.545
Total depreciation and amortization expenses	66.678	65.545

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Depreciation of property, plant and equipment	20.242	19.058
Amortization of intangible assets	46.436	46.487
Total depreciation and amortization expenses	66.678	65.545

The depreciation of property, plant and equipment is related to the operational machinery used in manufacturing and resulting from previous years investments, as well as the right of use of US and Italian entities' land and buildings in application of the general requirements in IFRS 16.

The depreciation of intangible assets is mainly referred to patent, know-how and customer relationship arisen in the purchase price allocation process.

39. FINANCE INCOME AND COSTS

<i>(in Euro thousand)</i>	2025	2024
Finance income and costs	76.365	57.489
Total finance income and costs	76.365	57.489

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Interest income	4.503	7.596
Foreign exchange income	3.359	3.347
Other financial income	1.033	764
Dividends	450	315
Total financial income	9.345	12.023
Bond Interest	50.714	63.233
Release of amortized Interest	15.366	-
Other finance costs	7.226	1.065
IFRS 16 Effect on Interest	2.689	2.186
Bank interest expense	1.155	610
Interest costs on employee benefits	92	79
factoring Interest	1.026	1.240
Foreign exchange losses	7.440	156
Interest expense on leases	0	943
Total finance costs	85.711	69.512
Total	-76.365	-57.489

Interest income of Euro 4.503 thousand in 2025 (Euro 7.596 thousand in 2024) is mostly related to positive hedge effect on the bridge loan of 345.000 thousand of Euro.

The interest income has been generated as the difference between the variable contract loan rate and the hedge rate of 7,27%, and was recognized up to September, corresponding to the maturity date of the derivative.

Dividends are the income received by Biofarma S.r.l. from Cura Beauty GmbH and the other financial income are almost entirely related to positive exchange rate fluctuation.

Bond interest refers to the Senior Secured Floating Rate. The other finance costs in 2025 are entirely composed by the fee paid in US. As opposite, the main financial costs are represented by interest expenses on the Senior Secured Notes as explained in previous chapters.

40. INCOME TAXES

This item is detailed below:

<i>(in Euro thousand)</i>	2025	2024
Current taxes	4.310	3.177
Deferred taxes	-11.087	-7.456
Total income taxes	-6.777	-4.279

The table below presents the reconciliation of the theoretical tax rate (the tax rate in effect in the countries of the Group companies) and the effective tax rate:

	2025	2024
Profit before tax from continuing operation	-54.396	-39.584
Theoretical tax rate	24%	24%
Theoretical income taxes	-13.055	-9.500
Effect of tax rate in foreign jurisdictions	-	-1.713
Tax effects of:	-	-
- Non-deductible expenses	5.462	15.308
- Tax exempt income	-	-732
- Tax incentives	-226	-340
- Current-year losses for which no deferred tax asset is recognised	-	-
Recognition of previously unrecognised tax losses	-	-4.736
Changes in estimates related to prior years	-751	-4.102
IRAP allocated by Italian companies	1.794	1.536
Effective income taxes	-6.777	-4.279
Effective tax rate	12%	11%

As already mentioned, during the 2023 the following entities:

- Vegeta S.p.A. (parent company of Tatoonine S.p.A.);
- Tatoonine S.p.A. (parent company of Kelt S.p.A.);
- Kelt S.p.A. (parent company of Denis S.p.A.);
- Denis S.p.A. (parent company of Kelpler S.p.A.);
- Kepler S.p.A. (parent company of Biofarma S.r.l.) and
- Biofarma S.r.l.

signed an agreement in order to apply the tax regime for groups called “Consolidato Fiscale Nazionale” regulated by Articles 117 to 129 of the Legislative Decree of December 22, 1986, no. 917 and the Decree of the Minister of Economy and Finance of March 1, 2018. This taxation regime allows determining and declaring a comprehensive taxable income for the group as the algebraic sum of the incomes and/or losses of each of the companies.

41. RELATED-PARTY TRANSACTIONS

The following tables set forth the transactions and balances of the Group with related parties for the years ended December 31, 2025.

Statement of Financial Position balances and Income Statement transactions

(in Euro thousand)	At December 31, 2025					
	Assets				Liabilities	
	Financial receivables	Trade receivables	Other receivables	Commercial payables	Financial payables	Other payables
CURA BEAUTY GMBH	-	1.504	-	26	-	-
AGROTECH SRL	-	-	-	4	-	-
MONTEFARMACO OTC SPA	-	875	-	12	-	-
NAMED SRL	-	366	-	-	-	-
SPECCHIASOL SRL	-	66	-	-	-	-
GIELLEPI SPA	-	-	-	1.591	-	-
FARMA-DERMA SRL	-	871	-	-	-	-
KELT SRL	-	24	100	-	-	33
DENIS SRL	-	24	50	-	7.835	8
TATOONINE SRL	-	118	-	-	1.220	52
VEGETA SRL	-	-	1.260	-	50	2.313
1300 Aripport Road LLC	-	-	-	-	-	4.892
1200 Aripport Road LLC	-	-	-	-	-	2.158
USA Formulations LLC	-	14	-	-	-	-
Amol Pharmaceuticals Privated Limited	-	-	-	380	-	-
Total	0	3.862	1.410	2.012	9.105	9.456

<i>(in Euro thousand)</i>	At December 31, 2025				
	Income			Expenses	
	Sales revenues	Other revenues	Interest income	Costs Raw Materials & Services	for Interest expense
MONTEFARMACO OTC SPA	11.435	3	-	167	-
CURA BEAUTY GMBH	10.347	2	-	0	-
GIELLEPI SPA	-	-	-	4.850	-
NAMED SRL	1.940	7	-	-	-
FARMA-DERMA SRL	2.048	9	-	-	-
SPECCHIASOL SRL	197	1	-	22	-
AGROTECH SRL	-	-	-	24	-
KELT SRL	-	-	-	-	-
DENIS SRL	-	-	-	-	176
TATOOINE SRL	-	-	-	-	-
VEGETA SRL	-	-	-	-	-
1300 Ariport Road LLC	-	-	-	-	1.434
1200 Ariport Road LLC	-	-	-	-	580
USA Formulations LLC	168	-	-	-	-
Amol Pharmaceuticals Privated Limited	-	-	-	-	4.588
	26.136	22	0	5.063	6.778
As a % of F/S item	6%	1%		-2%	

43. DESCRIPTION OF THE GROUP'S RELATED PARTIES

Cura Beauty GmbH

The transactions with Cura Beauty are related to commercial operations performed on market basis and the sales price applied to Cura Beauty GMBH is completely in line with sales policy and profit margin application used with other clients. The company is active in the Austrian market and purchase from the Group finished products and services.

Giellepi S.p.A.

The transactions with Giellepi are related to purchase of raw materials on payables and to commercial operations performed on market basis on receivables.

Montefarmaco S.p.A.

The transactions with Montefarmaco are mainly related to purchase of packaging materials on payables and to commercial operations performed on market basis on receivables. Both purchase and sales prices applied by and to Montefarmaco are completely in line with market condition.

Named S.r.l.

The transactions with Named are related to commercial operations performed on market basis and the sales price applied to Named is completely in line with sales policy and profit margin application used with other clients.

Farma-derma S.r.l.

The transactions with Farma-derma are related to commercial operations performed on market basis and the sales price applied to Farma-derma is completely in line with sales policy and profit margin application used with other clients.

Specchiasol S.r.l.

The transactions with Specchiasol are related to commercial operations performed on market basis and the sales price applied to Specchiasol is completely in line with sales policy and profit margin application used with other clients.

Agrotech S.r.l.

The transactions are related to some spot consumables not related to the core business.

Denis S.p.A., Kelt S.p.A. and Tatooine S.p.A.

The transactions with the companies, who represent direct and indirect shareholders respectively, are related to some spot intercompany services not related to the core business.

Vegeta S.p.A.

The transactions with Vegeta relate to the tax consolidation agreement signed in 2023.

USA Formulations LLC

The transactions are mostly related to management fees received on Account of Shared Service of few employees for US companies.

Amol Pharmaceuticals Private Limited

The transactions are related to commercial sales, purchase of goods and services performed on market basis and the sales price and profit margin applied are in line with sales and profit policy.

Airport Road LLC

The transactions are related to lease agreements for which Airport Road LLC is the lessor some of the US manufacturing plants.

44. KEY MANAGEMENT PERSONNEL COMPENSATION

The following positions are considered to comprise the Group's key management personnel: i) Group Chief Executive Officer; ii) General Manager US; iii) Chief Operations Officer; iv) Group Chief Procurement Officer; v) Group Chief HR and Transformation Officer vi) Group Chief Financial Officer; vii) Group Commercial Officer. The total cost of key management personnel, including base salary, MBO, TFR and other variable components, amounts to Euro 4,2 million, compared to Euro 4,3 million in the previous year (restated on a like-for-like basis).

The Group's key management personnel in Europe and in US, are involved in Management Incentive Plans (MIP) that will consent them to participate at the gain of a potential exit. At the moment such MIP did not provide any impact on the profit and loss statements because out of the money.

SIGNATURE

Handwritten signature of Andrea Spadaro in blue ink, positioned above a horizontal line.

Group CFO

Handwritten signature of Pollo Chel in blue ink, positioned above a horizontal line.

CEO



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