Annual Report 2024

Building families and helping people live better lives

FERRING
PHARMACEUTICALS

Annual Report 2024

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An inspiring year of continuity and change

Jean-Frédéric Paulsen
Chairman of the Board of Directors

> **“We embarked on a profound transformation of Ferring that will drive forward our growth strategy”**

In 2024, we embarked on a profound transformation of Ferring that will drive forward our growth strategy, while building on the company’s strengths and maximising the opportunities presented by recent product approvals and other developments within our core therapeutic areas. This will help us fulfil our ambition of bringing innovative solutions to patients at every stage of life across the world.

During the year, we introduced a new operating model which has transformed the way we do business, and we have adapted our organisation accordingly.

The creation of a new Science & Medical Organisation has consolidated our Scientific and Medical Affairs functions into a single integrated global team, providing greater value for patients and strengthening our product pipeline.

We have also reorganised our worldwide operations into five geographies and three focused franchises. The Reproductive Medicine franchise remains the cornerstone of our company. At the same time, we are deploying additional resources to the Uro-Oncology & Urology and Gastroenterology franchises.

In 2024, the importance of Reproductive Medicine to Ferring was emphasised when global sales exceeded €1 billion for the first time. Growing demand for our infertility medicines reflects concern about falling birthrates in many countries. In China, where the infertility rate is estimated to be 18%, Rekovelle® (follitropin delta) was approved as a new option to help building families. We also launched the PROFOUND study investigating the potential benefits of Rekovelle in Asia, highlighting our commitment to advancing fertility treatment in this region and worldwide.

In Uro-Oncology & Urology, we made significant progress with the U.S. launch of our gene therapy Adstiladrin® (nadofaragene firadenovec-vncg). This has the potential to become the standard of care and backbone therapy for patients with non-muscle invasive bladder cancer (NMIBC). A comprehensive clinical trial programme is ongoing to help achieve our long-term ambitions for Adstiladrin, with multiple studies across urothelial cancer indications.

To meet the anticipated growth in demand for Adstiladrin, in October 2024 we supported the opening of Finport, FinVector Oy's state-of-the-art production hub in Finland. We also invested in our manufacturing facility at Parsippany, New Jersey, to become a long-term source of supply, and announced an agreement with SK pharmteco to provide additional manufacturing capacity. With future supplies assured, we filed for approval with the European Medicines Agency in November as the first phase in a planned global expansion of Adstiladrin.

In Gastroenterology, the goal is to build on our established strength in the treatment of irritable bowel disease, expanding our presence to treat other gastrointestinal conditions with significant unmet need. We will also continue our pioneering work in the field of microbiome therapy following U.S. approval of Rebyota® (fecal microbiota, live – jslm).

This exciting period of transition has been accompanied by changes in the company's senior leadership. I would like to welcome Dr Michael Rosenblatt, who joined the Board of Directors in July 2024 as Chairman of the Research and Development and Production Committee, and to thank Jan Lundberg who previously held this position, for his contribution during his Board membership.

Dr Rosenblatt was formerly Chief Medical Officer at Merck & Co., a Professor of Medicine at Harvard Medical School, and the Dean of Tufts University School of Medicine. He has also held senior roles in a number of biopharmaceutical companies.

Henrik Normann joined Ferring's Board of Directors in July 2023, and was appointed Chairman of the Remuneration and Nomination Committee in July 2024. He took over this position from Luzi von Bidder who continues to serve on the Board and remains a member of this Committee and the Audit and Finance Committee.

There were also a number of changes to Ferring's Executive Committee. I would like to welcome Cyril Grandchamp-Desraux, who joined in January 2024 as Executive Vice President and Chief Commercial Officer. This post was previously held by Aaron Graff, who remained on the Executive Committee as Executive Chairman of Ferring USA until his retirement in August 2024.

At the beginning of March, Pierre-Yves Berclaz became Executive Vice President and Chief Science Officer in addition to his role of Chief Medical Officer. Armin Metzger, his predecessor as Chief Science Officer, took on the role of Executive Vice President and Chief Technical Operations Officer. I would like to convey my thanks once again to Per Falk, who stood down as President in April 2024, as well as to Alessandro Gilio, who previously served as Executive Vice President and Chief Technical Operations Officer, and to Aaron Graff.

I would like to congratulate everyone at Ferring for the way they have embraced change during 2024, and to thank them for their outstanding professionalism and dedication as we pursue our ambition to unlock opportunities to deliver life-changing solutions to patients at every stage of life.

Jean-Frédéric Paulsen
Chairman of the Board of Directors

The year of the emergence of our second growth driver

Dominic Moorhead
Chief Financial Officer

> **“Continued strong performance of our core Reproductive Medicine franchise, combined with the emergence of Adstiladrin”**

In 2024 Ferring Pharmaceuticals reported total revenues of €2,343 million, delivering a 7% increase versus the prior year at actual exchange rates (AER) and an 8% increase at constant exchange rates (CER).

This above market growth was achieved through the continued strong performance of our core franchise of Reproductive Medicine which exceeded €1 billion for the first time, combined with the emergence of Adstiladrin® in the U.S. as a novel gene-based therapy for bladder cancer.

In addition, operating expenses were carefully managed whilst prioritising investment in our growth opportunities; and combined with lower net expenses from one-time items, this resulted in a cost reduction of -€44 million compared to the previous year (-3% at AER and CER).

Overall, the higher revenues combined with lower costs resulted in an operating profit increase of +€53 million versus the prior year (+38% at AER, +43% at CER), despite higher cost of goods sold as a percentage of sales at 37% (versus 33% in 2023).

Moreover, EBITDA was maintained at €409 million, a slight increase of +€5 million (+1% at AER), which equated to 18% of sales.

Net income for the year reached €139 million, which was +€26 million (+23% at AER) higher than the prior year, with increased tax charges partly offset by the improved financial result.

P&L statement Key financials	2024 € million	2023 € million restated (Note 36)	% Change @CER	% Change @AER
Total revenues	**2,343**	**2,196**	**+8%**	**+7%**
of which sales of goods	2,277	2,159	+7%	+5%
Operating profit	**192**	**139**	**+43%**	**+38%**
OP as % of sales	8.4%	6.5%	-	-
Net income	**139**	**113**	-	**+23%**
NI as % of sales	6.1%	5.2%	-	-

Strong sales growth of +7% at CER driven by both new and established products

Total revenues comprising sales of goods, royalty income and other income, reached €2,343 million, an increase of +7% at AER, with growth of +8% at CER.

Royalty income and other income totalled €66 million, and included one-time income of €33 million from the sale of rights to two early-stage R&D assets.

Sales of goods totalled €2,277 million, with an increase versus 2023 of +5% at AER, and +7% growth at CER. The weakening of several currencies against the euro resulted in an unfavourable foreign exchange impact of -€32 million versus the prior year.

At CER, sales growth was driven by the continued strong performance of Menopur® in the U.S., the first full year of Adstiladrin sales in the U.S., and growth of Menopur and Pentasa® in the Intercontinental area. This was partly offset by limited supply of Decapeptyl® Depot in China and Minirin® generics entry in Western Europe and Canada.

During the year, the company introduced a new commercial structure with five geographical areas: U.S. (United States), WECAN (Western Europe and Canada), Intercontinental (rest of the world), JAK (Japan, Australia, New Zealand and Korea), and Greater China (China, Hong Kong and Taiwan).

Sales of goods by area	2024 € million	2023 € million	% Change @CER	% Change @AER
U.S.	1,092	980	+12%	+11%
WECAN	470	464	+1%	+1%
Intercontinental	396	369	+13%	+7%
JAK	179	195	-4%	-8%
Greater China	121	133	-7%	-9%
Other	19	18	+6%	+6%
Total sales of goods	2,277	2,159	+7%	+5%

The performance across the areas based on % changes in sales of goods at CER is explained as follows.

Sales in the U.S. reached €1,092 million and exceeded €1 billion for the first time, and now represent 48% of total sales (versus 45% in 2023). The growth of +12% (at CER) was driven equally by the continued strong performance of Menopur at +10% (at CER), combined with the first full-year of Adstiladrin sales which reached €70 million.

The WECAN area delivered sales of €470 million (21% of total) with growth of +1% (CER) versus prior year. This comprised the continued strong performance of Pentasa, combined with growth from the launch of Menopur Pen, offset by the negative impact of generics entry on Minirin sales.

The new Intercontinental area achieved sales of €396 million (17% of total), with growth of +13% (at CER) versus prior year. This was due to a combination of Menopur returning to unconstrained supply, Pentasa expanded access, and strong growth in Rekovelle®.

The new JAK area delivered sales of €179 million (8% of total), which was -4% (CER) lower than the prior year. This was mainly due to lower sales of Pentasa and Minirin following a change in the business model.

The new Greater China area delivered sales of €121 million (5% of total), lower by of -7% (CER) versus prior year, due entirely to Decapeptyl Depot supply constraints.

Sales of goods by franchise/product	2024 € million	2023 € million	% Change @CER	% Change @AER
Reproductive Medicine	1,089	993	+11%	+10%
of which Menopur	*923*	*816*	*+14%*	*+13%*
Gastroenterology	502	491	+4%	+2%
of which Pentasa	*342*	*331*	*+5%*	*+3%*
Uro-Oncology & Urology	356	312	+17%	+14%
of which Minirin	*165*	*181*	*-6%*	*-9%*
of which Adstiladrin	*70*	*3*	-	-
Established brands	331	363	-8%	-9%
Total sales of goods	2,277	2,159	+7%	+5%

From a therapeutic area perspective, our core franchise of Reproductive Medicine (RM) achieved sales of €1,089 million (48% of total sales) and exceeded €1 billion globally for the first time, resulting in growth of +11% (at CER) compared to the previous year. Within this, the flagship product Menopur reached sales of €923 million with strong growth of +14% at CER.

The Gastroenterology franchise reached sales of €502 million (22% of total sales) and exceeded €0.5 billion globally for the first time. Volume growth in Pentasa globally and Rebyota® in the U.S. resulted in sales growth of +4% (at CER).

The Uro-oncology & Urology franchise achieved sales of €356 million (16% of total sales) with growth of 17% (CER), primarily driven by the U.S. launch of Adstiladrin, partly offset by the negative impact of generics entry on Minirin sales.

The established brands delivered sales of €331 million (14% of total sales), a decrease of -8% (at CER) mainly due to Decapeptyl Depot supply constraints.

Contained costs and focused investments to drive growth opportunities

Total revenues grew by +8% at CER compared to the prior year, driven by the continued strong performance of Menopur in the U.S., increased patient numbers on Adstiladrin, and expanded access to Pentasa. Cost of goods sold as a percentage of sales increased to 37% (versus 33% in 2023), partly due to manufacturing capacity expansion and changes in product mix, combined with a positive one-time impact in 2023.

Operating expenses totalled €1,309 million, lower by -3% at CER (-3% at AER) than the prior year. Within this, sales and marketing costs decreased by -4% at CER (-5% at AER) and equated to 23% of sales.

This decrease was primarily due to more focused investment in Rebyota, partially offset by increased investment in Adstiladrin. Research and development investments increased by +5% at CER (+5% at AER), driven mainly by Adstiladrin clinical studies plus enhanced medical activities, and equated to 16% of sales. General and administrative costs declined by -1% at CER (-1% at AER), despite the reclassification of certain costs and increased recharges to this category in 2024.

In addition, the sum of other operating expenses plus impairments, less gain on acquisition, was €115 million and decreased by €26 million (-18% at CER and AER). This was influenced by several one-time items mainly arising in 2023. One-time items in 2024 included the recognition of a litigation provision, and discontinuation of an R&D project leading to intangible assets impairment.

As a result, the operating profit for the year reached €192 million (8% of sales), an increase of +€60 million (+43%) at CER, and +€53 million (+38%) at AER. This difference resulted from an unfavourable foreign exchange impact of -€7 million, with several currencies becoming weaker against the euro.

Net income for the year reached €139 million (6% of sales), which was +23% higher than the prior year. The increased tax charge for the year reflects a normalisation of the tax rate, after we benefited from one-time items in 2023. This was partly offset by the improved financial results with a foreign exchange gain this year, largely offset by unwinding of the discount on financial liabilities and higher net interest on the increased level of Swiss bond debt.

Cash flow statement Key financials	2024 € million	2023 € million	Change € million	% Change @AER
Operating	**49**	**70**	**(21)**	**-30%**
of which EBITDA	*409*	*404*	*5*	*+1%*
Investing	**(269)**	**(226)**	**(43)**	**-19%**
Free cash flow	**(220)**	**(156)**	**(64)**	**-40%**
Financing	**275**	**724**	**(449)**	**-62%**
Net cash flow	**52**	**551**	**(499)**	-91%
Closing net cash	952	900	-	-

Net cash generated from operating activities amounted to €49 million, a decrease of -€21 million (-30% at AER). Although EBITDA was maintained at €409 million following a slight increase of +€5 million (+1% at AER), significant increases in working capital amounted to cash consumption of €358 million. This was driven by the buildup of stock levels to support the Adstiladrin launch and the growth of key products. In addition, receivables increased following strong sales performance, and the temporary grant of longer payment terms for Adstiladrin.

Net cash used in investing activities increased to €269 million versus €226 million in 2023. Investments in property, plant and equipment decreased by -€8 million to €146 million, with continued focus on strengthening our manufacturing network. Investments in purchase of intangible assets increased by +€34 million to €120 million, mainly comprising the acquisition of extended rights to Adstiladrin including for the upper tract urothelial cancer (UTUC) indication, and milestone payments.

Thus free cash flow amounted to an outflow of -€220 million, a -€63 million higher outflow than in 2023.

This was the third year with a free cash outflow as the company strives to rapidly deliver on its current investment phase and realise its ambition of transitioning to a new growth trajectory. The company is increasingly focused on returning to a positive free cash flow as soon as possible, and initiatives are being pursued to accelerate this.

Net cash from financing activities amounted to an inflow of €275 million. During the year, as part of a planned refinancing, the company successfully raised €341 million (330 million Swiss francs) from the third public offering of Swiss Franc Bonds (split between 4- and 9-year tenors), which will be used for general corporate purposes.

Consequently, the cash position at the end of 2024 further increased by +€52 million to a total of €952 million, versus €900 million at the end of 2023. This maintains the Group in a strong position to invest in achieving its strategic growth goals over the coming years.

Progress on-track to realise our growth ambitions

In summary, 2024 was a notable year for Ferring in achieving several milestones – in particular we exceeded €1 billion sales in the U.S. for the first time, and also reached the same milestone in the Reproductive Medicine franchise globally. Moreover, it was the first full year of U.S. sales for Adstiladrin, which is emerging as our second growth driver with significant potential over the mid-term.

The company is poised to deliver on its growth opportunities and 2025 will be another important step on this journey. Moreover, as we progress through our current phase of investment, we continue to focus on returning to a positive free cash flow as soon as possible.

This Annual Report should be read in conjunction with our Sustainability Report, which describes the solid progress made in Ferring's environmental, social and governance (ESG) performance during the year.

Finally, I would like to extend my appreciation to all colleagues across the company, and to our external partners. Their dedication ensures the sustained success of our in-market portfolio, charts the course for our growth opportunities, and provides the support capabilities and processes that will serve as the foundation for our growth.

Dominic Moorhead
Chief Financial Officer

Ferring at a glance

Ferring Pharmaceuticals is a privately owned, research-driven, specialty biopharmaceutical group committed to building families and helping people live better lives. We are leaders in reproductive medicine and maternal health with a strong heritage in gastroenterology and urology, and are at the forefront of innovation in uro-oncology gene therapy.

Ferring was founded in 1950 and employs more than 7,000 people worldwide. The company is headquartered in Saint-Prex, Switzerland, and has operating subsidiaries in more than 50 countries which market its medicines in over 100 countries.

New therapies to help people live better lives

Ferring offers a world-class portfolio of innovative therapies that help to manage severe or life-changing diseases and medical conditions. The company has constantly evolved to ensure we remain at the cutting edge of science, and continue to meet the needs and expectations of patients and healthcare providers.

In 2024, we entered a new phase of growth with a transformation of the therapeutic franchises which drive the development, testing and marketing of our medicines. This new operating model will maintain our focus on reproductive medicine, which was the foundation of our business, while also reflecting important developments in uro-oncology and gastroenterology which are instrumental for our future growth.

Reproductive Medicine

Ferring has an unparalleled reputation in the field of reproductive medicine, and we have been supporting aspiring parents in their family-building journey ever since the company was founded more than 70 years ago. In 2024, the establishment of a separate franchise focused solely on Reproductive Medicine (RM) was one of the key elements in Ferring's new operating model, building on our unique heritage and reputation in this area. The new franchise recognises the importance of our therapies to patients and healthcare professionals, and to the company's future with total RM sales exceeding €1 billion in 2024.

Ferring is a leading global supplier of gonadotropins, the hormones which regulate ovarian and testicular function and are essential for sexual development and reproduction. With rising infertility rates causing worldwide concern, the demand for medicines used for *in vitro* fertilisation (IVF) and other forms of assisted reproductive technology (ART) is projected to grow by 6% in the next decade.

With our comprehensive portfolio of medicines, Ferring is ideally placed to meet this increasing demand. We also support educational programmes to promote awareness and understanding among healthcare professionals, and we research and develop therapeutic innovations that could improve future treatment for female and male infertility.

One of Ferring's most important products is Menopur® (menotropins for injection), a human-derived mixture of a follicle stimulating hormone (FSH) and human chorionic gonadotropin (hCG). In women using ART, Menopur stimulates follicles to produce eggs in the ovaries that can be harvested to create embryos which are then transferred back into the patient. Menopur is also indicated to treat men with hypogonadotropic hypogonadism. The medicine is supplied in vials containing a powder and injection solution which the patient draws into a syringe and mixes for injection. Menopur was launched in 1998 and is now approved in 135 countries.

A new liquid formulation has been developed in a prefilled injection pen, enhancing patient convenience. Menopur Pen was first approved in 2022 and has now been launched in seven countries. In line with our commitment to innovation, we plan to make the pen available in more countries in the near future.

In 2023 we acquired the company which produced the active pharmaceutical ingredient (API) for Menopur. Since then, manufacturing has been fully integrated into Ferring's Technical Operations network. In 2024, we completed formal validation of a new process and are now moving forward with regulatory submissions to ensure compliance and continuity of supply.

Rekovelle® (follitropin delta) provides an alternative approach to infertility treatment, as the only recombinant follicle stimulating hormone (rFSH) to be derived from a human cell line. Rekovelle is indicated for controlled ovarian stimulation to induce multiple follicle growth in women using ART. It is supplied in a prefilled pen for self-injection by patients. Rekovelle was launched in 2017 and is approved in 77 countries. In May 2024, Rekovelle was approved by the National Medical Products Administration (NMPA) in China, and we are preparing to launch there in 2025. China is an important potential market, as the infertility rate is estimated to be as high as 18% due to a range of environmental and social factors leading to delayed marriage and childbirth.[1] We are also planning to submit an application to the U.S. Food & Drug Administration (FDA) for review as soon as possible.

Rekovelle is supported by a growing body of clinical and real-world evidence gathered over the last 10 years.

In May 2024, results were published from BEYOND, the latest in our programme of clinical trials to investigate the most effective treatment protocol for Rekovelle.[2] In August 2024, the last patient last visit occurred for ADAPT-1, a European trial to test the safety and efficacy of Rekovelle with a flexible dosing regime, rather than using a strict algorithm to calculate a fixed dose throughout the treatment cycle. We also started the COCO trial in China, another study examining the safety and efficacy of flexible dosing.

In July 2024, the first investigators' meeting took place for PROFOUND, a landmark observational study studying Rekovelle use in Asia, highlighting Ferring's commitment to advancing fertility treatment in the region. When completed, all these trials will add to the robust body of evidence on the efficacy and safety of Rekovelle in clinical use. In addition, we are conducting two exploratory trials, CELESTIAL-1 and CELESTIAL-2, to test the efficacy and safety of using Rekovelle with a recombinant hCG as an alternative gonadotropin combination for controlled ovarian stimulation.

As well as Menopur and Rekovelle, our portfolio of reproductive medicines includes Chorapur®/Brevactid® (highly purified human chorionic gonadotropin), Endometrin®/Lutinus® (progesterone), Decapeptyl® Daily[3] (triptorelin acetate), Lutrelef®/LutrePulse® (gonadorelin acetate), and Fyremadel® (ganirelix acetate).

Ferring's commitment to tackling infertility extends beyond supplying medicines. In 2024, we accelerated our programme to provide embryo transfer simulation (ETS) training. This helps clinicians prepare for the critical moment in an IVF cycle when an embryo is transferred into the uterus. We have supported ETS training in the U.S. since 2018, and rolled out the programme worldwide in partnership with VirtaMed.

1. *How can China tackle its declining fertility rate? BMJ 2024; 386 doi: https://doi.org/10.1136/bmj-2023-078635 (published 30 August 2024) Accessed February 28, 2025.*
2. *Lobo R, Soerdal T, Ekerhovd E et al. BEYOND: A Randomized Controlled Trial Comparing Efficacy and Safety of Individualized Follitropin Delta Dosing in a GnRH Agonist Versus Antagonist Protocol During the First Ovarian Stimulation Cycle. Human Reproduction, 2024, deae092. https://doi.org/10.1093/humrep/deae092.*
3. *In certain markets, the Decapeptyl trademark is owned by third parties.*

By the end of 2024, the ETS programme was available in 29 countries with more than 4,700 healthcare professionals trained to date.

We also continued to expand FertilitySkills, our e-learning platform for fertility clinic staff, which has now been used by more than 5,700 clinical experts in the U.S., Canada, U.K., South Korea, Australia and New Zealand. This online library of modules offers short videos covering key topics in reproductive endocrinology and infertility developed for fertility clinic nurses and advanced practice providers. These videos are available on-demand, providing flexible, self-paced learning as a supplemental stream of training initiatives.

In May 2024, Ferring provided support to the ART FOCUS Pan-Asian Symposium in Taipei, Taiwan. Nearly 150 international experts and physicians took part to learn about the latest developments in reproductive medicine. They discussed topics including Asia's demographic crisis, strategies for addressing ovarian ageing when childbearing is delayed, and use of artificial intelligence (AI) to formulate more personalised treatment.

Applications of AI were also on the agenda in October 2024, when more than 250 fertility experts from 40 countries gathered in Valencia, Spain. The Exchanges in Fertility meeting was an opportunity to discuss advances in fertility and share best practice, reinforcing Ferring's scientific leadership in this area of medicine.

Ferring remains committed to resolving unmet needs in reproductive medicine. We are one of the few companies to pursue research and development in this field, such as the clinical programme to investigate the use of Rekovelle described above. In the longer term, our vision is to develop the first orally administered follicle stimulating hormone, providing patient benefits as an alternative to current formulations which are given by subcutaneous injection.

In 2024, we continued working with a number of leading organisations to accelerate innovation in women's health. These include the BioInnovation Institute Foundation (BII), a Copenhagen-based non-profit body which provides knowledge, funding and infrastructure for life sciences start-ups.

Our strategic collaboration with BII seeks to address the chronic under-resourcing of women's health, with only 1% of global healthcare research funding invested in female-specific conditions, excluding oncology. The collaboration aims to bridge this gap by supporting early-stage innovation, and leverages both BII's skills in translational science incubation and Ferring's expertise in early-stage development and reproductive medicine.

Other important collaborations include the partnership between the Ferring Institute for Reproductive Medicine and the Chinese Academy of Sciences, and with ReproUnion (part of Medicon Valley) and the Milner Therapeutics Institute in the U.K.

For information on our efforts to address inequities in access to reproductive medicine, see the section on Building Families (page 28).

Uro-Oncology & Urology

Ferring has a long heritage in urology, and the ambition of the Uro-Oncology & Urology Franchise is to become a global therapeutic leader in the field of urological cancers. The cornerstone of the franchise is Adstiladrin® (nadofaragene firadenovec-vncg), our first-in-class intravesical gene therapy. This has the potential to become the new standard of care and backbone therapy for patients with urothelial cancers, including non-muscle invasive bladder cancer (NMIBC).

Under Ferring's new operating model, we are driving a three-pronged strategy for the franchise – to maximise Adstiladrin as a breakthrough therapy for patients worldwide, optimise the franchise's portfolio of established global brands, Minirin® (desmopressin) and Firmagon® (degarelix)[1], and expand our portfolio and pipeline of solutions that fulfil additional unmet needs in the treatment of urological cancers.

1. *In Japan, degarelix is approved and commercialised under the name Gonax®.*

Adstiladrin represents a major therapeutic advance as the first and only gene therapy approved by the U.S. FDA for local administration into the bladder (i.e. intravesically), offering a potential alternative to invasive and life-changing radical cystectomy (or bladder removal surgery). In 2024, we focused on launching Adstiladrin in the U.S., pursuing further global approvals, exploring additional indications, and investing in our manufacturing footprint to ensure stable and sustainable supply.

The FDA approved Adstiladrin in December 2022 for treating adult patients with high-risk NMIBC with carcinoma *in situ* with or without papillary tumours, who are unresponsive to Bacillus Calmette-Guérin (BCG) treatment, the first-line standard of care. Bladder cancer is the sixth most common cancer in the U.S., with 75% of new cases presenting as NMIBC. Intravesical BCG is currently the standard of care for high-risk NMIBC, but more than 50% of patients experience disease recurrence and progression within one year and often become unresponsive to BCG.[1] In these cases, the standard of care is radical cystectomy, and Adstiladrin therefore provides a durable bladder-sparing alternative for these patients.[2]

Adstiladrin is a non-replicating adenovirus vector-based therapy containing the gene for interferon alfa-2b, administered locally as a monotherapy by catheter directly into the bladder once every three months. The vector enters the cells of the bladder wall, releasing the active gene and causing high and transient local expression of interferon alfa-2b, a naturally occurring protein the body uses to fight cancer. This essentially turns the bladder wall cells into interferon producing microfactories, enhancing the body's own natural defences against the cancer.[3]

In January 2024, Adstiladrin was launched nationwide across the U.S. and is already helping many patients and their families.

We extended our network of partnerships with advocacy organisations to ensure we can champion the needs of patients, caregivers, and healthcare providers within the uro-oncology community. Ferring USA has a strong partnership with the Bladder Cancer Advocacy Network (BCAN), supporting multiple initiatives including sponsorship of the annual Walks to End Bladder Cancer held in nearly 20 U.S. cities.

We are now expanding our efforts to increase global access to this innovative medicine. Adstiladrin was submitted to the European Medicines Agency (EMA) in November 2024, and regulatory filings are planned in other high-priority countries. The therapy also became available in Israel through an early access programme, and a similar initiative has been approved in China's Hainan province. A Phase 3b bridging study supporting regulatory filing in Japan was fully recruited at the end of 2024.

1. *National Comprehensive Cancer Network. Bladder Cancer (Version 4.2024). Available at: https://www.nccn.org/professionals/physician_gls/pdf/bladder.pdf. Accessed January 15, 2025.*
2. *Boorjian SA, Alemozaffar M, Konety BR, et al. Intravesical nadofaragene firadenovec gene therapy for BCG-unresponsive non-muscle-invasive bladder.*
3. *Badrinath R Konety & all. Clinical use of nadofaragene firadenovec-vncg Ther Adv Urol. 2024 Sep.;16:17562872241280005.*

In May 2024, we presented five-year results from the Phase 3 study demonstrating Adstiladrin's durable efficacy and safety at the American Urological Association (AUA) meeting, followed by publication in the *Journal of Urology*.[1] In December 2024, further Phase 3 data were presented to the Society of Urologic Oncology (SUO) showing a clinically significant increase in cystectomy-free survival after five years in patients who achieved an initial complete response with Adstiladrin. The results indicated that Adstiladrin is a safe and durable bladder-sparing option that preserves the window of cure for patients with BCG-unresponsive NMIBC.

During 2024, we made progress in the ambitious **A**dstiladrin in **BL**adder canc**E**r (ABLE) programme of clinical trials. These are designed to investigate the efficacy and safety of Adstiladrin in broader patient populations. The Phase 4 observational ABLE-41 study is evaluating the effectiveness, patterns of use and safety of Adstiladrin in a real-world setting and assessing the experience of patients and healthcare professionals. The study began in September 2023, with topline results due at the end of 2026.

Two additional trials for NMIBC announced in April 2024 are ongoing. ABLE-22 is a Phase 2 study assessing the efficacy and safety of Adstiladrin in high-risk BCG-unresponsive patients, including the option for re-induction, either as monotherapy or in combination with chemotherapy or an immune checkpoint inhibitor. ABLE-32 is evaluating Adstiladrin in patients with intermediate-risk NMIBC, for whom there are no FDA-approved treatment options.

We are also investigating Adstiladrin as a potential treatment for other urothelial cancers. In December 2024, we initiated the Phase 1-2 LUNAR (**L**ow-**G**rade **U**TUC Treated with **N**adofaragene firadenovec **A**dministered to **R**enal Pelvis) study. This is examining the safety and efficacy of Adstiladrin instilled into the renal pelvis in patients with low-grade upper tract urothelial cancer (UTUC).

We have invested heavily in our manufacturing footprint and capabilities to ensure long-term supplies are available to meet the anticipated global growth in demand. In October 2024, we supported the opening of Finport, FinVector Oy's state-of-the-art production hub in Finland, which will increase our capacity to manufacture the drug substance. We are also preparing our facility at Parsippany, New Jersey, to become a long-term source of drug product supply, and announced an agreement with SK pharmteco to provide additional manufacturing capacity. For more details, see the section on Technical Operations (page 32).

In addition to Adstiladrin, the second major priority for the Uro-Oncology & Urology Franchise is to optimise Ferring's portfolio of established global brands. Firmagon is used to treat advanced hormone-dependent prostate cancer by suppressing the body's production of testosterone. Minirin is the leading global product in its class for treating primary nocturnal enuresis (i.e. bedwetting) in children, and nocturnal polyuria (or the need to awaken at night to pass urine) in adults.

Finally, the third pillar of our strategy is to expand our portfolio and pipeline to become a global therapeutic leader in the treatment of urological cancers, with Adstiladrin as the foundation. We are therefore exploring future development opportunities to build an innovative pipeline through early- and late-stage research and development, conducted both internally and in collaboration with external third parties.

1. *VM Narayan, SA Boorjian, et al. Efficacy of Intravesical Nadofaragene Firadenovec for Patients With Bacillus Calmette-Guérin-Unresponsive Nonmuscle-Invasive Bladder Cancer: 5-Year Follow-Up From a Phase 3 Trial. Journal of Urology https://doi.org/10.1097/JU.0000000000004020 Vol. 212, 74-86, July 2024*

Gastroenterology

The establishment of a new Gastroenterology Franchise in 2024 recognises the significant growth potential of this therapeutic area for Ferring, building on our 35-year heritage in this field and expanding our presence into new areas of unmet medical need.

We have traditionally served a large but limited patient population with mild-to-moderate ulcerative colitis (UC), a form of inflammatory bowel disease (IBD). We recognise that many other gastrointestinal diseases remain inadequately treated, and our strategy is to identify areas of significant unmet need and then acquire and/or develop medicines with the potential to transform the treatment of these conditions. We will also maintain our pioneering work in the field of microbiome therapy as we continue to roll out Rebyota® (fecal microbiota, live – jslm), first approved in the U.S. in 2023.

The current bedrock of our Gastroenterology franchise is Pentasa® (mesalazine), Ferring's leading product worldwide except in the U.S., where it is marketed by Takeda under a trademark licence from Ferring. Pentasa was first approved in Denmark in 1986 and is now registered in 123 countries for the treatment of mild-to-moderate UC. This is a chronic inflammatory bowel condition which can cause bloody diarrhoea, stomach pain and extreme tiredness.[1] More than over 85% of people living with UC have mild-to-moderate disease.[2,3,4]

Medicines such as Pentasa are normally used as first-line therapy, followed by a stepwise treatment approach in cases of non-response or intolerance. Previously, there was limited guidance on the timely escalation and de-escalation of therapies, but in October 2024 we published results from the OPTIMISE study demonstrating the effectiveness of a "treat-to-target" approach in people receiving mesalazine for mild-to-moderate UC.[5] The study showed that monitoring certain biomarkers, and treating patients in response to these biomarkers to restore their levels to the target range, gave better results than an entirely symptom-based approach. These results may be used to harmonise product labels worldwide and ensure wider patient access to Pentasa at the optimised doses.

Another of our medicines, Cortiment® MMX™[6] (budesonide), is used to induce remission in patients with mild-to-moderate UC. It contains a locally acting glucocorticosteroid in a novel oral formulation, using multimatrix technology to ensure controlled release and distribution throughout the colon.

1. *NHS. Ulcerative colitis. Available at: https://www.nhs.uk/conditions/ulcerative-colitis/. Last accessed: September 2024.*
2. *Raine T, Bonovas S, Kucharzik T, et al. ECCO Guidelines on Therapeutics in Ulcerative Colitis: Medical Treatment. J Crohns Colitis. 2022;16(1):2-17.*
3. *Fumery M, Singh S, Dulai PS, et al. Natural History of Adult Ulcerative Colitis in Population-based Cohorts: A Systematic Review. 2018;16(3):343-356.e3.*
4. *CCDS Pentasa All formulations. Version 18. 10 December 2022.*
5. *Danese S, Fiorino G, Vicaut E, et al. Pragmatic Randomised Controlled Study to Assess the Effectiveness of Two Patient Management Strategies in Mild to Moderate Ulcerative Colitis – the OPTIMISE study. J Clin Med 2024;13:5147.*
6. *MMX is a trademark of Cosmo Pharmaceuticals SA.*

In 2023, Ferring took a major step forward in harnessing the power of the human microbiome with the U.S. launch of Rebyota, the first and only single-dose microbiome-based treatment approved by the FDA for preventing recurrent *Clostridioides difficile (C. diff)* infection (CDI) in patients aged 18 and above. This potentially deadly infection can cause debilitating symptoms such as severe diarrhoea, fever, stomach tenderness or pain, loss of appetite, nausea and colitis (or inflammation of the colon). The infection can lead to a vicious cycle of recurrence, causing a significant burden for patients and healthcare systems.

Rebyota is designed to break the vicious cycle of recurrent CDI by delivering potentially trillions of donor-derived live microbes, including *Bacteroides*, directly to the gut microbiome. The treatment comes in a single 150 mL dose and is administered in minutes during one visit to a doctor's office or in the patient's home. Rebyota is derived from qualified donors and the source material is tested for a range of transmissible pathogens.

The efficacy and safety of Rebyota were studied in one of the largest clinical trial programmes ever conducted in the field of microbiome-based therapeutics, including five clinical trials with more than 1,000 participants. We are continuing our clinical research to demonstrate its efficacy and safety and raise awareness of the potential benefits for patients.

In 2024, we presented results from the first real-world evidence studies with Rebyota at two U.S. meetings, Digestive Disease Week (DDW) in Washington DC and IDWeek in Los Angeles. These showed a treatment success rate of 74-100% at eight weeks in Rebyota-treated patients.

We also moved ahead with further regulatory submissions, and launches are anticipated in a number of countries including Australia, Brazil, Canada and Mexico. In Canada, the first patient has already been treated with Rebyota under a Health Canada special access programme.

Ferring has also partnered with the Peggy Lillis Foundation, a U.S. advocacy group providing support and education for people with CDI, to help us understand and meet the needs of people with this debilitating disease. In April 2024, we participated in the organisation's Foundation Summit in Washington DC, and we are supporting their efforts to secure new legislation making it easier to access appropriate treatment for CDI.

Combining Ferring's achievements in the treatment of UC and CDI, our research and development efforts in gastroenterology are centred on the search for a therapy that could allow patients to remain on Pentasa for longer without the need to progress to other treatments, such as biologics.

We are also constantly searching for external collaborations to grow our gastroenterology business. We maintained our R&D collaboration and licensing agreement with PharmaBiome AG begun in November 2023, to drive forward new microbiome-based biotherapeutics in the field of gastroenterology. PharmaBiome has developed a unique technology platform for the design of bacterial consortia as live biotherapeutic products. The collaboration therefore combines Ferring's development and marketing capabilities with PharmaBiome's technology to research, develop and manufacture novel microbiome-based therapies. The deal gives Ferring the exclusive rights to develop and commercialise any products arising from the collaboration. We are also pursuing a number of other partnerships with the potential to expand our portfolio in areas of unmet medical need.

Ferring products

Reproductive Medicine

Chorapur (Brevactid)
Decapeptyl Daily[1] (Gonapeptyl Daily)
Endometrin (Lutinus)
Follitrin
Fyremadel
Gestone
Lutrelef (LutrePulse)
Menogon (Repronex)
Menopur (Meropur/Merapur/Menogon HP/Menotrophin Ferring/HMG injection Menotropin)
Menopur Pen
Norprolac
Rekovelle

Uro-Oncology & Urology

Adstiladrin
Firmagon (Gonax)
Minirin (Minirin Melt/Desmomelt/Ddavp Melt/Minurin/Minrin Melt)
Nocdurna (Nokdirna/Noqdirna/Noqturina)
Octim (Octostim)

Gastroenterology & Endocrinology

Clenpiq
Cortiment MMX[2]
Glypressin (Remestyp Klyx)
Pentasa
Picoprep (Pico-salax/Picolax/Prepopik)
Rebyota
Zomacton

Established Brands[3]

Carbetocin Ferring
Ddavp (Desmotabs/Desmospray/Adiuretin)
Gonapeptyl Depot/Decapeptyl Depot[1]
Euflexxa
Pabal (Duratocin/Lonactene/Duratobal)
Propess (Cervidil)
Tractocile

1. *In certain markets, the Decapeptyl trademark is owned by third parties.*
2. *MMX is a trademark of Cosmo Pharmaceuticals SA.*
3. *These are considered to be brands with an established position in the market, which have a stable patient and customer base and are not promoted by our representatives.*

Science & Medical Organisation

Advancing science and medicines for patients

Ferring delivers solutions that help to create, improve and save lives, while supporting healthcare professionals and health authorities by ensuring that patients worldwide have access to our therapies. To this end, the launch of our new Science & Medical Organisation (SMO) was one of the key elements in Ferring's new operating model introduced in March 2024. This involved combining our worldwide Scientific and Medical Affairs functions into a single integrated organisation, which will deliver value for patients and help fuel Ferring's future growth.

The SMO is designed to maximise the probability of success for new therapies, increase the speed of approval, improve patients' access to treatment, reduce development costs, and ensure our pipeline is constantly replenished. The organisation provides end-to-end capabilities and includes regional and local Regulatory, Safety and Medical Affairs teams. There is also a new Global Medical Excellence function which acts as a powerhouse for supporting engagement with patients and healthcare professionals, generating evidence, and providing medical insights and training. This is designed to ensure our scientific innovation achieves the maximum external impact.

The new structure will enable us to drive cross-functional coordination across Ferring's global network, and to leverage new digital technologies including artificial intelligence (AI). The SMO also supports Ferring's environmental, social and governance (ESG) goals by ensuring sustainability requirements are built into the development process from the start.

A viable long-term pipeline is crucial to ensure Ferring continues to meet the needs of patients for generations to come. One of the main objectives of the SMO is to optimise and strengthen our product pipeline, drawing on both internal and external sources of innovation. This means not just acquiring new compounds but also actively managing the pipeline, and if necessary discontinuing projects that do not meet our success criteria. This will enable us to focus our resources on exploring new opportunities, and accelerating those that offer a greater probability of success and value for patients.

During 2024 we sustained our investments in strategic partnerships and in-licensing agreements with third parties. The SMO has already demonstrated its value by driving forward a number of key internal and external initiatives, as outlined in the individual franchise sections of the report.

The charts below give an overview by franchise of clinical trials active or completed in 2024, and clinical publications and abstracts at medical congresses.

Clinical trials active or completed in 2024

Therapeutic area	Trial name	Indication	Trial description	Phase
Reproductive Medicine 	Pabal US	Postpartum haemorrhage	Evaluate the effect of carbetocin on the QT/QTc interval in healthy participants. Trial completed	1
	ADAM	Idiopathic male infertility	Assessment of follitropin delta efficacy and safety for treatment of men with idiopathic infertility. Trial discontinued in 2024	1
	CELESTIAL-1	Infertility	Exploratory trial to investigate the effect in women undergoing controlled ovarian stimulation with a fixed dose of follitropin delta in a gonadotropin-releasing hormone antagonist protocol	1
	CELESTIAL-2	Infertility	Exploratory trial to investigate the effect in women undergoing controlled ovarian stimulation with a fixed dose (when administered during different time intervals) of follitropin delta in a gonadotropin-releasing hormone antagonist protocol	1
	IRIS	Infertility	Multicentre trial in India comparing the efficacy and safety of follitropin delta with follitropin alfa in controlled ovarian stimulation in women undergoing ART. Trial completed	3
	COCO	Infertility	Comparing the ovarian response of a starting dose of follitropin delta to follitropin alfa in conventional regimens in controlled ovarian stimulation in women undergoing ART in China	3b
	PROFOUND	Infertility	Observational study investigating the effectiveness of follitropin delta in women undergoing their first follitropin delta ovarian stimulation treatment in real-world practice in Asian countries	4
	ADAPT-1	Infertility	Assessment of conventional dosing in women undergoing ART with follitropin delta treatment. Trial completed	4

Therapeutic area	Trial name	Indication	Trial description	Phase
Uro-Oncology 	LUNAR	LG-UTUC	Single-arm open-label trial to evaluate the safety and efficacy of nadofaragene firadenovec instilled to the renal pelvis in adult participants with low-grade upper tract urothelial carcinoma (LG-UTUC)	1-2
	ABLE-22	High-grade NMIBC	Randomised, multi-centre open label trial to evaluate the safety and efficacy of intravesical nadofaragene firadenovec alone or in combination with chemotherapy or immunotherapy in participants with high-grade BCG unresponsive NMIBC	2
	Nadofaragene Firadenovec Japan	High-grade NMIBC	Evaluate the safety and efficacy of nadofaragene firadenovec administered intravesically to Japanese participants with high-grade BCG-unresponsive non-muscle invasive bladder cancer (NMIBC)	3b
	ABLE-32	IR NMIBC	Randomised controlled trial of nadofaragene firadenovec vs. observation in participants with intermediate risk (IR) NMIBC	3b
	ABLE-41	NMIBC	Nadofaragene firadenovec early utilisation and outcomes in the real-world setting in the U.S. Non-interventional real-world study	4
Gastroenterology 	Olamkicept	Ulcerative colitis	Two placebo-controlled, within-group randomised, double-blind trials in Japan and Germany investigating the safety, tolerability and pharmacokinetics of olamkicept after single ascending doses in healthy men. Trial completed	1
	RBX2660 000417	Ulcerative colitis	Evaluate the safety and tolerability of fecal microbiota, live – jslm. Withdrawn	1b
	RBX2660 CDI-SCOPE	Recurrent CDI	Multi-centre single-arm trial exploring the safety and clinical effectiveness of fecal microbiota, live – jslm administered by colonoscopy to adults with recurrent *Clostridioides difficile* infection (CDI). Trial completed	3
	RBX2660 ROAR	Recurrent CDI	Prospective observational cohort study to collect data on patients who received fecal microbiota, live – jslm for prevention of recurrent CDI in the routine care setting	4
	OPTIMISE	Ulcerative colitis	Pragmatic randomised controlled study of mesalazine and budesonide to assess the effectiveness of two patient management strategies in mild-to-moderate ulcerative colitis. Trial completed	4

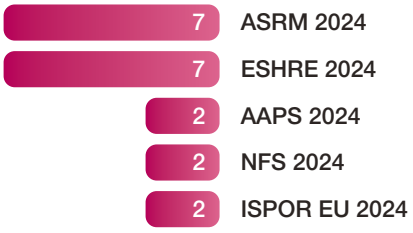
Clinical publications and abstracts at medical congresses

Reproductive Medicine

6 Journal articles published

20 Congress presentations

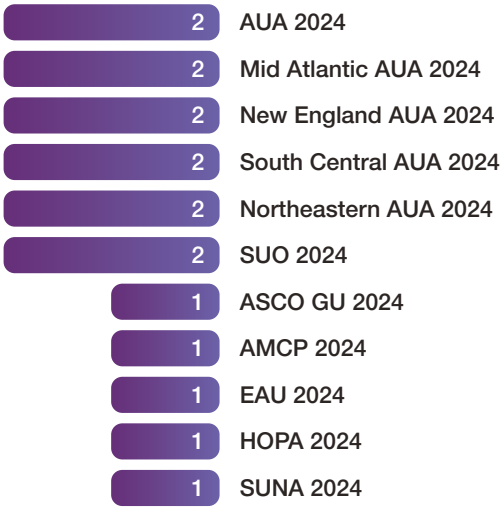
Number of presentations by congress



Uro-Oncology

3 Journal articles published

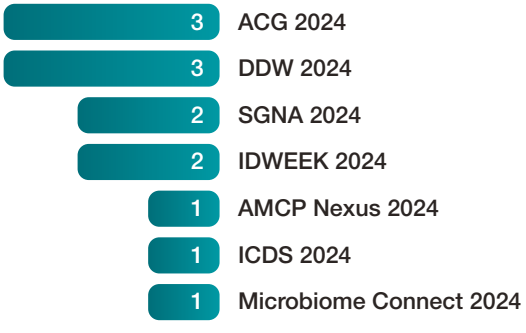
17 Congress presentations



Gastroenterology

14 Journal articles published

13 Congress presentations



Building families – from conception to birth

At Ferring, we are dedicated to helping people become parents and supporting them throughout their family-building journey from conception to birth. We are proud that our products have contributed to the birth of millions of babies over the last 70 years. At the same time, we recognise that many people worldwide are unable to access the care and treatment they need, and we are passionate about tackling inequalities in reproductive medicine and maternal health. We also work with partner organisations to reduce the burden of maternal mortality in some of the world's poorest communities.

The need for more effective treatment for infertility was highlighted by a report in March 2024 warning about the effect of falling birthrates in many regions of the world. By 2050, more than 75% of countries will be unable to sustain their population size over time. This will have major implications for economic growth as populations age and workforces decline.[1] In more developed countries, women's average age at first birth has risen nearly every year this century, while one in six couples experience difficulty in trying to conceive.

Despite the urgency of the problem, there is a marked gender gap in healthcare with significantly fewer resources devoted to tackling women's health issues, including infertility. In January 2024, we supported the launch of a report entitled Closing the Women's Health Gap at the World Economic Forum (WEF) in Davos, Switzerland. This was prepared by the Women's Health Initiative, a coalition of UN agencies, academics, and business and social organisations. The report concluded that women spend 25% more of their lives suffering from debilitating health conditions than men. Resolving this disparity could save the world an estimated USD 1 trillion by 2040.[2]

As key members of the Global Alliance for Women's Health, we supported a further study to highlight the main factors driving the discrepancy in health resources. The resulting report entitled Blueprint to Close the Women's Health Gap was launched at Davos in January 2025.[3]

While action is required on a global scale to improve women's health, the business community also has a vital role to play. At WEF, we were on the panel at an event hosted by UNFPA, the United Nations reproductive health agency, to stress the need for private companies to invest in women's health in the workplace. In September 2024, Ferring participated in another UNFPA event highlighting the role of companies in driving the women's health agenda. This was held during the 79th General Assembly of the United Nations in New York.

During these events, we highlighted our own contribution in the form of the Building Families at Ferring (BFF) programme. Under BFF, our employees can take up to 26 weeks of parental leave, which applies to both birthing and non-birthing parents. In addition, financial support is available for fertility-related treatment. We continuously seek to raise awareness and support our employees throughout their family-building journey. Since the programme was launched in 2022, a total of 585 employees have taken parental leave and more than 190 have taken advantage of the financial benefits in 30 countries.

1. *Bhattacharjee, Natalia V et al. Global fertility in 204 countries and territories, 1950–2021, with forecasts to 2100: a comprehensive demographic analysis for the Global Burden of Disease Study 2021. The Lancet, Volume 403, Issue 10440, 2057-2099. https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(24)00550-6/fulltext*
2. *https://www.weforum.org/publications/closing-the-women-s-health-gap-a-1-trillion-opportunity-to-improve-lives-and-economies/*
3. *https://www.weforum.org/publications/blueprint-to-close-the-women-s-health-gap-how-to-improve-lives-and-economies-for-all/*

In recognition of BFF, Ferring is officially accredited as "fertility friendly" by Fertility Matters at Work, a leading training provider for fertility support in the workplace. In 2024, our efforts were recognised in several Asian countries. In Taiwan, Ferring received a prestigious Work-Life Balance award from the Ministry of Labor. Ferring Korea's General Manager Angie Kim was honoured as a "2024 Power K-Woman" by Asia Economy for her contributions to work-life balance. Ferring Japan co-sponsored a symposium on health management strategy for working women which was attended by more than 300 leading Japanese companies.

In October 2024, Ferring participated in the Tour de Health conference in Copenhagen, Denmark. This explored the role of scientific collaboration in reversing the decline in global birth rates. One session was held at Ferring's state-of-the-art Soundport research centre to showcase the work we are doing to address this challenge.

We recognise there are inequities and disparities in fertility treatment, and are committed to addressing this situation. In the U.S., Ferring launched an initiative called *Breaking Barriers, Building Families* to promote equity in fertility care for underrepresented communities. As the programme's first offering, we supported the launch of the FertilityEquity™ eLearning modules by Morehouse School of Medicine in Atlanta, Georgia, a leader in the field of health equity. These modules, available at no cost, provide healthcare professionals and fertility clinic staff with education and tools to help ensure inclusive and equitable care, improve patient communication, and create a more supportive environment for Black women seeking fertility treatment in the U.S.

We also recognise that infertility is not exclusively a female issue, and in June 2024 Ferring launched a male fertility programme in the U.S., in partnership with Posterity Health. Delivered through our Fertility Out Loud platform, this encourages men to understand their fertility status using an online assessment and questionnaire.

Project Family: Safe Birth

Postpartum haemorrhage (PPH), or excessive bleeding following childbirth, is responsible for around 70,000 deaths a year,[1,2] making it the leading direct cause of maternal mortality worldwide. More than 90% of these deaths occur in low- and lower middle-income countries (L&LMICs).[1] Following a significant reduction in maternal deaths in 2000-2015, progress has stalled in recent years.[2]

In 2024, we continued our efforts to reduce the burden of maternal mortality through our collaborative Project Family: Safe Birth initiative. This provides Carbetocin Ferring (heat-stable carbetocin), our life-saving medicine for the prevention of PPH, at a sustainable access price to publicly funded and not-for-profit healthcare facilities in L&LMICs. More than 80 countries fall within the scope of the project.

Carbetocin Ferring is a long-acting oxytocin analogue in a heat-stable formulation that does not require refrigeration, unlike oxytocin, the standard of care for preventing PPH. This makes our medicine especially suitable for use in L&LMICs, which often have a hot climate and unpredictable power supply.

Project Family: Safe Birth is run with the support of many international organisations, donors, professional societies and government agencies. Its mission is to protect the lives of 20 million women and their families by 2030 by providing sustainable access to Carbetocin Ferring.

In 2024 we supplied 1.5 million doses of Carbetocin Ferring to L&LMICs, an increase of around 50% over the previous year. Importantly, we saw the first large-scale purchasing of Carbetocin Ferring by the Kenyan government, and by some state governments in Nigeria and India.

Carbetocin Ferring was first approved in 2020 by Swissmedic, enabling faster registration through harmonised procedures, and received World Health Organization (WHO) pre-qualification in 2022.

1. *Trends in maternal mortality 2000 to 2020: Estimates by WHO, UNICEF, UNFPA, World Bank Group and UNDESA/Population Division. Available at: https://iris.who.int/bitstream/handle/10665/372247/9789240069251-eng.pdf. Last accessed January 29, 2024.*
2. *Say L, et al. Global causes of maternal death: a WHO systematic analysis. The Lancet Global Health. 2014; 2(6):e323-33. Available at: https://www.thelancet.com/pdfs/journals/langlo/PIIS2214-109X(14)70227-X.pdf. Last accessed January 31, 2023.*

By the end of 2024, Carbetocin Ferring was approved in 22 countries with 10 more pending. These countries, along with another 12 where no registration is required, make up over 70% of the global toll of maternal deaths. Further submissions are being pursued in a phased manner.

These approvals were based on the results of the CHAMPION trial,[1] supported by Ferring and MSD for Mothers. This involved around 30,000 women in 10 countries, and showed that heat-stable carbetocin had comparable efficacy and safety to oxytocin for PPH prevention after vaginal deliveries.

Following this, heat-stable carbetocin was included in the WHO's Model Essential Medicines List (EML) and PPH Prevention Guidelines. We are working with MSD for Mothers, Concept Foundation, governments, professional societies and other organisations to implement the EML and PPH Prevention Guidelines in relevant countries, and to enable training and education on the appropriate use of heat-stable carbetocin.

We signed a memorandum of understanding with the Medicines Patent Pool (MPP) in 2024 that includes a conditional licence agreement for Carbetocin Ferring.[2] The memorandum aims to support expanded future access in line with wider global efforts to reduce maternal mortality.

In 2024, the results were published from eight implementation studies involving more than 126,000 women in nine L&LMICs.[3] These confirmed the acceptability and feasibility of introducing Carbetocin Ferring in different settings, and showed a significant reduction in PPH rates, blood transfusions and maternal deaths. Healthcare professionals described the therapy as a "game-changer" and "life-saver".[4]

In another important milestone, in 2024 the first patients were enrolled in the REACH study supported by Ferring, which will evaluate the efficacy and safety of heat-stable carbetocin as a first-line treatment for PPH.[5] If this is successful, the indication for Carbetocin Ferring could be extended to include PPH treatment as well as prevention. This would also provide a basis for updating the PPH treatment guidelines.

Ferring continues to play a leading role in worldwide advocacy initiatives to reduce maternal mortality.

We work with a range of global and regional organisations, and are supporting the global *Roadmap to combat PPH between 2023 and 2030.*

In May 2024, we co-hosted a roundtable at the 77th World Health Assembly in Geneva, Switzerland, to discuss ways of protecting the lives of mothers and newborns in humanitarian crisis situations. In September, we co-hosted another event during the 79th UN General Assembly, which called for political leadership, investment and partnership to achieve the goal of ending preventable maternal deaths by 2030.

In October 2024, we announced a partnership with the non-profit Maternity Foundation to pursue a joint vision of ensuring safer birth for women in L&LMICs. The partnership will focus on developing midwifery skills to improve the quality of maternal healthcare.

1. *WHO study shows drug could save thousands of women's lives. www.who.int. June 27, 2018. Available at: https://www.who.int/news/item/27-06-2018-who-study-shows-drug-could-save-thousands-of-women%E2%80%99s-lives. Last accessed February 20, 2025.*
2. *MPP and Ferring sign Memorandum of Understanding that includes a conditional licence agreement for heat-stable carbetocin. medicinespatentpool.org. April 11, 2024. Available at: https://medicinespatentpool.org/news-publications-post/mpp-and-ferring-sign-memorandum-of-understanding-that-includes-a-conditional-licence-agreement-for-heat-stable-carbetocin. Last accessed February 20, 2025.*
3. *Int J MCH AIDS 13. Special Collection: Implementation Research Evidence for Prevention and Treatment of Postpartum Hemorrhage in High-Burden Low- and Middle-Income Countries.*
4. *Makueni achieves milestone in maternal health, records zero PPH deaths since 2022. November 26, 2024. Available at: https://makueni.go.ke/2024/news/makueni-achieves-milestone-in-maternal-health-records-zero-pph-deathssince-2022/. Last accessed February 20, 2025.*
5. *Research to Expand Access to Heat-Stable Carbetocin for the Treatment of Postpartum Haemorrhage (REACH). HRP Project Brief. www.who.int. April 20, 2023. Available at: https://www.who.int/publications/m/item/research-to-expand-access-to-heat-stable-carbetocin-for-pph-treatment. Last accessed February 20, 2025.*

Technical Operations

Ensuring our manufacturing network is fit for the future

In 2024, Ferring's Technical Operations (TechOps) network underwent significant changes as part of our new operating model, in order to increase cross-functional collaboration and ensure we are fully focused on meeting the needs of customers and patients. This restructuring was designed to improve efficiency, reduce the cost of goods, and optimise inventory levels. Changes included integrating Global Quality Assurance into TechOps, strengthening the system for managing external suppliers, and increasing the focus on lean management and productivity.

During the year, we also made major investments across our manufacturing network with sites in Argentina, China, the Czech Republic, Denmark, Germany, India, Israel, Mexico, Switzerland, the U.K. and the U.S. All these activities are helping to ensure TechOps is "fit for the future" and able to deliver on the company's growth agenda.

One of the major priorities was scaling up production of our novel gene therapy Adstiladrin, which offers a potentially transformational treatment for patients with non-muscle invasive bladder cancer (NMIBC). The product was approved in December 2022, and it was vital to ensure we could meet long-term demand before making it available to patients across the U.S. in 2024.

Adstiladrin is manufactured by FinVector Oy, a member of the Ferring Ventures Group based in Kuopio, Finland. In October 2024, we supported the expansion of FinVector's capabilities with a new state-of-the-art manufacturing hub called Finport. This new 25,000 square metre facility includes a cutting-edge manufacturing suite using the latest technology to produce the gene therapy drug substance. Finport marks an important milestone in the ability to meet the expected growth in demand for Adstiladrin. The new plant will also support us as we plan further worldwide regulatory submissions.

During 2024, we continued preparing our site at Parsippany, New Jersey, to become another source of supply for Adstiladrin. The plant now provides advanced facilities for manufacturing the drug product using specialised technology and equipment.

In a further move to ensure long-term supply of Adstiladrin, we announced an agreement with SK pharmteco in April 2024. Following technology transfer, SK pharmteco will become another source of production, subject to approval by the FDA. SK pharmteco is a global contract development and manufacturing organisation with 13 sites in the U.S., Europe and South Korea. It partners with companies to produce active pharmaceutical ingredients (APIs) and cell and gene therapies for the biopharmaceutical industry worldwide.

As well as the focus on new therapies such as Adstiladrin, we also made progress in the production of our established therapies in the area of reproductive medicine. In 2024, we completed validation of a new process for manufacturing the API for Menopur, one of our leading products for treating female and male infertility. This followed the integration of Menopur API production into the TechOps network with the acquisition of the Massone Group in Argentina in 2023. We are now preparing to submit the new process for regulatory approval.

In 2024, we acquired Minerva Analytix GmbH, a laboratory in Rangsdorf, Germany, which provides analytical testing services for Menopur and Chorapur. This will further strengthen the Menopur supply chain and will eventually provide similar services for other Ferring products. We also moved forward with plans to increase production of other key products such as the pre-filled Menopur Pen, Rekovelle and Pentasa. Endometrin supply was restarted successfully in the U.S. in July 2024. Other countries including Japan and the E.U. will follow during 2025 as the relevant regulatory approvals are obtained.

In addition to these achievements, TechOps is focused on meeting Ferring's target of reaching net zero by 2050, in line with the Paris Agreement goal of limiting global warming to 1.5 degrees Celsius. In 2024, we developed a decarbonisation roadmap for reducing both direct and indirect emissions from purchased energy. A number of actions were taken to reduce emissions at our manufacturing sites, including the installation of photovoltaic panels to generate renewable energy in China and Israel. We conducted an energy conservation project at one of our U.S. sites, as well as energy management pilots to improve efficiency through data-driven solutions in Switzerland and the U.K.

For more information on Ferring's commitment to ESG, see our Sustainability Report.

Environmental, social and governance (ESG)

Demonstrating progress on sustainability

Throughout its history, Ferring has sought to serve the needs of patients, add value to society, and conduct business responsibly in a way that reflects our strong ethical heritage. Our sustainability vision is guided by the Ferring Philosophy, which places people at the heart of our business in a culture based on respect, integrity and doing the right thing. Guided by our commitment to the UN Sustainable Development Goals (SDGs) in pursuit of a better future for all, our approach is focused on three pillars: Purpose, People and Planet.

Purpose: ensuring responsible and ethical business governance to advance our mission to build families and help people live better lives.

People: creating value for society by positively impacting the communities in which we operate while safeguarding the health and wellbeing of patients and employees.

Planet: protecting the environment by minimising our negative impacts to contribute to a better future.

During 2024, Ferring continued to make solid progress made in its environmental, social and governance agenda. This Annual Report should be read in conjunction with our Sustainability Report available on the Ferring website which provides full details of how we have advanced in this area.

Our leadership

The Board of Directors and Executive Committee of Ferring collaborate to bring life-changing innovation to address key unmet needs in healthcare.

Board of Directors

Jean-Frédéric Paulsen
Chairman

Mr. Paulsen has been Chairman of Ferring Ventures SA since 2020 and joined the Ferring Board of Directors in July 2021, becoming Chairman in July 2023. He is also Chairman of the International School of Economics at Tbilisi State University, having previously served as Senior Advisor to four Ministers of Economy and Sustainable Development in Georgia. Before joining Ferring, Mr. Paulsen worked at Mars Inc., Coca-Cola and Credit Suisse. He received a Master's degree in Finance from the London School of Economics and Political Science, and is a Fellow of the Chartered Institute of Management Accountants in the U.K.

Lars Rebien Sørensen
Vice-Chairman

Mr. Sørensen became Chairman of Ferring's Board of Directors in July 2021, and was appointed Vice-Chairman in June 2023 when Jean-Frédéric Paulsen assumed the role of Chairman. He has more than 30 years' management experience in the pharmaceutical industry and was President and CEO of Novo Nordisk A/S from 2000 until 2016. He is Chair of the Board of the Novo Nordisk Foundation and Novo Holdings A/S, a Board member of Thermo Fischer Scientific Inc. (U.S.), Essity AB (Sweden) and Jungbunzlauer Suisse AG (Switzerland), and Chair of the Advisory Board of Axcel Management A/S (Denmark). Mr. Sørensen serves as a Post-doctoral Lecturer in the Faculty of Science at the University of Copenhagen, and in the Center for Corporate Governance at Copenhagen Business School in Denmark.

Viviane Monges
Chair of the Audit and Finance Committee

Ms. Monges joined Ferring's Board of Directors in July 2023 as Chair of the Audit and Finance Committee, having previously held senior positions at leading corporations in the life sciences and consumer sectors. She is Chair of the Board at EUROAPI and serves on the boards of Pharvaris, ADC Therapeutics and Novo Holdings. She has also held Board-level or other senior positions at UCB, DBV Technologies, Voluntis and Idorsia. Ms. Monges was a Chief Financial Officer at Wyeth Pharmaceuticals/Pfizer, Novartis and Galderma, before becoming Vice-President Business Excellence Finance & Control at Nestlé. She holds a Bachelor's degree and M.B.A. from the ESCP Business School, and an International Director Certificate from INSEAD, both in Paris, France.

Henrik Normann
Member of the Board of Directors (through June 2024); Chairman of the Remuneration and Nomination Committee (from July 2024)

Mr. Normann joined Ferring's Board of Directors in July 2023 and was appointed Chairman of the Remuneration and Nomination Committee in July 2024. Before joining Ferring, he was President and CEO of Nordic Investment Bank, the international financial institution of the Nordic and Baltic countries, for 10 years. Mr. Normann spent much of his early career at Danske Bank, starting as a management trainee in 1983 and later becoming Head of Danske Bank in Denmark and Global Head of Danske Markets. He is Chairman of the Board of Directors of Investeringsforeningen Maj Invest, and has chaired or served on the Boards of numerous other institutions. He holds an M.A. from Copenhagen University, Denmark, and completed the Advanced Management Program at Harvard Business School in 1995.

Michael Rosenblatt
Chairman of the Research and Development and Production Committee (from July 2024)

Dr. Michael Rosenblatt joined the Ferring Board of Directors in July 2024 as Chairman of the Research and Development and Production Committee. He was formerly Chief Medical Officer at Merck & Co., Inc, a Professor of Medicine at Harvard Medical School, and Dean of Tufts University School of Medicine. Before joining Ferring, Dr. Rosenblatt was Chief Medical Officer of the life sciences venture capital company Flagship Pioneering, and served as Director of several of its portfolio companies. During his career, he has also held senior scientific and management roles at a number of biopharmaceutical companies. Dr. Rosenblatt gained his M.D. *magna cum laude* degree from Harvard University in the U.S.

Member of Board of Directors departing during 2024

Dr. Jan Lundberg joined the Board of Ferring in January 2021 as a non-executive director and Chair of the Research and Development and Production Committee. He stepped down from this role in July 2024.

Luzi von Bidder
Chairman of the Remuneration and Nomination Committee (through June 2024); Member of the Board of Directors (from July 2024)

Mr. von Bidder joined the Ferring Board of Directors in 2013 and was Chairman of the Remuneration and Nomination Committee until July 2024. He continues to serve as a Board member of this Committee, and of the Board Audit and Finance Committee. He was formerly Chairman of the Swiss listed company Acino Holding AG and is on the Board of several other private healthcare companies. He also joined the Board of Directors of Ferring Ventures SA in 2021. Prior to joining Ferring, Mr. von Bidder was President and CEO of Novartis Ophthalmics, and was a member of the Novartis Pharma Executive Board. He received a Master's degree from the University of St. Gallen, Switzerland, in 1979.

Executive Committee

Christelle Beneteau
Senior Vice President and Chief People Officer

Christelle joined Ferring in April 2021 as Chief People Officer responsible for delivering all aspects of Ferring's human capital strategy as well as corporate communications. She joined Ferring from Implenia, where she led the HR organisation and was a member of the Executive Committee. Before that, she held similar positions with a number of major global companies and brings invaluable expertise of transforming HR functions across multiple industries and business sectors. Christelle trained as a biochemist at the Ecole Supérieure de Chimie in Lille, France, and also holds a Master's degree in Biochemistry from Heriot-Watt University in Scotland.

Pierre-Yves Berclaz
Executive Vice President, Chief Science and Medical Officer

Pierre-Yves was appointed Chief Medical Officer in January 2023 with responsibility for Medical Affairs, Pharmacovigilance, Quality Assurance, Value & Access and Bioethics. He became Chief Science Officer on March 1, 2024, succeeding Armin Metzger who took on the role of Chief Technical Operations Officer. Pierre-Yves previously held the position of Senior Vice President, Head of Global Medical Affairs for Neurology and Immunology at Merck KGaA/EMD Serono, based in Boston, USA. Prior to this, he spent over 14 years at Eli Lilly, holding leadership roles in Medical Affairs, Global Clinical Development, Clinical Pharmacology and Discovery Research. Pierre-Yves also spent seven years as Chief Medical Officer for Eli Lilly Japan, where he was involved in the launch of numerous new molecular entities. After gaining a medical degree from the University of Lausanne, Pierre-Yves received specialty training in paediatrics at the Universities of Lausanne and Geneva in Switzerland. He obtained his sub-specialty in Pulmonary Medicine and a Ph.D. in Molecular Biology from the Cincinnati College of Medicine in the USA.

Cyril Grandchamp-Desraux
Executive Vice President and Chief Commercial Officer

Cyril Grandchamp-Desraux joined the Executive Committee in January 2024 as Executive Vice President and Chief Commercial Officer. Before joining Ferring, he was Chief Business Officer and a Board member of POC Pharma, a digital health start-up. Cyril previously spent 18 years at Sanofi, holding various senior management roles in both developed and emerging countries. Cyril holds a degree in Public Health from University Paris XI – Le Kremlin Bicêtre in France, a Master's degree in Health Economics from University Paris IX Dauphine, and a Doctorate in Pharmacy from University Paris V in France.

Curt McDaniel
Chief Legal Officer and Board Secretary

Curt joined Ferring in 2006 and oversees Legal, Intellectual Property, Compliance, and Privacy activities worldwide. He has over 30 years' experience in the pharmaceutical industry, spanning various aspects of the business and many different countries and cultures. Prior to joining Ferring, Curt worked at Eli Lilly for over 16 years. He holds a Juris Doctor degree and M.B.A. from Indiana University and a B.A. from Purdue University in the USA.

Armin Metzger
Executive Vice President and Chief Science Officer (through February 2024); Executive Vice President and Chief Technical Operations Officer (from March 2024)

Armin was appointed Chief Science Officer in April 2022 with responsibility for overseeing Ferring's research and development activities. He took on the role of Chief Technical Operations Officer following Alessandro Gillio's departure on March 1, 2024. Armin joined Ferring Pharmaceuticals in 2016 as Senior Vice President, Head of Global Pharmaceutical R&D. He has more than 20 years' experience in the pharmaceutical industry, and before joining Ferring he spent 17 years in various global leadership positions with Merck and Merck Serono. Armin holds a Ph.D. in Biochemistry from the University of Bayreuth, Germany.

Dominic Moorhead
Executive Vice President and Chief Financial Officer

Dominic joined Ferring in April 2017 as Chief Financial Officer, and is responsible for finance, IT, procurement, global business services, internal audit, ESG, and corporate development. He is also executive sponsor of the business process re-engineering programme. Dominic has over 30 years' finance and business experience in the life sciences industry. He previously worked as Global Financial Controller at Takeda Pharmaceuticals, and as Chief Financial Officer for their international business following the acquisition of Nycomed. Before this he worked for Hoffmann-La Roche, where he was CFO of the Pharma Division for nine years. Earlier in his career he worked for Price Waterhouse in Manchester, U.K. Dominic is a Fellow of the Institute of Chartered Accountants in England and Wales, and has a B.Sc. in Chemistry from the University of Nottingham.

Executive Committee members departing during 2024

Per Falk joined Ferring Pharmaceuticals in 2015 and was appointed President in January 2019. He stood down as President in April 2024.

Alessandro Gilio joined Ferring in 2019 as Head of Global Supply Network Operations and was Chief Technical Officer from April 2022 until his departure from Ferring in March 2024.

Aaron Graff held the post of Chief Commercial Officer from 2018 until the end of 2023. In early 2024, he took over the leadership of our U.S. organisation as Executive Chairman Ferring USA, and remained a member of the Executive Committee until his retirement in August 2024.

Ferring group

Consolidated financial statements 2024

To the General Meeting of Ferring Holding SA, Saint-Prex

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ferring Holding SA (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows as at 31 December 2024 and for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statements (presented on pages 48 to 137) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Audit Approach

Summary
Key audit matters: We identified and addressed the following key audit matters:

- Revenue recognition in respect of estimated gross to net adjustments in the USA; and
- Assessment of the recoverability of the carrying value of intangible assets (licences and goodwill) and valuation of related liabilities.

Materiality
Based on our professional judgement we determined materiality for the consolidated financial statements as a whole to be €14 million.

Scoping
We structured our audit approach to reflect the organisation of the Group as well as to ensure that our audit was risk focused and effective. Further details are provided on page 46.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition in respect of estimated gross to net adjustments in the USA

Key audit matter
The Group sells its products to customers in the USA under a variety of commercial and government mandated contracts that include various rebates, chargebacks, discounts and right of return for certain pharmaceutical products.

Revenue recognition reflects the accrual for these returns and rebates, which are net-off against the gross revenue as it is recognised. These accruals are known as the gross-to-net adjustments ("GTN adjustments") and are a source of significant estimation uncertainty, which could have a material impact on reported revenue. For the year ended 31 December 2024 the total revenues included €925.8 million of GTN adjustments made in the USA, of which €123.5 million were estimates accrued at year end.

The returns and rebates that are subject to the most significant estimation uncertainty, and which also represent the largest GTN adjustments, are chargebacks, Heart Rebates and Managed Care.

The main causes of significant estimation uncertainty are:

- Estimating the number of units sold that are subject to the chargeback/rebate. This assumption is the most challenging of the key assumptions used to derive the accrual given that it is influenced by market demand and other factors outside the control of Group's management;
- Estimating the time lag between the point of sale and the point at which exact rebate amounts are known to the Group management upon receipt of a claim. Those payer channels or buying groups with the longest time lag result in a greater accrued period, and therefore, a greater level of estimation uncertainty in estimating the period end accrual; and
- Estimating the amount of rebate per product.

We consider the GTN adjustments to be a key audit matter because of the significant level of estimation uncertainty in the calculations.

GTN adjustments are disclosed as a critical accounting estimate in Note 4 of the consolidated financial statements with further disclosures provided in Note 27.

How the scope of our audit responded to the key audit matter

Our audit work included the following procedures on the GTN adjustments:

- We obtained an understanding of and tested operating effectiveness of the key controls over the estimation of the GTN adjustments and related accruals, including the quarter end accrual review controls.
- We assessed the historical accuracy of management's estimates against actual outcomes to support our assessment of the current year accrual.
- We tested the completeness and accuracy of the data used by Group management to estimate the GTN adjustments, such as units not eligible for rebate, average chargeback rate per unit, amount of rebates paid out, and rebate lag.
- We obtained, on a sample basis, third party reports to test the year-end inventory on-hand levels at distributors and chargeback processed reports to test inventory lag and compared this information with management's assumptions.
- We developed an expectation for the percentage of units sold and recalculated the average chargeback rate per unit using third party invoices to determine that the assumptions were consistent with the assumptions determined by Group management.
- We evaluated management's calculations as well as developed an independent expectation of the GTN adjustment for each of the key products, based on audited historical claims received adjusted to reflect market changes in the period including an assessment of the time lag between the initial point of sale and the claim receipt. We then compared this independent expectation to those of Group management to evaluate the appropriateness of Group management's GTN adjustment calculation.
- We assessed the adequacy of the related disclosures in the consolidated financial statements.

Based on the audit procedures performed above, we obtained sufficient audit evidence to address the risk of inappropriate revenue recognition in respect of estimated gross to net adjustments in the USA.

Assessment of the recoverability of the carrying value of intangible assets (licences and goodwill) and valuation of related liabilities

Key audit matter

The Group's balance sheet includes €528.6 million of intangible assets (licences and goodwill arising from the purchases of licences and/or businesses with licences), which represent 11% of total Group assets, €74.6 million of contingent consideration liabilities and €439.6 million of other financial liabilities.

These balances are allocated to cash generating units (CGUs), the goodwill is tested at least annually for impairment, and the licences are assessed for indicators of impairment at each reporting period.

Impairments of intangible assets totalling €5.2 million have been recognised in the consolidated statement of income in 2024.

Discounted cash flow models are used by management to estimate the recoverable value of each CGU. If the recoverable value is lower than the carrying value an impairment charge is recorded. We consider the valuation of the intangible assets (licences and goodwill) and the valuation of related liabilities to be a key audit matter because the carrying value of the intangible assets and related liabilities is highly material and the determination of the recoverable value is a source of significant estimation uncertainty.

Determination of the recoverable value, particularly for the CGUs of products which are in development or at the early stages of commercialisation, requires management to make assumptions that are highly judgemental and are inherently uncertain since they involve forecasting forward looking information, which is dependent on future market and economic conditions.

The CGUs with the largest carrying values are Rebiotix and Adstiladrin, which also represented the CGUs with the most significant estimation uncertainty.

The assumptions used in the determination of the recoverable value include, profit margin levels, operating cash flows, terminal growth rate and discount rates.

Additionally, the assessment of impairment indicators at each reporting period requires management judgement.

The estimated impairment of goodwill and intangible assets and contingent consideration liabilities are disclosed as a critical accounting estimate in Note 4 of the consolidated financial statements with further disclosures provided in Notes 13, 25 and 26.

How the scope of our audit responded to the key audit matter

Our audit work included the following procedures on the recoverability of carrying value of intangible assets (licences and goodwill) and related liabilities:

- We tested the Design & Implementation of the key controls over the valuation of intangible assets (licences and goodwill), including the identification of impairment indicators and cash flow forecast review controls. We also obtained an understanding of the process in relation to identification and assessment of related liabilities.
- We examined and assessed management's process for identifying indicators of impairment, critically assessed the principal assumptions in management's impairment indicator reviews and focused on the key subjective judgements.
- We challenged cash flow forecasts by performing retrospective reviews comparing past performance to projected future performance and obtaining market data and other evidence where future cash flows were projected to vary significantly from past performance.
- We worked with Deloitte valuation specialists who assisted us in benchmarking assumptions to external data including terminal growth rate assumptions and discount rates. They also assisted us to assess the reasonableness of the valuation methodology used to estimate the recoverable amount of the CGUs and tested the mathematical accuracy, mechanics and integrity of the cash flow models.
- We independently recalculated discount rates and performed sensitivity analyses to understand the impact on impairment outcomes of changes to key assumptions.

- We recalculated the value in use of the CGUs using Deloitte's assumptions and compared the carrying value of associated assets and liabilities to the calculated value in use for each CGU.

- We assessed and challenged the valuation of the related liabilities by reviewing the different contracts and assessing the probability of occurrence and ensured they were appropriately considered in the carrying value of the CGUs.

- We assessed the adequacy of the related disclosures in the consolidated financial statements.

Based on the audit procedures performed, we obtained sufficient audit evidence to address the risk over recoverability of the carrying value of intangible assets (licences and goodwill) and valuation of related liabilities.

Our Application of Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

In determining our benchmark for materiality, we considered the metrics used by investors and other readers of the consolidated financial statements. In particular, we considered revenue, profit before tax (in 2023 we considered profit before tax adjusted for non-recurring transactions) and net assets. Using our professional judgement, we have determined materiality for the consolidated financial statements as a whole to be €14.0 million (2023: €14.0 million).

Given the importance of the above metrics used by investors and other readers of the financial statements, we concluded revenue to be the primary benchmark with profit before tax and net assets as supporting benchmarks.

The materiality allocated to the in-scope components ranged between €2.2 million to €7.8 million (2023: €2.2 million to €7.3 million) depending on the scale of the component's operations, the component's significance to the Group and our assessment of risks specific to each location.

Group materiality is shown as a percentage of the metrics we considered in the table below.

Metric	2024	2023
Revenue	0.6%	0.6%
Profit before tax normalised	8.1%	9.4%
Net assets	0.8%	0.9%

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the consolidated financial statements as a whole. Group performance materiality was set at 80% (2023: 80%) of Group materiality for the audit of the consolidated financial statements for the year ended 31 December 2024. In determining performance materiality, we considered factors including:

- Our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes; and

- Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

We agreed with the Audit Committee that we would report to them all audit differences in excess of €700 thousand (2023: €700 thousand), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the consolidated financial statements.

An Overview of the Scope of our Audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on 24 (2023: 22) components. 8 (2023: 12) of these were subject to an audit of the financial information, whilst the remaining 16 (2023: 10) were subject to an audit of specified account balances where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those locations. These 24 components represent the principal business units and account for approximately 78% (2023: 79%) of the Group's revenue, 85% (2023: 81%) of the Group's assets and 85% (2023: 79%) of the Group's net profit. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to full audit or audit of specified account balances.

The Group audit team visited certain key component audit teams and key operating locations in person and in addition continued to follow a program of planned oversight, direction and review of all component auditors. Remote oversight was maintained throughout the audit for all components using several measures, as appropriate to each component, including frequent dialogue and use of audio and video conferencing, as well as screen-sharing facilities. The Group audit team held regular communications with the component auditors in planning for, and throughout, the year-end audit process. This oversight included attending internal planning and status meetings, attending meetings held with local management, review of relevant audit documentation in component auditor files, assessment of audit conclusions, and, where necessary, direction of component teams to perform additional testing to meet the objectives of the Group audit.

Component audit partners were included in planning briefings and close meetings where we discussed their risk assessment, procedures performed and audit results and conclusions.

Other Information

The Board of Directors is responsible for the other information. Other information comprises the information included in the annual report which we obtained before the date of this report (with the exception of the consolidated financial statements, the stand-alone financial statements of the Company and our auditor's reports thereon) and the Environmental, Social & Governance (ESG) Report which should be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial can be found on the EXPERTsuisse website: *https://www.expertsuisse.ch/en/audit-report*. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte SA

Robert Purdy
Licensed Audit Expert
Auditor in Charge

Aurélie Darrigade
Licensed Audit Expert

Lausanne, 11 March, 2025

Consolidated statement of income

for the year ended 31 December 2024

Continuing operations	Notes	2024	2023 restated (Note 36)
Sales of goods		2,277,335	2,158,685
Royalty income		4,623	7,669
Other income	33	60,903	30,114
Total revenues	6	**2,342,861**	**2,196,468**
Cost of sales		(842,258)	(704,646)
Gross profit		**1,500,603**	**1,491,822**
Distribution expenses		(31,168)	(32,680)
Sales and marketing expenses		(529,085)	(557,666)
Research and development expenses		(368,007)	(352,032)
General and administrative expenses		(265,786)	(269,248)
Gain on acquisition	34	-	75,549
Impairment	8	(12,217)	(139,359)
Other operating expenses	8	(102,557)	(76,946)
Operating profit	9	**191,783**	**139,440**
Finance income		117,213	98,455
Finance expense		(135,108)	(145,597)
Finance income and expense	10	**(17,895)**	**(47,142)**
Income before taxes		**173,888**	**92,298**
Income tax (charge)/gain	11	(35,121)	20,972
Net income from continuing operations		**138,767**	**113,270**
Attributable to the owners of the Company		**138,767**	**113,270**

(Amounts expressed in thousands of Euros, except for earnings per share, expressed in Euros)

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024	2023 restated (Note 36)
Net income		**138,767**	**113,270**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
Fair value change on listed securities held as at FVTOCI	*11*	-	661
Gain/(loss) on remeasurements of post-employment benefit obligations	*11,22*	447	(21,554)
Total		447	(20,893)
Items that may be subsequently reclassified to profit or loss			
Hedging instruments			
Reclassification to profit or loss of hedging instruments	*11*	6,736	1,142
Fair value change on hedging instruments	*11,30*	9,556	(3,124)
Total hedging instruments		16,292	(1,982)
Foreign exchange differences on translation of foreign operations and hyperinflation adjustments[(1)]		100,813	(113,077)
Total		117,105	(115,059)
Total other comprehensive income/(loss) for the year, net of tax	*11*	117,552	(135,952)
Total comprehensive income/(loss) for the year		256,319	(22,682)
Attributable to the owners of the Company		256,319	(22,682)

*(1) A positive impact of **€113,077** (2023: negative impact of €91,297) arises from hyperinflation adjustments and foreign exchange differences in Argentina based subsidiaries.*

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 11.

(Amounts expressed in thousands of Euros)

Consolidated balance sheet

as at 31 December 2024 (before appropriation of available earnings)

Assets	Notes	2024	2023 restated (Note 36)	1 January 2023 restated (Note 36)
Non-current assets				
Property, plant and equipment	*12*	850,451	713,419	625,843
Intangible assets	*13*	660,892	685,676	731,552
Right-of-use assets	*14*	269,101	283,160	272,248
Receivables	*15*	40,780	14,968	17,319
Deferred tax assets	*11*	290,205	213,819	166,898
Non-current income tax assets	*31*	21,699	21,824	-
Derivative financial instruments	*29,30*	47,856	68,177	27,791
Investments in financial assets	*16,30*	10,882	17,261	23,144
Total non-current assets		2,191,866	2,018,304	1,864,795
Current assets				
Inventories	*17*	850,700	588,908	424,987
Receivables and prepayments	*18*	592,861	512,477	483,392
Current income tax assets		17,635	28,317	21,925
Derivative financial instruments	*29,30*	35,771	-	1,473
Investments in financial assets	*16,30*	4,937	4,888	7,893
Cash and cash equivalents	*19,30*	952,545	900,317	349,714
Total current assets		**2,454,449**	**2,034,907**	**1,289,384**
Total assets	*29*	4,646,315	4,053,211	3,154,179

(Amounts expressed in thousands of Euros)

Equity and liabilities	Notes	2024	2023 restated (Note 36)	1 January 2023 restated (Note 36)
Share capital		164,355	164,355	164,355
Legal reserves		58,930	59,385	59,363
Other reserves		(21,206)	(138,311)	(22,551)
Retained earnings		1,536,348	1,426,679	1,333,623
Total equity	*20,29*	1,738,427	1,512,108	1,534,790
Non-current liabilities				
Borrowings	*21,30*	870,796	812,892	274,362
Deferred tax liabilities	*11*	48,439	34,709	45,360
Pension liabilities	*22*	62,875	60,078	36,646
Provisions	*23*	80,109	47,234	43,867
Deferred income	*24*	4,062	23,535	31,349
Lease liabilities	*14*	245,314	256,801	243,286
Contingent consideration liabilities	*25*	72,823	96,281	81,379
Other financial liabilities	*26*	367,231	335,321	48,762
Other liabilities		662	1,225	1,296
Total non-current liabilities		1,752,311	1,668,076	806,307
Current liabilities				
Borrowings	*21,30*	286,801	4	351
Trade accounts payable		133,021	148,009	162,052
Current income taxes liabilities		52,242	22,431	42,462
Other taxes and social security liabilities		47,306	52,530	37,721
Provisions	*23*	33,009	41,775	37,060
Deferred income	*24*	18,760	6,983	8,093
Lease liabilities	*14*	32,283	33,533	33,064
Contingent consideration liabilities	*25*	1,763	17,123	29,936
Other financial liabilities	*26*	72,379	90,384	17,830
Derivative financial instruments	*29,30*	5,488	599	5,066
Accruals and other liabilities	*27*	472,525	459,656	439,447
Total current liabilities		**1,155,577**	**873,027**	**813,082**
Total liabilities		**2,907,888**	**2,541,103**	**1,619,389**
Total shareholder's equity and liabilities		4,646,315	4,053,211	3,154,179

(Amounts expressed in thousands of Euros)

Consolidated statement of changes in shareholder's equity

for the year ended 31 December 2024

	Share capital	Retained earnings
Balance at 1 January 2023 as previously reported	**164,355**	**1,357,760**
Impact of correction of errors (Note 36)	-	(24,137)
Restated balance at 1 January 2023	**164,355**	**1,333,623**
Comprehensive income		
Net income	-	113,270
Other comprehensive income, net of tax		
Reclassification to profit or loss of hedging instruments	-	-
Remeasurements of post-employment benefit obligations	-	(21,554)
Fair value change on hedging instruments	-	-
Fair value change on listed securities held as at FVTOCI	-	-
Foreign exchange differences on translation of foreign operations and hyperinflation adjustments	-	-
Total other comprehensive loss for the year, net of tax	-	**(21,554)**
Total comprehensive income restated	-	**91,716**
Reclassification of fair value changes on disposal of equity investment	-	1,362
Transfer to retained earnings	-	(22)
Balance at 31 December 2023 restated	**164,355**	**1,426,679**
Comprehensive income		
Net income	-	138,767
Other comprehensive income, net of tax		
Reclassification to profit or loss of hedging instruments	-	-
Remeasurements of post-employment benefit obligations	-	447
Fair value change on hedging instruments	-	-
Foreign exchange differences on translation of foreign operations and hyperinflation adjustments	-	-
Total other comprehensive income, net of tax	-	**447**
Total comprehensive income	-	**139,214**
Transfer to retained earnings	-	455
Transactions with shareholder		
Dividend payment relating to 2023	-	(30,000)
Balance at 31 December 2024	164,355	1,536,348

(Amounts expressed in thousands of Euros)

Legal reserves	Foreign exchange translation reserve	Hedging instruments reserve	Financial assets at FVOCI	Equity attributable to owners of the Company
59,363	**(26,751)**	**3,499**	**701**	**1,558,927**
-	-	-	-	(24,137)
59,363	**(26,751)**	**3,499**	**701**	**1,534,790**
-	-	-	-	113,270
-	(1,894)	1,142	-	1,142
-	-	-	-	(21,554)
-	-	(3,124)	-	(3,124)
-	-	-	661	661
-	(113,077)	-	-	(113,077)
-	**(113,077)**	**(1,982)**	**661**	**(135,952)**
-	**(113,077)**	**(1,982)**	**661**	**(22,682)**
-	-	-	(1,362)	-
22	-	-	-	-
59,385	**(139,828)**	**1,517**	-	**1,512,108**
-	-	-	-	138,767
-	-	6,736	-	6,736
-	-	-	-	447
-	-	9,556	-	9,556
-	100,813	-	-	100,813
-	**100,813**	**16,292**	-	**117,552**
-	**100,813**	**16,292**	-	**256,319**
(455)	-	-	-	-
-	-	-	-	(30,000)
58,930	(39,015)	17,809	-	1,738,427

(Amounts expressed in thousands of Euros)

Consolidated statement of cash flows

for the year ended 31 December 2024

	Notes	2024	2023 restated (Note 36)
Net income from continuing operations		**138,767**	**113,270**
Adjustments reconciling net income to operating cash flows	*35*	(45,830)	37,947
Interest received		25,764	18,723
Interest paid		(28,032)	(14,305)
Income tax paid		(41,314)	(85,677)
Net cash generated by operating activities		49,355	69,958
Cash flows from investing activities			
Purchase of property, plant and equipment		(145,718)	(153,606)
Purchase of intangible assets		(119,642)	(85,571)
Proceeds of loans to key management and others		-	(471)
Repayment of loans due from key management and others		-	3,892
Repayment of loans due from related parties	*16*	5,000	5,000
Proceeds from sale of non-current assets		2,104	5,276
Net cash outflow on acquisition of subsidiaries	*26,34*	(10,639)	(945)
Net cash used in investing activities		(268,895)	(226,425)
Cash flows from financing activities			
Repayment of lease liabilities	*14*	(33,097)	(33,551)
Repayment of borrowings		-	(347)
Proceeds from business collaboration financing	*26*	-	272,355
Transaction costs related to proceeds from business collaboration	*26*	-	(413)
Repayment of business collaboration financing	*26*	(2,017)	(13,158)
Proceeds from issuance of bonds	*21*	341,268	499,533
Transaction costs related to bonds	*21*	(986)	(696)
Dividends paid		(30,000)	-
Net cash used in financing activities	*28*	**275,168**	**723,723**
Effect of foreign exchange rate changes on cash and cash equivalents		(3,446)	(16,653)
Net increase in cash and cash equivalents		**52,182**	**550,603**
Balance of cash and cash equivalents less bank overdrafts at the beginning of the year	*19*	900,313	349,710
Balance of cash and cash equivalents less bank overdrafts at the end of the year	*19*	952,495	900,313

(Amounts expressed in thousands of Euros)

1. General information

The principal activities of Ferring Holding SA, Saint-Prex (Switzerland) ("the Company") and its subsidiaries ("Ferring Group" or "the Group") are the research, development, production, distribution, and sale of prescription pharmaceuticals in the areas of reproductive medicine and maternal health, urology and uro-oncology, gastroenterology and microbiome, orthopaedics and endocrinology. Ferring Holding SA was incorporated on 15 December 2000 in Switzerland. It is ultimately owned by the Dr. Frederik Paulsen Foundation, established by the late Dr. Frederik Paulsen, the founder of the Ferring Group.

Ferring Holding SA directly owns Ferring International Center SA and Ferring B.V. The Group develops, produces and markets its pharmaceuticals worldwide through subsidiaries located in North America, Europe, Latin America, the Middle East, the Far East, Australia and also through an extensive network of agents and distributors.

These consolidated financial statements have been approved for issue by the Board of Directors on 11 March 2025.

2. Adoption of new and revised standards

During 2024, the Group discovered reporting errors referencing to prior years. Therefore, the Group restated its prior years shareholder's equity, net income and tax positions (Note 36). Further the Group has changed the presentation of prior year numbers where appropriate to ensure consistent presentation with this year's financial statements.

The Group applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Application of new and revised International Financial Reporting Standards (IFRSs)
Standards, amendments, and interpretations adopted in 2024
(No material impacts in the financial statements were identified – except for the income tax note)

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only must comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term "supplier finance arrangements" is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Standards, amendments and interpretations issued but not effective
(No material impacts in the financial statements or results are expected – except if indicated)

The following new standards, interpretations and amendments to published standards are issued but are not effective for the financial year beginning 1 January 2024 and have not been adopted by the Group.

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

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

The objective of the amendments is to provide guidance on when to conclude that a currency is not exchangeable into another currency, how to set an exchange rate in those situations and what information to provide when a currency is not exchangeable.

The amendments to IAS 21 are applicable for annual periods beginning on or after 1 January 2025, with earlier application permitted.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The objective of the amendments is the following:

Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features – ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value. Stakeholders asked how to determine how such loans should be measured based on the characteristics of the contractual cash flows. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed.

Settlement of liabilities through electronic payment systems – stakeholders highlighted challenges in applying the derecognition requirements in IFRS 9 to the settlement of a financial asset or a financial liability via electronic cash transfers. The amendments clarify the date on which a financial asset or financial liability is derecognised. The IASB also decided to develop an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual improvements – Volume 11

IASB issued Annual Improvements to IFRS Standards – Volume 11 containing mainly the following amendments to IFRSs:

- IFRS 1 on hedge accounting by a first-time adopter – The amendment addresses a potential confusion arising from an inconsistency in wording related with hedge accounting, IFRS 1 and IFRS 9;

- IFRS 7 on gain or loss on derecognition – The proposed amendment addresses a potential confusion in IFRS 7 arising from an obsolete reference on IFRS 13 at issuance date;

- IFRS 7 on disclosure of deferred difference between fair value and transaction price – The amendment addresses an inconsistency between IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13;

- IFRS 7 on introduction and credit risk disclosures – The proposed amendment addresses a potential confusion in the implementation guidance accompanying IFRS 7 because that it fails to state that the example does not illustrate all the requirements of IFRS 7;

- IFRS 9 on lessee derecognition of lease liabilities – The proposed amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability;

- IFRS 9 on transaction price – The amendment addresses a potential confusion arising from a reference in FRS 9 to the definition of "transaction price" in IFRS 15 while term "transaction price";

- IFRS 10 on the determination of a "de facto agent" – The amendment addresses a potential confusion arising from an inconsistency on IFRS 10 related to an investor determining whether another party is acting on its behalf;

- IAS 7 on the cost method – The amendment addresses a potential confusion in applying IAS 7 that arises from the use of the term "cost method" that is no longer defined in IFRS Accounting Standards.

- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The IASB has issued targeted amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" to address the challenges in accounting for electricity contracts that depend on uncontrollable natural factors, such as weather conditions.

The objective of these amendments is to provide clarity and improve the transparency of financial statements for entities engaged in such contracts.

The main changes in the amendments comprise:

- Clarification of "Own-use" Requirements: The amendments clarify the application of the "own-use" exemption for contracts that are intended to be settled by the delivery of non-financial items (e.g., electricity) for the entity's own use

- Hedge Accounting: The amendments permit hedge accounting for these contracts if they are used as hedging instruments, allowing entities to better reflect the economic effects of these contracts in their financial statements

- Enhanced Disclosure Requirements: New disclosure requirements have been added to IFRS 7 to help investors understand the impact of these contracts on a company's financial performance and cash flows. This includes information on the nature and extent of risks arising from these contracts

The amendments to IFRS 9 and IFRS 7 are applicable for annual periods beginning on or after 1 January 2026, with earlier application permitted.

- IFRS 18 – Presentation and Disclosure in Financial Statements

The IASB has issued the new standard IFRS 18 "Presentation and Disclosures in Financial Statements" that will replace IAS 1 "Presentation of Financial Statements". In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

The main changes in the new standard compared with the previous requirements in IAS 1 comprise:

- The introduction of categories and defined subtotals in the statement of profit or loss that aim at additional relevant information and provide a structure for the statement of profit or loss that is more comparable between entities

- The introduction of requirements to improve aggregation and disaggregation that aim at additional relevant information and ensure that material information is not obscured

- The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements that aim at transparency and discipline in the use of such measures and disclosures in a single location

The targeted improvements to IAS 7 aim at improved comparability between entities. The changes include:

- Using the operating profit subtotal as the single starting point for the indirect method of reporting cash flows from operating activities; and

- Removing the presentation alternatives for interest and dividends.

The amendments to IFRS 18 are applicable for annual periods beginning on or after 1 January 2027, with earlier application permitted.

The Group anticipates that the application of these amendments may impact the consolidated financial statements in future periods.

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The IASB has published the new standard IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- It is a subsidiary (this includes an intermediate parent)

- It does not have public accountability, and

- Its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or

- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The Group does not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements.

Climate change and ESG

Ferring Group has continued to advance its commitment to climate change and ESG (Environmental, Social, and Governance) principles, documenting its performance in the 2024 Sustainability Report in accordance with the Swiss Code of Obligations for non-financial reporting. Additionally, we have applied the European Sustainability Reporting Standards (ESRS), as we move towards compliance with the Corporate Sustainability Reporting Directive (CSRD). In preparation for 2025 reporting, we have conducted a further materiality assessment to identify Ferring's material topics which will allow us to establish priorities, targets and metrics to track progress.

Recognising the urgent challenges posed by climate change, we established near-term reduction targets for greenhouse gas (GHG) emissions in 2024, as well as a decarbonisation plan for Scope 1 and Scope 2 emissions in line with the Paris Agreement. The decarbonisation roadmap will be built into the business plans and budgets for the activities and business areas in scope. The roadmap contains annual targets which will be included in functional scorecards, and associated CapEx and OpEx will be prioritised in the budget to ensure these targets are reached.

A climate risk scenario for 2030 and 2050 has been prepared by Ferring Group insurers from a property loss perspective for the largest sites. The September 2024 analysis used the Sixth Assessment Report (AR6) of the UN Intergovernmental Panel on Climate Change (IPCC) to assess physical risks under three climate change scenarios (RCP 2.6, RCP 4.5, RCP 8.5). The assessment identified exposure to extreme precipitation, wind, temperature, drought, and sea level rise by 2030, with recommendations for resiliency but no required actions. In 2024, Ferring Group began to assess climate-related impacts, risks, and opportunities according to the European Sustainability Reporting Standards (ESRS) which will take into consideration financial impacts of significant physical and transition risks, potential benefits from climate-related opportunities and physical climate risks throughout the supply chain.

Referring to our social responsibility, we continued with our Project Family: Safe Birth initiative, which seeks to reduce maternal deaths in some of the world's poorest communities. For more information, refer to page 30.

In 2024, Ferring Group received both a Gallup Exceptional Workplace Award and a Don Clifton Strengths-Based Culture Award in recognition of our commitment to developing human potential and putting our people at the heart of our business. We also increased training in diversity, equity and inclusion, and established a Women's Inclusion Group as the first in a series of Global Employee Resource Groups, to help foster a diverse and inclusive workplace.

From a governance perspective, we integrated ESRS topics into Ferring's Enterprise Risk Management to ensure sustainability impacts, risks and opportunities are included in our risk management process. We also introduced a pilot supplier management programme involving 30 companies to raise the profile of ESG criteria throughout our value chain.

Ferring Group is aligning financial reporting with the new IFRS issued by the International Sustainability Standards Board (ISSB).

Presentation of financial statements

The consolidated financial statements are presented in Euros because the largest part of the Group's transactions are denominated in Euros.

3. Accounting policies

Basis of preparation and presentation

The Ferring Group consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Scope of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is equal to the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised 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 recognised and measured in accordance with IAS 12 and IAS 19 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
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent consideration liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in the statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of income.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A listing of the Group's principal subsidiaries is provided in Note 38 Principal subsidiary companies.

Foreign currency transactions and translation

Assets and liabilities of foreign entities are translated into Euros at the closing exchange rate on the balance sheet date.

The statement of income is translated into Euros at the average exchange rates for the year, except for foreign operations in hyperinflationary economies. Exchange rate differences arising from the translation of the financial statements of foreign entities are recorded in the cumulative translation differences in shareholder's equity. On disposal of a foreign entity, such translation differences are recognised in the consolidated statement of income as part of the gain or loss on sale.

The Company and Group subsidiaries record all transactions using the currency of the primary economic environment in which the subsidiaries operate (the functional currency). Foreign currency transactions in the subsidiaries are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Goodwill and fair value adjustments arising from an acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Hyperinflation

The Group for any hyperinflationary economy, restate non-monetary positions on the balance sheet of the financial statements with the help of a conversion factor (presenting it at the measuring unit current, to reflect their fair value).

The conversion factor is mainly the cumulative inflation rate for balance sheet positions.

To estimate the potential impacts on Group accounts from the application of IAS 29, the balance sheet positions are revalued, and the potential impact derived. Tangible assets, intangible assets and deferred taxes are revalued as well as the equity. Remaining positions are either monetary items, which are not revalued or lower balances items with a shorter life span, and thus should not have any significant impact.

The hyperinflationary economies in which the Group operates are Argentina and Turkey.

Following the acquisition of the Massone Group in 2023, the Group applied IAS 29 "Financial Reporting in Hyperinflationary Economies" for the first time in 2023.

For subsidiaries in hyperinflationary economies, the application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- Adjustment of the statement of income for inflation during the reporting period;
- Translation of the statement of income at the closing exchange rate instead of an average rate.

Monetary items remain unadjusted as they are already stated in terms of the monetary unit current at the end of the reporting period.

The Argentinian economy was designated as hyperinflationary economy from 1 July 2018. The consumer price index in Argentina has increased by 118% as a result of inflation in 2024. The ARS has devaluated by 17% in 2024. The consumer price index used for hyperinflation accounting in Argentina is sourced from the Argentinian federation FACPCE. The net monetary effect of applying IAS 29 on the Massone operations is included in the other financial income and expense (Note 10).

The prior-year figures of the Argentinian peso are stated in terms of the measuring unit current on 31 December 2023.

Due to various qualitative factors and developments with respect to the economic environment in Turkey, including but not limited to, the acceleration of multiple local inflation indices, the three-year cumulative inflation rate of the local Turkish wholesale price index exceeding 100% at the end of December 2024 and the significant devaluation of the Turkish Lira, Turkey has been designated a hyper-inflationary economy on 1 April 2022.

The application of hyperinflation accounting would require restatement of Turkey's non-monetary assets and liabilities, equity and comprehensive income/(loss) items from the original transaction date when they were first recognised into the current purchasing power which reflects a general price index current at the end of the reporting period. To measure the impact of inflation on its financial statements and results, the Company has used the consumer price index ("CPI") as published by the Turkish Statistical Institute "TURKSTAT". The Turkish Statistical Institute reported a 3-year and 12-month cumulative rate of inflation of 291% and 44.38%, respectively, as of December 2024. The Group has assessed the impacts of this entity on the consolidated financial statements to be immaterial, hence they have not been restated for the effects of hyperinflation.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate the cost of each asset over its estimated useful life as follows:

Land: nil
Buildings: 40 years
Machinery and equipment: 10 years
Vehicles: 4 years
Furniture and fixtures: 5 years
IT equipment: 3 years
Leasehold improvements: remaining lease term or useful life if shorter

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposal of property, plant and equipment are based on their carrying amounts and are included in operating expenses in the consolidated statement of income. At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indication exists, analysis is performed to assess whether the carrying amount of property, plant and equipment is fully recoverable. A write-down is made if the carrying amounts exceed the recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use.

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Leases

The Group as a lessee assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

- Lease terms

Management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. During the financial year ended, there was no material financial effect of revising lease terms to reflect the effect of exercising extension or termination options. There are no expectations from Management changes due to the extension on lease terms/extension options.

Where the rate implicit in a lease is not readily determinable, Management estimates a discount rate that estimates the Group's specific incremental borrowing rate, which represents the rate that the Group would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security, in a similar economic environment.

Regarding the commencement date, Management considers all facts available to determine the date when lease obligation begins, including lease start date, date when rent becomes payable, date when possession/ occupancy is granted and move-in date. Management tends to prevail the date when majority of those criteria is reached.

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

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

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

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

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

During the current financial year, there was no material financial effect of making any such adjustments.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient and is then accounting for each lease component and any associated non-lease components as a single lease component.

Intangible assets

Expenditure on acquired intellectual property and licences is capitalised and amortised using the straight-line method over their useful lives (between 7 and 10 years or useful life if longer). Amortisation of these licence intangible assets is included in other operating expenses.

Intangible assets under development and not available for use are tested annually for impairment and other intangible assets are tested when there is an indication of impairment loss or reversal. Where testing is required, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss or reversal. The carrying value of licence intangible asset is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Impairment of licence intangible asset is included in other operating expenses.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Costs associated with developing pharmaceutical products are recognised as an intangible asset as from the day that the criteria for their recognition are met. These criteria are deemed to be met when filing for regulatory approval takes place, but a risk assessment on the probability of obtaining the regulatory approval may delay the recognition as an intangible asset until reasonable assurance about obtaining the approval. These intangible assets are amortised using the straight-line method over their useful lives (from day of first regulatory approval until end of patent period). Amortisation of these intangible fixed assets is included in other operating expenses.

Contingent milestone payments are recognised at the point that the contingent event becomes probable. Any development costs incurred by the Group and associated with acquired licences, patents, know-how or marketing rights are written off to the income statement when incurred, unless the criteria for recognition of an internally-generated intangible asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

Costs that are directly associated with identifiable and unique software products controlled by the Group and will generate probable future economic benefits exceeding costs beyond one year, are recognised as intangible assets and amortised using the straight-line method over their useful lives (7 years or the term of the lease if shorter).

At each balance sheet date the Group assesses whether there is any indication of impairment of other intangible assets. If such indication exists, analysis is performed to assess whether the carrying amount of the intangible assets is fully recoverable. A write-down is made if the carrying amounts exceed the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent consideration liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill on acquisition of subsidiaries is included in intangible assets. If, 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 recognised immediately in the statement of income as a gain on acquisition.

Any amount of the purchase price which effectively comprises a settlement of a pre-existing relationship is not part of the exchange for the acquiree and is therefore not included in the consideration for the purpose of applying the acquisition method. Settlements of pre-existing relationships are accounted for as separate transactions in accordance with the relevant IFRS standards.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Impairment of goodwill is included in other operating expenses. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Acquisition accounting

The Group initially recognises the fair value of the net identifiable assets acquired, the liabilities assumed, any non-controlling interest and the consideration transferred in a business combination (after determining whether the transaction or event is a business. identifying the acquirer and determining the acquisition date). Management judgement is particularly involved in the assessment of whether the net assets acquired constitute a business and, in the identification, in the recognition, and fair value measurement of intellectual property, tangible and intangible assets, inventories, contingent liabilities and contingent consideration in measuring such consideration.

In making this assessment, Management applies judgement in considering the underlying economic substance of the items concerned in addition to the contractual terms. When considered appropriate as a result from its judgement, Management also applies the optional "concentration test" as set out in IFRS 3 "Business combinations" to aid the assessment of whether a transaction represents a business combination or is simply in substance the purchase of a single asset or group of similar assets. Based on the outcome a goodwill or a gain on acquisition will be recognised, and the subsequent measurement and accounting is made.

Financial assets

The Group recognises a financial asset on the trade date at which it becomes a party to the contractual obligations of the instrument. The Group measures financial assets at either amortised cost, fair value through profit or loss (FVTPL), or fair value through other comprehensive income (FVTOCI).

The Group has the following categories of financial assets:

- Financial assets measured at amortised cost.
  A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- The asset is held within a business model with an objective to hold assets in order to collect contractual cash flows;

- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

- Financial assets measured at fair value through profit or loss.
  Financial assets other than those classified as measured at amortised cost are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

- Financial assets measured at fair value through OCI.
  For investments in equity instruments that are not held for trading, the Group elected at initial recognition to present gains and losses in other comprehensive income.

The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value. If there is subsequent evidence of a significant increase in the credit risk of an asset, the allowance is increased to reflect the full lifetime ECL. If there is no realistic prospect of recovery, the asset is written off. Expected credit losses are recognised in the income statement on financial assets measured at amortised cost and at fair value through other comprehensive income apart from equity investments. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

These could be general trends and changes in the economy, such as inflation/growth rates, unemployment rates, interest rates or foreign exchange (FX) rates. In addition, there could be further industry or geography-specific indicators that might have a significant impact on inferring future default levels.

Fair value of financial instruments

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. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. In the case of financial instruments for which there is no active market, fair value is determined using valuation techniques such as recent arm's length market transactions, the current market value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on de-recognition of an investment in equity instrument, which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

De-recognition of financial liabilities

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

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, and interest rate swaps. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. The interest rate swap contract and cross currency swap for the Swiss bonds qualify for hedge accounting.

The Group chooses to apply the treatment in IFRS 9:6.5.15 to the foreign currency basis spread and forward elements of the cross-currency swap; consequently, the change in the fair value movement excluded from the hedge relationship is recognised in other comprehensive income (OCI) to the extent it relates to the hedged item and is then amortised to the profit or loss.

There is a close economic relationship between the hedged items (bonds) and hedging instruments (Cross Currency Swaps CCS). The foreign exchange risk of the proceeds and future interest payments plus the principal at maturity are fully offset by the CCS. The nature of the CCS is to reduce the FX risk on the proceeds from issuing the CHF nominated bond; the future interest payments and the principal at the maturity of the bond.

The Group settles the difference between the Euro and CHF rates for interest payment on an annual basis. The CCIRS are designated as cash flow hedges, thereby reflecting the EUR interest rate paid in the P&L with FX movements reflected Other Comprehensive Income.

For each of the bonds issued, the Group entered into a cross-currency interest swap (CCIRS) with several banks.

The Group received CHF proceeds on the starting day of the bond and the same day exchanged those into EUR, the functional currency. During the lifetime of the bond yearly interest payments to investors are being paid in CHF and those payments are offset 1 to 1 with

the hedge, as a result the Group decided to present them net in the cash flow statement. At maturity of the bond the full principal in CHF will be repaid and that is also offset 1 to 1 in the hedge instrument.

The hedge ratio is 100% as the Group has fully hedged 100% of the proceeds; future interest payments and final principal at maturity of the bond as described previously.

As the CHF interest and principal payments of the bond match the CHF payments to be received from the CCS, we do not expect any hedge ineffectiveness.

The Group documented the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment of whether this derivative is highly effective, both at hedge inception and on an ongoing basis. The effective portion is recognised in other comprehensive income. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of income over the period to maturity. The interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument based are not altered as a result of Interest Rate Benchmark Reform Phase 2.

The fair values of various financial instruments used for hedging purposes are disclosed in Note 29 and Note 30.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first in, first out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct cost and related production overheads. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expense.

Trade receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Group applies the IFRS 9 simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for trade receivables. When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement. Subsequent recoveries of amounts previously provided for or written off are credited to the statement of income.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Held for sale assets

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method: any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The capitalisation rate for general borrowing costs represents the weighted average of the borrowing costs applicable to the Group outstanding borrowings during the period, excluding specific borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Bonus and incentive plans

The Group recognises a liability and an expense for bonuses and incentives, based on the achievement of certain key performance indicators. It recognises a provision where contractually obliged or when a constructive obligation exists. In addition to short-term bonuses and incentives, the Group has established a discretionary long-term incentive plan for Senior Management and other key executives. Liabilities recognised in respect of short-term bonus and incentives are measured at the undiscounted amount of the benefits expected to be paid. Liabilities recognised in respect of long-term incentive plan are measured at the estimated future cash outflows. The current plans are based on the achievement of certain key performance objectives including revenues, operating earnings over future periods, and free cash flow generation.

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefit liabilities

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation; it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Provisions are measured at the present value representing the time value of money and the risks specific to the obligation. The Group does not have any material onerous contracts.

Accruals, other taxes and social security liabilities and other liabilities

Accruals, other taxes and social security liabilities and other liabilities are recognised when the Group has a present legal or constructive obligation as a result of past events. These liabilities are measured at the present value representing the time value of money based on contractual arrangements and goods or services consumed, but not yet invoiced. These liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade accounts payable

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Deferred income

Income from government grants and collaboration agreements are deferred and recognised in the statement of income over the period necessary to match them with the related costs for which they are intended to compensate. Licensing and royalty income is deferred and recognised in the statement of income over the licensing term in the relevant agreement.

Revenue recognition

The Group recognises revenue from the following major sources:

- Sales of goods (drugs and medical devices)
- Revenue/royalty from licences
- Income from sale of research projects

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sales of goods (drugs and medical devices) are recognised at a point in time when goods are transferred physically to the customer based on Incoterms or handover, net of sales taxes and discounts, and after eliminating sales within the Group. The sale of drugs with medical devices is considered as one performance obligation with no further unbundling required.

Provisions for product returns are recognised in the same period as the related sales are recorded as a reduction of sale of goods, based on the contract terms and historical experience.

Royalty, licensing income and collaboration agreements are recognised in accordance with the economic substance set out in the relevant agreement. The appropriate timing of revenue recognition will be determined based on the right to access the entity's intellectual property as it exists throughout the licence period or the right to use the entity's intellectual property as it exists at the point in time at which the licence is granted.

Income from sale of research projects is recognised at a point in time when the transfer of all economic, legal and beneficial rights of the IP are made including the relevant know-how. The associated costs were not capitalised but charged to the statements of income in the period they occurred.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividends

Dividends are recognised in the period in which they are approved at the Company's Shareholder's Annual General Meeting.

Distribution expenses

All costs associated with the distribution of the Group's products sold during the year are expensed in the financial period during which they are incurred.

Sales and marketing expenses

All costs associated with advertising and promoting products are expensed in the financial period during which they are incurred.

Research and development expenditures

Research costs are charged against income as incurred, except for buildings and major items of equipment and material used for development activities, which are capitalised and depreciated. Development costs are also charged against income as incurred unless the criteria for their capitalisation is met. In this case the costs are capitalised and amortised using the straight-line method over their useful lives (from day of first regulatory approval until end of patent period).

Other operating expenses

Other operating expenses are charged to net income as incurred except for amortisation of intangible assets, which follows the straight-line method. These expenses include charges for litigation, restructuring, reorganisation, impairment, amortisation of patents, trademarks and other intangible fixed assets, the effects of adjustments of the probabilities of contingent consideration milestone liabilities.

4. Critical accounting estimates, assumptions, and judgements

In preparing the financial statements, Management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Actual amounts and results could differ from those estimates. The following are considered to be the critical accounting judgements and key sources of estimation uncertainty.

Key sources of estimation uncertainty

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

- **Revenue**

Gross sales are reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangement. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience. The main types of discounts granted by the Group in the United States are chargebacks, Heart Rebate and Managed Care, which are also the types of discounts with the most significant areas of estimation and judgement in the Group. The key sources of estimated uncertainty include the projection of the number of units sold that will be subject to discounts, the time lag between the initial point of sale and the claim receipt, and amount of rebate per product.

The Group has recognised revenue with a corresponding provision against revenue for estimated returns, which are deemed to be immaterial. As the amounts are estimated they may not fully reflect the outcome, and the amounts are subject to change dependent upon, amongst other things, the types of product sales mix. The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Due to the nature of those accruals, it is not practicable to give meaningful sensitivity estimates due to the large volume of variables that contribute to the overall rebates, chargebacks, returns (Note 27).

- **Pension liability**

The valuation of the Group's defined benefit obligation is a critical estimation due to the significant impact of the assumptions used in the calculation. These assumptions include:

Discount rate: The discount rate is set by reference to market yields at the end of the reporting period on high-quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived.

Future salary increases: Assumptions about the rate at which salaries will increase over time. These assumptions are critical as they directly affect the projected benefit obligations.

Pension increases: Assumptions about the rate at which pensions will increase. These assumptions impact the future cash outflows and the present value of the defined benefit obligation.

Life expectancy: Assumptions about the longevity of pension plan members. The Group makes allowance for future anticipated improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, pensions would be paid for longer, and consequently, the plan's liabilities would increase.

These assumptions are considered key sources of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's financial statements within the next year. Given the volatility of financial markets and demographic trends, there is a material risk that these assumptions may need to be adjusted within the next 12 months, which could significantly impact the valuation of the pension liability.

Further information on the carrying amounts of the Group's defined benefit obligation and the sensitivity of those amounts to changes in discount rate, future salary increases, pension increases, and life expectancy are provided in Note 22.

- **Income taxes**

Management judgement is required in determining the worldwide provision for income taxes. The Group's current tax provision relates to Management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with relevant Tax Authority. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. The Group recognises liabilities for anticipated tax audit issues based on estimates for potential additional taxes, which are deemed to be immaterial (Note 11).

- **Contingent consideration liabilities**

Any contingent consideration included in the consideration payable for a business combination is recorded at fair value at the date of acquisition. These contingent considerations result, in most business combinations, from sales and product development milestones. These fair values are generally based on risk-adjusted future cash flows discounted using appropriate interest risk free rates. The fair values are reviewed on a regular basis, at least annually, and any changes are reflected in the income statement (Note 25).

Contingent milestone liabilities (other than those arising from business combinations) are recognised when the contingent event becomes probable which involves Management judgement about future uncertain events. Contingent milestone liabilities that do not meet the probability threshold are disclosed as contingent liabilities (Note 31).

- **Legal provision**

Management makes a judgement of whether there is sufficient information to be able to make a reliable estimate of the likely outcome of the dispute and the legal and other expenses arising from claims against the Group. If insufficient information is available, no provision is made and disclosure of the claim is given. The estimated provisions take into account the specific circumstances of each dispute and relevant external advice, are inherently judgemental and could change substantially over time as each dispute progresses and new facts emerge (Note 23).

The company's Directors, having taken legal advice, have established provisions after taking into account the relevant facts and circumstances of each matter and in accordance with accounting requirements. Legal risks include potential products liability claims or lawsuits, and a provision is made when there is sufficient information to make a reliable estimate.

The ultimate liability for legal claims may vary from the amounts provided and is dependent upon the outcome of litigation proceedings, investigations and possible settlement negotiations. The position could change over time and, therefore, losses that result from the outcome of any legal proceedings can exceed the amount of provisions reported in the Group's financial statements by a material amount.

- **Impairment of goodwill, intangible assets and property, plant, and equipment**

Management assesses the Group's intangible assets annually for impairment, testing the recoverable value of goodwill, assets under development, and any asset for which impairment indicators are identified, against the carrying value. These tests require Management to apply assumptions and estimates (impact of impairment is disclosed in Notes 12 and 13). Generally, a discounted cash flow approach is used to assess the value in use of the relevant asset or CGU.

The gross margins used in the impairment tests are based on an average of the last reporting period and the next budget period for Cash Generating Units (CGUs), which are already generating sales, and a projected margin taking into consideration anticipated future sales and raw materials cost assumptions for CGUs covering a product in development. For this second group of CGUs whose products are under development, sales projections are built based on market research, number of potential future patients, level of product acceptance and price at which the Group anticipates that products will be sold.

The discount rates used are based on the asset or CGUs specific circumstances and are derived from the Group's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's shareholder. The cost of debt is based on the projected interest-bearing borrowings the Group is obliged to service, CGU-specific risk is incorporated by applying an individual risk premium dependent on each CGU, and to the extent to which risks are incorporated into the cash-flow projections.

The projection period of the cash flows is based on financial forecasts and depends on the specific nature of each product and its stage in the market (pre-launch, recently released or mature in the market) and are approved by Management. As a principle, the projection period tends to be 5 years, but this period may be extended as a result of the mentioned stage in market. Specifically, for CGUs whose products are being sold at a stable/consistent pace, 5 years period is used; for CGUs whose products are under development or are just reaching the selling stage, the projections cover 10 years depending on specifics of each product/ market and current stage of development, provided that Management has enough information to build reliable projections. Also, Management found that the use of a forecast period greater than five years was appropriate due to the life cycle of products from development to commercialisation. The Group can accurately project 5 (and in some cases more) years from the date of first sales but when that date of first sales is a few years away, Ferring is also able to accurately project the development costs before first sales, then extending the period to cover the first 5 years of sales.

All significant assets capitalised as of December 2024 are expected to last for a minimum period of 10 years. Management is able to make reliable estimates over the period of the licences which usually exceeds 5 years. Depending on the asset, a finite terminal value is also applied and uses a terminal growth rate.

These assumptions and estimates are critically reviewed and diligently assessed by the Management. They are also subject to sensitivity analysis to measure the impact of changing these assumptions on the recoverable amount of the CGUs (Notes 12 and 13).

- **Fair value measurements and valuation process**

The Group measures certain financial instruments, such as derivatives and equity investments, at fair value at each reporting date. 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.

Level 2 Fair Value Measurements:

- Financial assets: The Group's financial assets measured at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI) include interest rate swap, equity securities and other debt instruments. These are valued using inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices)

- Financial liabilities: The Group's financial liabilities measured at FVTPL include trading derivatives and other derivative instruments. These are valued using inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices)

5. Operating segments

The Group operates in one segment and as a consequence no split of operating segments is presented. The Group operating result and the cash flows are the main indicators followed by the Executive Committee to measure the performance as a whole.

Geographical and therapeutic area information

The net sales of goods to external customers by Management's geographical groupings are broken down below:

	2024	2023	Performance growth
United States	1,092,173	980,257	12.1%
Western Europe and Canada	469,861	463,619	1.2%
Intercontinental	396,135	368,906	12.6%
Japan – Australia – Korea	178,930	194,870	-4.5%
Greater China	121,046	132,911	-6.8%
Direct third party sales	19,190	18,122	6.1%
Total sales of goods	2,277,335	2,158,685	7.1%

The split of net sales of goods reflects the commercial management organisation, which is largely driven by location of customers. The Direct Third Party Sales category represents a small group of customers in different locations without commercial management responsibility. The Ferring Group has one customer in United States group who accounts for 12% of the total sales (2023: 10.4%).

The split by geography of other items included in the Group's revenue and non-current assets is not used nor relevant for the management reporting therefore the information is not available and the cost to develop it would be excessive.

The net sales of goods from external customers by therapeutic franchises are broken down below:

	2024	2023	Performance growth
Reproductive Medicine	1,089,192	992,812	10.8%
Gastroenterology	501,514	491,347	4.2%
Uro-Oncology & Urology	356,008	311,765	16.8%
Established brands	330,621	362,761	-7.8%
Total sales of goods	2,277,335	2,158,685	7.1%

The established brands represent products not listed in the above therapeutic franchises, that are well established in the market and that do not require further investment from the Group for their development.

The performance growth percentage reflects the growth versus last year excluding the effect of movement in exchange rates and Argentina due to hyperinflation.

The 2023 and 2024 geographical and therapeutic franchises information are presented in line with the new operating model designed by Management.

6. Revenues

	Notes	2024	2023
Sales of goods		2,277,335	2,158,685
Royalty income		4,623	7,669
Income from transfer of research projects	*33*	32,900	-
Other income		28,003	30,114
Total revenues		2,342,861	2,196,468

The 10 main products contributing to the net sales of goods are:

	2024	2023	Performance growth
Menopur	922,611	815,652	14.2%
Pentasa	342,146	330,910	5.4%
Minirin	164,773	180,763	-6.2%
Euflexxa	126,811	129,380	-1.8%
Firmagon	120,824	127,777	-3.5%
Propess	101,635	104,798	-2.1%
Rekovelle	70,520	54,901	31.0%
Adstiladrin	69,891	2,693	2,510%
Picoprep	60,246	66,359	-4.8%
Pabal	38,510	43,682	-10.3%
Total top 10 products	2,017,967	1,856,916	
% of total net sales of goods	88.6%	86.0%	

The Performance Growth percentage reflects the growth versus last year excluding the impact of changes in the exchange rate and Argentina, which is an alternative performance measure not defined by IFRS. This is a measure used by Management to measure the period over period evolution of the net sales. The Group applies last year's exchange rate to current year's numbers to present comparable figures.

The Group recognises the revenue from sales of goods at the point in time when the control over the goods is passed to the customer, which can vary according to Incoterms or specific arrangements, but mostly occurs upon delivery to the customer.

Revenues recognised in the year are presented net of a charge of **€11,027** (2023: €1,380) arising from changes of returns provision (Note 23).

Royalty income arises principally from sales under licences held in North America and Japan.

The income from research projects relates to transfer of an in-house developed Phages and α4ß7 research to Ferring Ventures SA, a related party. It is included in the other income line in the Consolidated statement of income (Note 33). No significant intangible assets in relation to Phages and a4B7 research projects have been capitalised by the Group prior to the sale.

Other income mainly consists of income from out-licencing arrangements, co-promotion agreements, manufacturing services and development services.

(Amounts expressed in thousands of Euros)

7. Staff costs

	Notes	2024	2023
Wages and salaries		729,282	679,006
Social security costs		101,162	91,711
Termination benefits		5,797	9,713
Relocation		2,732	4,627
Restructuring	*8*	3,246	18,698
Pension costs: defined contribution plans		27,584	25,730
Pension costs: defined benefit plans	*22*	20,811	14,245
Capitalised in intangible assets related to the One ERP project	*13*	(9,792)	(10,105)
Total		880,822	833,625

€9,874 (2023: €9,218) of the total amount of staff costs were related to our benefits package "Building Families at Ferring", launched in 2022.

The staff costs are recorded in the consolidated statement of income in the following expense captions:

	2024	2023
Cost of sales	306,395	261,393
Sales and marketing expenses	250,787	252,705
Research and development expenses	170,385	157,868
General and administration expenses	135,433	134,957
Other operating expenses	17,822	26,702
Total	880,822	833,625

(Amounts expressed in thousands of Euros)

8. Other operating expenses

	Notes	2024	2023
Litigations	*23*	19,887	374
Restructuring of collaboration expenses/(gains)		-	(5,065)
Amortisation of intangible assets	*13*	31,474	40,126
Restructuring expenses	*7*	3,246	18,698
Reorganisation expenses and projects		38,921	18,549
Contingent consideration adjustments, net	*25*	(300)	(7,835)
Recovered provision for default on loan		-	(736)
Other projects		9,329	12,835
Total other operating expenses as presented in the consolidated statement of income		102,557	76,946

Separately presented in the statement of income:
The impairment losses relate to:

Property, plant and equipment	*12*	512	10,090
Intangible assets	*13*	7,083	118,980
Right of use of leased assets	*14*	-	(387)
Loans to third parties	*16*	2,402	-
Prepayments	*18*	2,220	10,676
Total impairment		12,217	139,359
Total other operating expenses		114,774	216,305

Litigations

The litigation line includes the discounted amount of a litigation provision of **€22,146** connected to Ferring Microbiome Inc. The amount is the best estimate of the potential cash outflow based on the verdict of the U.S. District Court jury in August 2024. Management judgement is required in estimating the liabilities and expenses with regard to litigations that are not well advanced.

In November 2024, the litigation provision connected to a case with the Italian health authorities regarding Menopur® was fully released with **€2,700** of credit impact included in Other operating expenses (Note 23).

Restructuring of collaboration expenses/(gains)

In 2023 the restructuring of collaboration expenses comprises the reversal of the value of the option recognised in 2022 regarding the contract with Blackstone Life Sciences ("Blackstone") for €5,065 as the option was not exercised.

Impairment

In 2024, the Group decided to discontinue the Olamkicept project leading to an impairment on the intangible assets of **€5,239** and **€1,815** of prepaid R&D material costs. In December 2024 the Lifecore assets, which were connected to a back-up site for a manufacturing entity in Israel were impaired by **€1,256** (Note 13).

(Amounts expressed in thousands of Euros)

In December 2024, an impairment of **€2,402** was recognised on loans to third parties as recoverability of the loan was assessed low (Note 16).

In 2018, through the acquisition of Ferring Microbiome Inc., previously Rebiotix Inc, the Group acquired in-development assets and goodwill related to microbiome technology. In December 2023 an impairment totalling €115,225 was recognised on Rebiotix's goodwill, development expenses capitalised, licences (Note 13) and tangible fixed assets.

In 2023, the operations at Ferring Research Institute were redefined following implementation of a new operating model for global drug discovery and external innovation leading to assets becoming obsolete. Therefore, assets of €6,668 were impaired.

Ferring decided to discontinue the Milprosa project in 2023, as a consequence the related assets of €16,020 have been impaired. In addition the intangible assets regarding Cetrorelix (excluding China) were impaired with a Consolidated Statement of Income impact of €9,095.

In 2023 approval was obtained for Cortiment® MMX™, in Japan, allowing Ferring to proceed with the launch of Cortiment. This approval made it possible to reverse the impairment recognised previously in the amount of €7,925.

The annual impairment tests carried out on the carrying value of goodwill are detailed in Note 13.

Restructuring expenses

The Group started few years ago a company-wide initiative with the goal of transforming the Group structures, processes and resources to create efficiency improvements to drive future growth. As a result, the Group has started building restructuring provisions in line with IAS 37. In 2023, the restructuring expenses were mainly connected to restructuring of the commercial and manufacturing operation of Ferring Microbiome Inc. and the research operations in the USA. In 2024, they continue to be mostly related to the manufacturing operation of Ferring Microbiome Inc. and to commercial activities in Asia (Note 23).

Reorganisation expenses and projects

The reorganisation expenses are mostly related to projects containing personnel costs and consulting services rendered. The main projects include the OneERP program with the objective to unify the ERP systems across the Group, business process re-engineering program and several manufacturing projects ongoing.

Contingent consideration adjustments, net

In 2023, the intangible assets regarding Cetrorelix (excluding China) have been impaired and the connected contingent consideration liability has been also released (€7,835).

Other projects

The other projects represent the Group's sponsorships to scientific programs and institutions as well as charity donations, and donations to various museums and cultural activities.

9. Operating profit

Operating profit reflects the following charges/(credits):	*Notes*	2024	2023
Staff costs	*7*	880,822	833,625
Depreciation of property, plant and equipment	*12*	54,250	52,264
Impairment of property, plant and equipment	*12*	512	10,090
Depreciation of right-of-use assets	*14*	33,130	33,608
Impairment of right-of-use assets	*14*	-	(387)
Amortisation of intangible assets	*13*	67,874	70,599
Impairment of intangible assets	*13*	7,083	118,980
Impairment of other receivables and prepayments	*8*	2,220	10,676
Impairment of loans to third parties	*8*	2,402	-
Inventories			
Cost of inventory included in cost of sales	*17*	548,397	453,689
Write-down of inventories	*17*	58,613	46,812
Leases			
Short-term lease charge	*14*	2,250	1,525
Low-value lease charge	*14*	98	110
Variable lease payments	*14*	3,187	2,511

10. Finance income and expense

Income	2024	2023 restated
Interest income	29,206	17,520
Foreign exchange gains	79,901	72,976
Other financial income	8,106	7,959
Total income	**117,213**	**98,455**
Expense		
Interest expenses	(76,890)	(39,101)
Foreign exchange losses	(32,572)	(89,867)
Other financial expenses	(25,646)	(16,629)
Total expense	**(135,108)**	**(145,597)**
Total	**(17,895)**	**(47,142)**

(Amounts expressed in thousands of Euros)

The net interest result consists of:

Net interest result	Notes	2024	2023 restated
Interest income on bank deposits		29,206	17,520
Interest expense on bonds		(22,508)	(12,753)
Interest expense on other borrowings, swaps and others		(15,903)	(5,634)
Interest expense on lease liabilities	*14*	(7,532)	(6,742)
Interest expense on defined benefit pension obligation	*22*	(1,119)	(797)
Unwinding of discount and changes in discount rates on contingent consideration liabilities	*25*	402	(2,993)
Unwinding of discount on financial liabilities	*26*	(36,839)	(14,272)
Unwinding of discount on provisions		(189)	-
Total interest expense for financial liabilities		**(54,482)**	**(25,671)**
Less: amounts included in the cost of qualifying assets	*12*	6,798	4,090
Total		**(47,684)**	**(21,581)**

Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of **3.52%** (2023: 3.01%) which correspond to an amount of **€6,798** (2023: €4,090) regarding the manufacturing projects under construction in Germany, USA and India.

The net foreign exchange result consists of:

Net foreign exchange result		
Revaluation of balance sheet items denominated in foreign currencies	44,188	(40,872)
Results from hedging activity	2,501	27,094
Financial result hyperinflation	640	(3,113)
Total	**47,329**	**(16,891)**

The net other financial income and expenses finance result consists of:

Net other financial income and expenses			
Remeasurement of financial liabilities	*26*	(13,169)	3,592
Bank charges and other finance charges		(8,092)	(2,586)
Net monetary gain/(loss) arising from hyperinflationary economies		3,721	(9,676)
Total		**(17,540)**	**(8,670)**

In relation to the hyperinflation accounting for the operations in Argentina, the Group recognised a net monetary gain of **€3,721** (2023: a loss of €9,676) to adjust transactions recorded during the period into a measuring unit current as of 31 December 2024 as a result of the change in the conversion coefficient during the year ended 31 December 2024.

(Amounts expressed in thousands of Euros)

11. Income taxes

	2024	2023 restated
Income before taxes from continuing operations	173,888	92,298
Current income tax expense	84,628	39,567
Deferred tax credit	(49,507)	(60,539)
Total income tax expense/(credit)	35,121	(20,972)
Effective tax rate	**20.2%**	**-22.7%**

The main elements contributing to the difference between the Group's overall expected tax rate (which can change each year since it is calculated as the weighted average tax rate based on pre-tax income of each subsidiary) and the effective tax rate are:

Income before taxes	173,888	92,298
Taxes calculated at weighted average tax rate	30,367	13,824
Non-deductible expenses, tax credit and other permanent differences	19,104	(16,424)
Movements in unrecognised tax carry forward losses	1,219	618
Revisions to prior year taxes	(2,078)	3,986
Effect of unsold inventories	(20,714)	(26,743)
Effect of tax rate changes	865	847
Tax risk provision adjustment	6,358	2,920
Income tax expenses	35,121	(20,972)

The taxes calculated at weighted average tax rate have increased compared to last year to **€30,367** (i.e., 17.5% of the income before taxes). Despite operating and selling predominantly in high tax rate jurisdictions, the Group's tax rate calculated at weighted average tax rate is lower than a normalised average tax rate of between 20% to 22% due to significant tax deductible investments made by Microbiome Inc, a U.S. entity.

The **€19,104** expense is driven by non-tax-deductible financial items per the tax law of several countries, the largest originating in Argentina based on local tax laws (i.e., €7,832).

The effect of unsold inventories represents the net impact of commercial entities incurring deferred taxes on inventories not yet sold to third parties and supplying companies incurring current taxes on inventory sold to commercial entities.

Deferred taxes are calculated on temporary differences under the liability method using the principal tax rate of the applicable jurisdiction.

(Amounts expressed in thousands of Euros)

Gross movement on the deferred income tax	2024	2023 restated
Opening net deferred tax assets	**179,110**	**121,537**
Charged to the statement of income	49,508	60,539
Charged/(credited) to other comprehensive income	(2,797)	3,958
Exchange rate (loss)/gain	12,799	(8,354)
Business combination at acquisition deferred tax asset	-	7,092
Business combination at acquisition deferred tax liability	-	(5,663)
Adjustment with no P&L impact	3,147	-
Closing net deferred tax assets	241,766	179,110

Deferred tax assets as presented on the balance sheet	290,205	213,819
Deferred tax liabilities as presented on the balance sheet	(48,439)	(34,709)
Net deferred tax assets	241,766	179,110

Movement in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction) during the period is as follows:

Deferred tax liabilities	*Notes*	Accelerated tax depreciation	Temporary differences on inventory	Recognised in business combination	Other temporary differences	Total
Opening net book value		**78,056**	**952**	**26,436**	**19,131**	**124,575**
Debited/(credited) to the P&L		(3,572)	9,207	(18,080)	4,122	**(8,323)**
Recognised in business combination	*34*	-	-	4,765	-	**4,765**
Hyperinflation adjustment		-	-	899	-	**899**
Exchange differences loss		(659)	(323)	(1,090)	(1,807)	**(3,879)**
At 31 December 2023		73,825	9,836	12,930	21,446	118,037
Debited/(credited) to the P&L		24,819	2,540	(533)	(10,595)	**16,231**
Hyperinflation adjustment		-	-	-	1,086	**1,086**
Exchange differences loss		84	11	433	(412)	**116**
At 31 December 2024		98,728	12,387	12,830	11,525	135,470

No deferred tax liability has been recognised on temporary differences of **€211,944** relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

The comparative information is restated on account of correction of errors (Note 36)
(Amounts expressed in thousands of Euros)

Deferred tax assets	Stock profit elimination	Provisions for returns	Retirement benefit obligation	Price adjustment	Net operating losses[1]	Other temporary differences	Total[1]
Opening net book value	**101,127**	**7,162**	**3,779**	**4,168**	**20,407**	**109,470**	**246,113**
Credited/(debited) to the P&L	32,250	103	(159)	(1,037)	7,290	13,769	**52,216**
Credited/(debited) to OCI	-	-	3,530	-	-	428	**3,958**
Recognised in business combination	-	-	-	-	-	6,866	**6,866**
Hyperinflation adjustment	-	-	-	-	-	227	**227**
Exchange differences gain	(4,205)	(331)	25	(143)	(1,615)	(5,964)	**(12,233)**
At 31 December 2023	129,172	6,934	7,175	2,988	26,082	124,796	297,147
Credited/(debited) to the P&L	46,608	2,801	41	2,423	1,071	18,127	**71,071**
Credited/(debited) to OCI	-	-	(123)	-	-	(2,674)	**(2,797)**
Adjustment with no P&L impact	-	-	-	-	-	3,147	**3,147**
Hyperinflation adjustment	-	-	-	-	-	(4,247)	**(4,247)**
Exchange differences gain	9,901	156	113	87	434	2,224	**12,915**
At 31 December 2024	185,681	9,891	7,206	5,498	27,587	141,373	377,236

Deferred tax assets are recognised for losses available to carry forward to the extent that the realisation of the related tax benefit is probable. The Group recognised a total accumulated deferred tax asset of **€27,587** (2023: €26,082) for the net operating losses several entities within the Group, which can be detailed as follows:

Country	DTA	Evidence for recognition
Argentina	3,865	Entity receiving cost plus and hence, it is expected that the entity will have sufficient future taxable profits available against which the net operating losses will offset within maximum 2 years
Netherlands	3,442	Entity receiving cost plus and regularly facing additional tax revenues. Hence, it is expected that the entity will have sufficient future taxable profits available against which the net operating losses will offset within 10 years
U.S.	14,951	The deferred tax asset in the U.S. has been recognised in relation to several items with the main item being losses of Ferring Pharmaceuticals Inc. (former FerGene Inc. losses) related to Adstiladrin for €11,292
Other countries	5,329	Entities are operating under cost plus model and are therefore guaranteed to have sufficient future taxable profits available against which the net operating losses will offset within 1 to 8 years depending on the country
Total	27,587	

(1) The comparative information on the net operating losses is restated on account of correction of errors (Note 36)
(Amounts expressed in thousands of Euros)

The deferred tax assets related to the other temporary differences of **€141,373** (2023: €124,797) are mainly related to provisions, accruals and inventory valuation. In most of the jurisdictions the costs related to the provisions and accruals are only tax-deductible upon payment.

Total unrecognised tax losses carried forward amounted to **€56,424** in 2024 (2023: €53,437). Unrecognised tax losses are related to the following countries (and subject to respective expiry dates of): Argentina (5 years), Denmark (indefinite), India (8 years), Indonesia (5 years), Russia (indefinite), Switzerland (7 years), Sweden (indefinite) and Vietnam (5 years). Ferring is monitoring and re-assessing the recognition of tax losses carried forward on a yearly basis.

The tax charge relating to components of other comprehensive income is as follows:

	2024		
	Before tax	**Tax credit/ (charge)**	**After tax**
(Loss)/gain on remeasurements of post-employment benefit obligations	570	(123)	**447**
Reclassification to profit or loss of hedging instruments	7,842	(1,106)	**6,736**
Fair value change on hedging instruments	11,124	(1,568)	**9,556**
Foreign exchange differences on translation of foreign operations	100,813	-	**100,813**
Other comprehensive income	120,349	(2,797)	117,552

Current tax	-
Deferred tax	(2,797)

	2023		
	Before tax	**Tax credit/ (charge)**	**After tax**
(Gain)/loss on remeasurements of post-employment benefit obligations	(25,084)	3,530	**(21,554)**
Reclassification to profit or loss of hedging instruments	1,323	(181)	**1,142**
Fair value change on hedging instruments	(3,620)	496	**(3,124)**
Fair value change on listed securities held as at FVTOCI	548	113	**661**
Foreign exchange differences on translation of foreign operations	(113,077)	-	**(113,077)**
Other comprehensive income	(139,910)	3,958	(135,952)

Current tax	-
Deferred tax	3,958

(Amounts expressed in thousands of Euros)

Pillar II

In December 2021, the OECD issued model rules for a new global minimum tax framework (Pillar Two). Ferring is within the scope of the OECD Pillar Two model rules. A number of governments in countries in which Ferring operates are in the process of enacting or have enacted tax legislation to comply with Pillar Two.

In December 2023, Switzerland partially implemented Pillar Two, whereby effective from 1 January 2024, a 15% minimum taxation is assessed on Pillar Two qualifying profits earned by companies domiciled in Switzerland (Qualified Domestic Minimum Top-Up Tax). This Qualified Domestic Minimum Top-Up Tax (QDMTT) does not apply to the Pillar Two qualifying profits earned by a company's affiliates domiciled in tax jurisdictions outside of Switzerland. The Group estimates that the QDMTT legislation in Switzerland will have no material impact to our consolidated financial position, income statement and cash flows as at 31 December 2024.

In December 2023, Luxembourg implemented Pillar Two including the enactment of the Income Inclusion Rule (IIR) effective 1 January 2024. This IIR imposes a 15% minimum top-up tax on the profits of foreign subsidiaries within the Group. The Group estimates that the IIR will have no material impact to our consolidated financial position, income statement and cash flows as at 31 December 2024.

The Pillar Two tax legislation enacted in 2024 and 2023 in Switzerland, Luxembourg and other countries in which we operate had no material impact to the Company's results of operations, financial condition and cash flows as at 31 December 2024.

The Group continues working on assessing the data, accounting standards, IT requirements and processes required for both short and long-term compliance with the new Pillar Two law and requirements. Finally, the Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in IAS 12.82a.

12. Property, plant and equipment

Year ended 31 December 2023	*Notes*	Land and buildings	Machinery and equipment	Furniture fixtures and other	Assets under construction	Total
Opening net book value		260,239	159,457	18,600	187,547	**625,843**
Additions		5,129	16,406	4,376	115,868	**141,779**
Capitalisation of borrowing costs	*10*	-	-	-	4,090	**4,090**
Acquisition of a subsidiary	*34*	16,394	13,196	546	2,287	**32,423**
Disposals		(1,235)	(286)	(313)	(934)	**(2,768)**
Impairment	*8*	(1,042)	(8,269)	(30)	(749)	**(10,090)**
Transfers		32,654	17,275	3,873	(53,802)	-
Depreciation		(14,235)	(30,385)	(7,644)	-	**(52,264)**
Hyperinflationary adjustment		7,380	5,575	222	275	**13,452**
Exchange rate differences		(19,516)	(13,933)	(1,408)	(4,189)	**(39,046)**
Closing net book value		285,768	159,036	18,222	250,393	713,419
At 31 December 2023						
Cost		462,042	512,220	77,754	250,393	**1,302,409**
Accumulated depreciation and impairment		(176,274)	(353,184)	(59,532)	-	**(588,990)**
Net book value		285,768	159,036	18,222	250,393	713,419

(Amounts expressed in thousands of Euros)

Year ended 31 December 2024	Notes	Land and buildings	Machinery and equipment	Furniture fixtures and other	Assets under construction	Total
Opening net book value		285,768	159,036	18,222	250,393	**713,419**
Additions		4,141	19,213	4,105	125,194	**152,653**
Capitalisation of borrowing costs	*10*	-	-	-	6,798	**6,798**
Acquisition of a subsidiary	*34*	-	253	45	-	**298**
Disposals		(181)	(690)	(262)	(699)	**(1,832)**
Impairment	*8*	-	(405)	-	(107)	**(512)**
Transfers	*13*	763	17,965	5,730	(24,843)	**(385)**
Depreciation		(13,779)	(32,381)	(8,090)	-	**(54,250)**
Hyperinflationary adjustment		10,456	6,593	3,228	403	**20,680**
Exchange rate differences		6,930	1,604	210	4,838	**13,582**
Closing net book value		294,098	171,188	23,188	361,977	850,451
At 31 December 2024						
Cost		489,187	566,755	83,146	361,977	**1,501,065**
Accumulated depreciation and impairment		(195,089)	(395,567)	(59,958)	-	**(650,614)**
Net book value		294,098	171,188	23,188	361,977	850,451

Depreciation expense for the year amounted to **€54,250** (2023: €52,264). This expense has been allocated to the following income statement captions: cost of sales **€38,042** (2023: €35,574); research and development expenses **€8,628** (2023: €10,157); sales and marketing expenses **€2,423** (2023: €2,767) and general and administration expenses **€5,157** (2023: €3,766).

In 2023, the Group acquired a group of subsidiaries (Massone Group in Argentina), including PPE with a value of €32,423 (Note 34).

The Group capitalised borrowing costs amounting to **€6,798** (2023: €4,090) regarding manufacturing projects under construction in Germany, the United States, India and Argentina (Note 10).

The assets under construction include the ongoing construction of a production line for Adstiladrin® in the United States, as well as other manufacturing projects in Germany, India and Israel.

In 2023, the Group recognised an impairment loss of €10,090 mainly related to the discontinuation of the Ferring Research Institute operation in San Diego (€6,668), the Milprosa project in the Scottish manufacturing site (€1,645) and the Microbiome Inc. operations (€1,329, Note 13).

(Amounts expressed in thousands of Euros)

13. Intangible assets

Year ended 31 December 2023	*Notes*	Licences	Goodwill	Capitalised development cost	Software and other intangibles	Total
Opening net book value		534,676	66,770	22,471	107,635	**731,552**
Additions		102,677	-	5,283	41,404	**149,364**
Acquisition of subsidiary	*34*	-	-	-	303	**303**
Disposals		-	-	-	(66)	**(66)**
Impairment	*8*	(69,084)	(39,889)	(10,007)	-	**(118,980)**
Transfers		(44)	-	-	(702)	**(746)**
Amortisation	*9*	(38,404)	-	(1,640)	(30,555)	**(70,599)**
Hyperinflationary adjustment		-	-	-	25	**25**
Exchange rate differences		(3,291)	(886)	(379)	(621)	**(5,177)**
Closing net book value		526,530	25,995	15,728	117,423	685,676
At 31 December 2023						
Cost		884,857	43,229	36,811	271,779	**1,236,676**
Accumulated amortisation and impairment		(358,327)	(17,234)	(21,083)	(154,356)	**(551,000)**
Net book value		526,530	25,995	15,728	117,423	685,676
Year ended 31 December 2024						
Opening net book value		526,530	25,995	15,728	117,423	**685,676**
Additions		8,003	-	769	37,106	**45,878**
Acquisition of subsidiary	*34*	-	1,274	-	2	**1,276**
Disposals		(500)	-	-	(148)	**(648)**
Impairment	*8*	(5,239)	-	-	(1,844)	**(7,083)**
Transfers	*12*	2	-	(88)	471	**385**
Amortisation	*9*	(30,364)	-	(1,111)	(36,399)	**(67,874)**
Hyperinflationary adjustment		-	-	-	98	**98**
Exchange rate differences		1,769	1,135	177	103	**3,184**
Closing net book value		500,201	28,404	15,475	116,812	660,892
At 31 December 2024						
Cost		894,131	45,638	37,669	309,411	**1,286,849**
Accumulated amortisation and impairment		(393,930)	(17,234)	(22,194)	(192,599)	**(625,957)**
Net book value		500,201	28,404	15,475	116,812	660,892

(Amounts expressed in thousands of Euros)

Licences

The licences are principally comprised of the assets related to Adstiladrin® (2024: **€357,972**, 2023: €377,804), Condoliase® (2024:**€69,248**, 2023: €69,248) and Rebyota™(2024: **€26,590**, 2023: €26,959).

Additions in 2024
A sales milestone of **€7,683** has been recognised upon reaching **€200,000** cumulative net sales of Cortiment, in 2024, subsequent to the agreement signed in 2007 with Cosmo Technologies Ltd.

Additions in 2023
In December 2023 the Group acquired from Ferring Ventures SA, a related party, the intellectual property rights connected to Upper Tract Urothelial Carcinoma and Solid Tumour, which is an extension of the Adstiladrin treatment of bladder cancer, for €90,669 (Note 33).

During 2023, the Group entered into a collaboration agreement with PharmaBiome with the objective to further develop the existing microbiome research and development strategy. This has led to an increase in the intangible assets of €6,329. Ferring and Astellas agreed to terminate the former set of agreements related to Degarelix in the Japanese market. As a result, Ferring increased the intangible assets by €5,078 in March 2023.

Impairment tests on assets with no associated goodwill
Impairment tests are performed based on the materiality of the asset and the assessment of the presence of impairment indicators. Based on their significant carrying values and the fact that some products associated are under development, impairment assessments were carried out on the CGUs associated with the following licences.

Adstiladrin®
In December 2014 the Ferring Group and Ferring Ventures Ltd., formerly Trizell Ltd., reached an agreement on the in-licensing of an in-development project to develop nadofaragene firadenovec (rAd-IFN/Syn3) for the treatment of non-muscle invasive bladder cancer through gene mediated immunotherapy.

In December 2023, an acquisition of intellectual property rights connected to the use of treatment for Upper Tract Urothelial Carcinoma and Solid Tumour, was added to the Adstiladrin asset group. The CGU has been defined as the development, manufacturing, marketing and sales operations of the Adstiladrin® products and mostly comprises acquired licences of **€357,972** and associated contingent consideration liabilities. The impairment test is based on sales and cost projections for one approved formulation and another in-development formulation using a blended U.S. and Rest of World tax rate depending on the weight of sales. The product was launched in 2023 and the sales are expected to grow significantly in the coming years. The projection period covers 10 years, and the finite terminal value calculation uses a rate of **-3.0%** and a period of 4 years beyond forecast. The discount rate used in the impairment test is **11.4%** (2023: 13.3%). The recoverable amount for the cash-generating unit is estimated to be **€2,691,321** (2023: €3,307,356), based on the value in use. The licence is not impaired.

The sensitivity analysis performed over the discount rate showed that, other things equal, an increase of **6.2%** in the discount rate and a decrease in sales forecast of **24%** (impacting variable costs consequently), would decrease the recoverable amount to **€927,593** and would not result in an impairment of the CGU's assets.

Condoliase®
In August 2016 Ferring and Seikagaku Corporation signed an agreement whereby the Ferring Group has acquired licences to IP and trademarks to develop and commercialise Condoliase, a product to treat radicular "lower" leg pain in patients with a lumbar disc herniation. The CGU has been defined as the development, manufacturing, marketing and sales operations of the Condoliase products and mostly comprises an acquired licence of **€69,248**. The impairment test is based on sales and cost projections for one in-development formulation based on a blended U.S. and Europe tax rate. The sales are planned to begin in 2027 and grow significantly the following years. The finite terminal value calculation uses a decline rate of -2.0% and a period of 7 years beyond forecast. The discount rate used in the impairment test is **17.5%** (2023: 21.5%). The recoverable amount for the cash generating unit, based on the value in use, is estimated to be **€157,033**.The licence is not impaired.

The sensitivity analysis performed over the discount rate showed that, other things equal, an increase of **3%** of the discount rate, would decrease the recoverable amount to **€110,448**, not resulting in an impairment of the CGU's assets. The sensitivity analysis performed over sales showed that, keeping all other factors constant, a decrease in sales price by **25%** would reduce the recoverable amount to **€0**.

Rebyota™

With the acquisition of Ferring Microbiome Inc. (previously named Rebiotix Inc.) in 2018, the Group acquired in-development assets and goodwill related to microbiome technology. Therapies targeted towards the microbiome have the potential to transform healthcare. The CGU was defined as the development, manufacturing, marketing, and sales operations of the Rebyota products in gastroenterology and primarily comprised goodwill, licences, development expenses capitalised and property, plant and equipment. In November 2022, FDA approval was granted and the product was launched in the U.S. in Q1 2023. Following the impairment 2023 of €113,896, including the goodwill, development expenses capitalised and part of the licences, a remaining amount of €26,590 is recognized in licences. The impairment test is based on sales and cost projections of the approved formulation in the U.S., but also on the sales in the rest of the world, adjusting the blended tax rate and respective discount rates.

The sales are expected to grow in the coming years. Following the launch of product, an adjustment in the market perspective led to a restructuring of the commercial and manufacturing operations of Ferring Microbiome Inc. (Note 8). The finite terminal value calculation uses a growth rate of **-2.0%** and a 3-year period beyond the forecast. The discount rate used in the impairment test is **15.2%** (2023: 11.5%), reflecting changes to the risk and sales profile, as well as the risk associated with the sales forecasts for the rest of the world. The recoverable value of the cash-generating unit, based on value in use, is estimated to be **€52,654** (2023: €45,327). As of December 31, 2024, Rebyota™ CGU has a total of **€26,590** recognised in licences. The licence is not impaired in 2024. The impairment in 2023 of €113,986 included the goodwill, the development expenses capitalised and part of the licences.

The sensitivity analysis performed over the discount rate showed that, other things equal, an increase of **1%** of the discount rate, would decrease the recoverable amount to **€42,004**, resulting in an impairment of the CGU's assets. The sensitivity analysis performed over sales showed that, keeping all other factors constant, a decrease in sales by 3% would reduce the recoverable amount to **€0**.

Goodwill

Goodwill balances relate to the following cash generating units:

	Acquisition	31 December 2024	31 December 2023
Cytokine (Propess®)	2011	21,408	20,434
Syntese (manufacturing of semi-finished goods for Pentasa®)	2004	3,000	3,000
Qualtech as part of Menopur® business	2022	2,722	2,561
Minerva as part of the Menopur® business	2024	1,274	-
Closing net book value		28,404	25,995

(Amounts expressed in thousands of Euros)

The main assumptions and details are as follows:

Goodwill recognised on the acquisition of Cytokine (2011)
The CGU is the Propess® business, covering the manufacturing (at the manufacturing site in Scotland) and sales and marketing of Propess®, and mostly comprises goodwill of **€21,408** and licences and development expenses capitalised of **€2,800**. The impairment test is based on compound annual sales growth of **-3.3%** per year (2023: -3.5%), and a flat cost structure, over a valuation period of 5 years. The tax rate is based on a blended rate of **13.4%** (2023: 14.4%). The discount rate used on the cash flows in the impairment test is **10.5%** (2023: 11.5%), reflecting a low to moderate risk since Propess® is already on the market and performing well. The recoverable amount for the cash-generating unit, based on the value in use, is estimated to be **€226,296** (2023: €312,539). The goodwill is not impaired.

The sensitivity analysis performed over the discount rate and the Terminal Value growth rate showed that, other things equal, an increase of **4%** in the discount rate and a decrease of **5%** of sales (impacting variable costs consequently), would decrease the recoverable amount by **€205,526** and would not result in an impairment of the CGU's assets which are covered by a high recoverable amount.

Goodwill recognised on the acquisition of Syntese (2004)
The CGU is the local manufacturing facility producing semi-finished goods for Pentasa® and comprises goodwill of **€3,000**. The impairment test is based on steady raw material costs while compound annual sales growth rate increases by **0.2%** over the valuation period of 5 years. The local tax rate used is **23.5%**. The discount rate used on the cash flows in the impairment test is **8.5%**, reflecting a low to moderate risk since the Pentasa® business is mature and performing well. The recoverable amount for the cash-generating unit, based on the value in use, is estimated to be **€311,388**. The goodwill is not impaired.

The sensitivity analysis performed over the discount rate and the Terminal Value growth rate showed that, other things equal, an increase of **2.0%** in the discount rate and a decrease of **5%** of sales (impacting variable costs consequently), would decrease the recoverable amount by **€230,456** and would not result in an impairment of the CGU's assets which are covered by a high recoverable amount.

Goodwill recognised on the acquisition of Qualtech (2022) and Minerva (2024)
With the acquisition of Qualtech Laboratories Inc. in December 2022, the Group acquired a company that is the primary bioassay lab for Menopur®.

With the acquisition of Minerva Analytix GmbH in August 2024, the Group was able to reduce the TechOps dependence to third party virus testing labs for Menopur®.

These acquisitions led to a recognition of Goodwill by **€3,996**.

The impairment test is based on steady raw material costs while compound annual sales growth rate increases by **6.4%** over the valuation period of **5** years. The tax rate is based on a blended rate of **18.6%**. The discount rate used on the cash flows in the impairment test is **8.5%**, reflecting a low risk since Menopur® is already on the market and performing well. The recoverable amount for the cash-generating unit, based on the value in use, is estimated to be **€2,219,461**. The goodwill is not impaired.

The sensitivity analysis performed over the discount rate and the Terminal Value growth rate showed that, other things equal, an increase of **2%** in the discount rate and a decrease of **5%** of sales (impacting variable costs consequently), would decrease the recoverable amount by **€1,612,905** and would not result in an impairment of the CGU's assets which are covered by a high recoverable amount.

Goodwill recognised on the acquisition of Rebiotix (2018)
In 2023, the goodwill was fully impaired (€41,038), as well as the development expenses capitalised and part of the licences and the property, plant and equipment (Note 13).

Capitalised development cost

The Group capitalised costs of **€769** in 2024 and €5,283 in 2023, mainly related to Rekovelle®.

Software and other intangibles

The software and other intangibles category includes software (2024: **€115,904**; 2023: €115,185) and other intangibles (2024: **€908**; 2023: €2,238).

The additions of software are **€37,106** in 2024 (2023: €41,389). These mainly include capitalised costs and software licences incurred by One ERP, the global project to implement SAP in relation to the overall business process re-engineering initiative aiming for the generation of efficiencies.

Main impairments in 2024

In 2024, the Group decided to discontinue the Olamkicept project leading to an impairment on the intangible assets of **€5,239**. Additionally, the Lifecore assets, which were connected to a back-up site for the manufacturing entity in Israel were impaired by **€1,256** (Note 8).

Main impairments in 2023

During 2023, beside the impairments related to Ferring Microbiome Inc. (Rebyota™), the Group decided to discontinue work on the Milprosa project and the related assets were impaired for an amount of €3,915. Additionally, after termination of the contract with Sun Pharma for Cetrorelix, the Group decided to not further pursue the launch of the product, which consequently resulted in an impairment of €9,095 in intangible assets (licences).

Amortisation

An amortisation expense of **€67,874** (2023: €70,599) has been charged to the following income statement captions: cost of sales **€11,048** (2023: €7,007); sales and marketing expenses **€3,176** (2023: €1,254); research and development expenses **€4,942** (2023: €4,761); general and administrative expenses **€17,234** (2023: €17,507); and other operating expenses **€31,474** (2023: €40,070).

14. Right-of-use assets and lease liabilities

Year ended 31 December 2023	Land and buildings	Machinery and equipment	Furniture fixtures and other PPE	Total
Opening net book value	**248,564**	**23,408**	**276**	**272,248**
Additions	35,143	11,206	380	**46,729**
Disposals	(302)	24	(18)	**(296)**
Impairment	387	-	-	**387**
Depreciation	(21,059)	(12,315)	(234)	**(33,608)**
Exchange rate differences	(1,768)	(522)	(10)	**(2,300)**
Closing net book value	260,965	21,801	394	283,160
At 31 December 2023				
Cost	303,987	47,120	1,474	**352,581**
Accumulated depreciation and impairment	(43,022)	(25,319)	(1,080)	**(69,421)**
Net book value	260,965	21,801	394	283,160

Year ended 31 December 2024				
Opening net book value	**260,965**	**21,801**	**394**	**283,160**
Additions	5,853	12,085	750	**18,688**
Depreciation	(20,233)	(12,602)	(295)	**(33,130)**
Exchange rate differences	(4)	407	(20)	**383**
Closing net book value	246,581	21,691	829	269,101
At 31 December 2024				
Cost	303,374	44,074	1,743	**349,191**
Accumulated depreciation and impairment	(56,793)	(22,383)	(914)	**(80,090)**
Net book value	246,581	21,691	829	269,101

In 2024, the depreciation expense of **€33,130** (2023: €33,608) has been charged in cost of sales **€3,207** (2023: €3,372) in sales and marketing expenses **€13,869** (2023: €14,640), in research and development expenses **€12,249** (2023: €12,084), in general and administration expenses **€3,517** (2023: €3,323), and in other operating expenses **€288** (2023: €189).

The main additions in 2024 relate to the USA, Germany, the Czech Republic, Switzerland, and Israel.

In December 2023, an addendum to the lease agreement for the Soundport building in Denmark was signed to establish the new rent based on the final construction costs. This update led to an increase in the right-of-use assets of €18,559.

(Amounts expressed in thousands of Euros)

Lease liabilities	*Notes*	31 December 2024	31 December 2023
Current lease liabilities		32,283	33,533
Non-current lease liabilities		245,314	256,801
Total	*30*	277,597	290,334

Future cash-flow		
2024	-	36,607
2025	34,630	30,031
2026	29,266	23,482
2027	24,306	18,922
2028	19,494	16,559
2029	16,546	14,862
2030	15,524	14,708
2031	14,697	14,353
2032	14,101	14,057
2033	13,965	13,990
2034	13,683	13,724
Years beyond 2034	153,525	154,859
Total	349,737	366,154
Unearned interest	(72,140)	(75,820)
Total lease liabilities	277,597	290,334

Amounts recognised in the statement of income			
Depreciation expense on right-of use assets	*9*	(33,130)	(33,608)
Interest expense on lease liabilities	*10*	(7,532)	(6,742)
Expense relating to short-term leases	*9*	(2,250)	(1,525)
Expense relating to leases of low-value assets	*9*	(98)	(110)
Expense relating to variable lease payments not included in lease liabilities	*9*	(3,187)	(2,511)
Total		(46,197)	(44,496)

The total cash outflow for leases in 2024 was **€39,234** (2023: €37,559).

(Amounts expressed in thousands of Euros)

15. Non-current receivables

	2024	2023
Non-current deposits	9,277	8,876
Other non-current receivables	31,503	6,092
Total	40,780	14,968

The non-current deposits are mainly made in connection with long-term leases and real estate agreements. The deposits are financial assets repayable to the Group at the end of the lease terms and recognised at amortised cost and Fair Value Through Profit or Loss (Note 30).

In 2024, Laboratórios Ferring Ltda. and Instituto Massone SA recognised **€5,885** (2023: €4.767) and **€15,432** (2023: €0) respectively of VAT related to the increase in purchase and sale operations and the delay in the return of these amounts by Tax Authorities, which is included in other non-current receivables. The portion that will be collected within the next 12 months is classified as current.

In 2024, Ferring Laboratories – India recognised **€8,824** of VAT receivable (GST) from purchases of goods and services related to the new manufacturing plant at Hyderabad. This amount is considered as non-current as there is no time limit defined by the tax authorities for the credit utilisation, and it will not be collected within the next 12 months. In 2023, an amount of €3,449 of VAT receivable was recognised under Receivables and Prepayments.

16. Investments in financial assets

		2024		2023	
	Notes	Non-current	Current	Non-current	Current
Financial assets designated as at FVTOCI					
Shares in Nuvie Bio Inc.		1,246	-	1,246	-
Total financial assets measured as at FVTOCI		1,246	-	1,246	-
Financial assets measured as at FVTPL					
Securities		255	75	255	90
Loans to related party entities	*33*	9,381	4,862	13,500	4,798
Total financial assets measured as at FVTPL		9,636	4,937	13,755	4,888
Financial assets measured at amortised cost					
Loans to third parties		-	-	2,260	-
Total financial assets measured at amortised cost		-	-	2,260	-
Total investments in financial assets		10,882	4,937	17,261	4,888

(Amounts expressed in thousands of Euros)

In 2022 Ferring entered in an agreement with Nuvie Bio Inc. to out-license the right to develop, manufacture and sell a first in class injectable fast acting selective and potent agent for the treatment of acute episodic migraine for the worldwide territory. As part of the agreement, Ferring received 692,304 Nuvie shares, equivalent to 5% of its equity, valued at €1,246. In 2024 there were no events that would have a significant impact on the value of the shares, but the company has been reporting progress in their development program. During 2024 Axon Therapeutics Inc. has been renamed to Nuvie Bio Inc.

In 2021 the Group signed an amendment to the existing contract with Ferring Ventures Ltd., resulting in reclassifying the CMC (Chemistry, Manufacturing and Controls) funding of €25,000 previously recognised in other intangible assets into non-current financial assets at fair value. The repayment of this receivable occurs in equal tranches over a 5-year period. The first repayment of €5,000 occurred in December 2023.

In 2024, an impairment of **€2,402** was recognised on loans to third parties. This impairment reflects the current market conditions and the reassessment of the recoverability of this asset. In 2023, no impairments were recognised.

17. Inventories

	2024	2023
Raw and auxiliary materials	411,691	263,626
Semi-finished goods	175,432	109,028
Finished goods	263,577	216,254
Total	850,700	588,908

The Group has recognised an expense of **€58,613** (2023: €46,812) as a result of a write-down of inventory, which is included in the cost of sales in the statement of income.

The cost of inventories recognised as expenses and included in cost of sales amounted to **€548,397** (2023: €453,589). In 2023, this amount was recorded net of the reversal of €44,187 of accruals for inventory purchased in previous years, where the price accrued for was higher than the final price paid. Cost of inventory included in cost of sales was presented net of provisions released.

The 2024 inventory amount includes an adjustment of **€89,610** related to hyperinflation (2023: €60,578).

(Amounts expressed in thousands of Euros)

18. Receivables and prepayments

	Notes	2024	2023
Trade receivables		396,274	318,060
Allowance for expected credit losses		(6,415)	(8,092)
Trade receivables, net		**389,859**	**309,968**
Prepayments and accrued income		78,453	92,926
Prepayments to related parties	*33*	52,535	34,213
VAT and other taxes		59,970	60,992
Other receivables		-	506
Other receivables from related parties	*33*	12,044	13,872
Total		592,861	512,477

The funding of FinVector Therapies Oy, the related party supplying the Adstiladrin product and related services to the Group, represents a balance of **€52,535** (2023: €34,060) in prepayments and accrued income.

In 2024, the Group decided to discontinue the work on the Olamkicept project, as a consequence the related prepayments and accrued income have been impaired for an amount of €1,815 (Note 8). In 2023, prepayments and accrued income have been impaired for an amount of €10,460 for the Milprosa project.

The credit quality of the net trade receivables that are not past due can be assessed by reference to historical information about counterparty default rates:

Net trade receivables not past due		
New customers (less than 6 months)	565	6,560
Existing customers, no defaults in the past	341,448	241,034
Existing customers, some defaults in the past	18,832	27,746
Total	360,845	275,340

The credit quality of the net trade receivables that are past due can be assessed by reference to historical information about counterparty default rates:

Net trade receivables past due		
New customers (less than 6 months)	729	2,658
Existing customers, no defaults in the past	27,758	31,970
Existing customers, some defaults in the past	527	-
Total	29,014	34,628

(Amounts expressed in thousands of Euros)

The movement in the loss allowance for expected credit losses in the year is as follows:

	2024	2023
Balance at the beginning of the year	8,092	10,836
Additions	1,798	3,241
Unused amounts reversed	(3,062)	(3,125)
(Credited)/charged to statement of income	**(1,264)**	**116**
Utilised during the year	(286)	(2,897)
Exchange rates difference	(127)	37
Balance at the end of the year	6,415	8,092

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base. In determining the expected credit loss, the Group consider past experience and relevant forward-looking information such as an overall economic and political situation in a region where its customers operate, the relationship with a customer, its liquidity and credibility to predict their payment attitudes in the future.

	Trade receivables – months past due				
At 31 December 2024	Not past due	Up to 3	3 to 6	Over 6	Total
Expected credit losses (ECL) rate	*0.0%*	*3.5%*	*41.6%*	*76.3%*	
Estimated total gross carrying amount at default	360,845	27,620	1,427	6,382	**396,274**
Lifetime ECL	-	(954)	(594)	(4,867)	**(6,415)**
	360,845	26,666	833	1,515	389,859
At 31 December 2023					
Expected credit losses (ECL) rate	*0.0%*	*3.7%*	*24.6%*	*74.5%*	
Estimated total gross carrying amount at default	275,340	30,630	4,073	8,017	**318,060**
Lifetime ECL	-	(1,121)	(1,001)	(5,970)	**(8,092)**
	275,340	29,509	3,072	2,047	309,968

Necessary allowances related to the trade receivables are made for expected credit losses. Expected credit losses related to other categories are deemed to be immaterial and no such loss has been experienced during 2024.

(Amounts expressed in thousands of Euros)

19. Cash and cash equivalents

	2024	2023
Cash at bank and in hand	334,708	345,334
Short-term bank deposits	617,837	554,983
Total	952,545	900,317

Bank deposits as of 31 December 2024 all have a maturity of under 90 days and are denominated in the following currencies:

	2024	% of total bank deposits	Interest rate
Euro	320,101	51.81%	3.57%
U.S. Dollar	269,565	43.63%	5.36%
Israeli Shekel	11,174	1.81%	4.06%
Indian Rupee	10,422	1.69%	3.84%
Argentine Peso	3,754	0.61%	30.01%
Canadian Dollar	1,674	0.27%	4.05%
Russian Ruble	1,067	0.17%	15.22%
Swiss Franc	80	0.01%	0.22%
Total	617,837	100.00%	

For the purpose of the consolidated statement of cash flows, the balance of cash and cash equivalents less bank overdrafts comprise the following:

	2024	2023
Cash and cash equivalents	952,545	900,317
Bank overdrafts (Note 21)	(50)	(4)
Total	952,495	900,313

The Group operates a cash pooling arrangement and cash concentrations are with banks with an investment grade as shown in the table below. In many of the Group's operating locations smaller amounts are held with local banks.

	2024	2023
AAA	374,609	208,210
AA	115,344	90,696
AA-	-	1,712
A+	341,451	479,135
A	47,388	90,808
A-	2,981	4,040
BBB+	27,501	-
BBB	2,289	1,973
BBB-	1,556	727
Less than BBB-	39,426	23,016
Total	952,545	900,317

The rating of the Group's main cash management bank is AAA.

(Amounts expressed in thousands of Euros)

20. Shareholder's equity

Issued share capital

Ferring Holding SA was incorporated on 15 December 2000 with an issued and paid-in share capital of CHF 250 million comprising 20,625,000 registered shares of CHF 10 each and 2,187,500 registered shares of CHF 20 each. Each share entitles the holder to a single vote at shareholder meetings and to a share in any dividends which may be declared and to any liquidation proceeds in proportion to the nominal value of the share.

At 31 December 2024 the Company had no authorised or conditional share capital outstanding.

Reserves

Amounts legally available for dividend distribution are derived from the company-only financial statements of the Company.

Dividends may only be distributed from retained earnings and other reserves established for this purpose. The Swiss Code of Obligations requires holding companies to allocate annually 5% of their net income to the general legal reserve until the balance amounts to 20% of the paid-in share capital. Furthermore, proceeds from the issue of shares in excess of their nominal value are required to be credited to the general legal reserve. The legal reserve at 31 December 2024 amounts to **€43,844** (2023: €43,844).

For other Swiss-incorporated companies, as long as the general legal reserve amounts to less than one half of the nominal share capital it may not be distributed and can only be utilised to offset against an accumulated deficit. It is generally held that the shareholders may subsequently resolve to transfer a part of the reserve to retained earnings to the extent that it exceeds one half of the share capital. Certain other countries in which the Group operates apply similar laws.

The distribution from reserves is restricted by non-distributable legal reserves of subsidiary companies for **€16,458** (2023: €16,291).

A dividend in respect of 2024 of **€30,000** is to be proposed at the Annual General Meeting. These financial statements do not reflect this dividend payable.

Significant shareholders

At 31 December 2024 the entire share capital of the Company was held by Ferring Foundation BV. The Group is ultimately owned by the Dr. Frederik Paulsen Foundation, established by the late Dr. Frederik Paulsen, the founder of the Ferring Group.

21. Borrowings

Current	Notes	2024	2023
Bank overdrafts	*19*	50	4
Bonds		287,081	-
Deferred bank expenses incurred on the issuance of bonds		(330)	-
Total		286,801	4

Non-current			
Bonds		871,877	813,530
Deferred bank expenses incurred on the issuance of bonds		(1,081)	(638)
Total		870,796	812,892

In June 2024, the Group issued new bonds on the SIX Swiss Exchange for **€341,268** (CHF 330,000), divided into two tranches: **€217,134** (CHF 210,000) with 5-year maturity at a fixed coupon rate of 2.25% per annum, and **€124,134** (CHF 120,000) with 9-year maturity at a fixed coupon rate of 2.50% per annum.

Issuance date	CHF	EUR	Maturity date	Fixed rate	Fair value 2024	Fair value 2023
July 2020	270,000	252,500	*July 2025*	*1.05%*	288,607	285,534
April 2023	250,000	254,152	*April 2027*	*2.70%*	281,522	279,450
April 2023	160,000	162,702	*April 2031*	*3.25%*	192,139	187,032
July 2023	80,000	82,679	*April 2031*	*3.25%*	96,069	93,516
June 2024	210,000	217,134	*June 2029*	*2.25%*	235,538	-
June 2024	120,000	124,134	*June 2033*	*2.50%*	137,981	-
Total bonds					1,231,856	845,532

All bonds were denominated in Swiss Francs with average nominal interest rate of **2.30%** (2023: 2.29%).

Maturities of non-current borrowings are as follows:

	2024	2023
Between 2 and 5 years	489,102	556,626
After 5 years	382,775	256,904
Total	871,877	813,530

Credit facilities

The Group had **€328,943** (Note 29) of unused lines of credit at 31 December 2024 (€328,789 at 31 December 2023).

The Group's revolving credit facility agreement contains financial covenants such as maintenance of a certain debt/EBITDA ratio. The Group was compliant with all financial covenants at 31 December 2024 and 2023.

(Amounts expressed in thousands of Euros)

22. Pensions

The Group has established a number of pension plans, including both defined benefit and defined contribution plans, which cover substantially all employees. The Group's plans provide pension and lump sum payments on retirement which are typically based on pensionable remuneration and length of service. The Group also provides certain employees with lump sum payments on leaving service, also linked to length of service. The Group's major defined benefit pension plans are located in Switzerland. The Group's defined benefit plans are valued by independent actuaries using the projected unit credit method. The latest actuarial valuations were carried out as at 31 December 2024.

The Group's Swiss pension benefits are based on employer and employee contributions (defined as a percentage of salary) with the level of benefits varying according to category of employment. Contributions accumulate with interest credits and are converted into pensions at retirement.

The benefits provided by the pension plan are higher than the legal minimum. If an employee leaves the Group before retirement, the employee's account balance is transferred to the new employer's pension arrangement or to a personal arrangement.

The Group finances its Swiss pension benefits through collective foundations of non-associated companies that pool financing and other risks between participating employers. In case of underfunding, participating employers can be required to pay deficit financing contributions under certain circumstances. The Group has a designated pension committee consisting of employees and company representatives that monitor the operation and performance of the pension solutions.

The duration of the defined benefit obligation is 15 years. The consolidated disclosures include 35 plans as at 31 December 2024. 36 plans were in scope at 31 December 2023.

Components of the pension benefit obligations

	2024			2023		
	Switzerland	Other	**Total**	Switzerland	Other	**Total**
Present value of funded obligations	361,248	13,391	**374,639**	328,826	11,622	**340,448**
Fair value of plan assets	(315,272)	(12,392)	**(327,664)**	(284,472)	(11,419)	**(295,891)**
Deficit/(surplus) of funded plans	**45,976**	**999**	**46,975**	**44,354**	**203**	**44,557**
Present value of unfunded obligations	-	15,900	**15,900**	-	15,521	**15,521**
Liability in the balance sheet	**45,976**	**16,899**	**62,875**	**44,354**	**15,724**	**60,078**
Experience gains/(losses) on plan liabilities	(5,016)	(1,080)	**(6,096)**	(59)	620	**561**
Experience gains/(losses) on plan assets	22,026	1,106	**23,132**	15,432	(88)	**15,344**

(Amounts expressed in thousands of Euros)

Amounts recognised as net periodic pension cost in the consolidated statement of income

	2024			2023		
	Switzerland	Other	**Total**	Switzerland	Other	**Total**
Current service cost	17,289	2,243	**19,532**	14,396	2,395	**16,791**
Net interest expense	414	705	**1,119**	197	600	**797**
Past service cost/ (credit) recognised	-	(70)	**(70)**	(3,283)	(247)	**(3,530)**
(Gains)/losses on settlements	-	8	**8**	-	-	-
Administration expenses	252	4	**256**	242	4	**246**
Actuarial gain and other items recognised	-	(34)	**(34)**	-	(59)	**(59)**
Net periodic pension cost (Note 7)	17,955	2,856	20,811	11,552	2,693	14,245

Actuarial (gain)/loss for other long-term employee benefits (jubilee plans) are recognised in the net periodic pension cost

The increase in the current service cost from 2023 to 2024 is mainly driven by the decrease in the discount rate in Switzerland (at the start of the period) used to derive it i.e. from 2.30% at 1 January 2023 to 1.35% at 1 January 2024.

(Amounts expressed in thousands of Euros)

Movements in the present value of the defined benefit obligation

	2024			2023		
	Switzerland	Other	**Total**	Switzerland	Other	**Total**
Defined benefit obligation at the beginning of the year	**328,826**	**27,143**	**355,969**	**258,816**	**27,395**	**286,211**
Current service cost (employer part)	17,289	2,243	**19,532**	14,396	2,395	**16,791**
Plan participant contributions	9,504	-	**9,504**	8,965	-	**8,965**
Interest on benefit obligations	4,249	1,209	**5,458**	5,844	1,072	**6,916**
Actuarial losses/(gains) due to changes in financial assumptions	16,730	107	**16,837**	40,528	331	**40,859**
Actuarial losses/(gains) due to changes in demographic assumptions	-	(382)	**(382)**	63	8	**71**
Experience losses/(gains) on liabilities	5,016	1,080	**6,096**	59	(620)	**(561)**
Termination benefits	-	8	**8**	-	-	-
Past service cost/(credit)	-	(70)	**(70)**	(3,283)	(247)	**(3,530)**
Benefits paid from the plan (less transfers in)	(18,101)	(1,050)	**(19,151)**	(12,117)	(672)	**(12,789)**
Benefits paid direct by employer	-	(1,206)	**(1,206)**	-	(1,234)	**(1,234)**
Exchange rate differences	(2,265)	209	**(2,056)**	15,555	(1,285)	**14,270**
Defined benefit obligation at the end of the year	**361,248**	**29,291**	**390,539**	**328,826**	**27,143**	**355,969**
of which:						
Present value of funded obligations	361,248	13,391	**374,639**	328,826	11,622	**340,448**
Present value of unfunded obligations	-	15,900	**15,900**	-	15,521	**15,521**

(Amounts expressed in thousands of Euros)

Movements in the fair value of plan assets of the year

	2024			2023		
	Switzerland	Other	**Total**	Switzerland	Other	**Total**
Fair value of plan assets at the beginning of the year	**284,472**	**11,419**	**295,891**	**237,692**	**11,873**	**249,565**
Interest income on plan assets	3,835	504	**4,339**	5,647	472	**6,119**
Actual return on plan assets less interest income on plan assets	22,026	1,106	**23,132**	15,432	(88)	**15,344**
Plan participant contributions	9,504	-	**9,504**	8,965	-	**8,965**
Employer contributions	15,780	1,518	**17,298**	15,220	1,804	**17,024**
Benefits paid from the plan (less transfers in)	(18,101)	(1,050)	**(19,151)**	(12,117)	(672)	**(12,789)**
Benefits paid direct by employer	-	(1,206)	**(1,206)**	-	(1,234)	**(1,234)**
Administrative expenses	(252)	(4)	**(256)**	(242)	(4)	**(246)**
Exchange rate differences	(1,992)	105	**(1,887)**	13,875	(732)	**13,143**
Fair value of plan assets at the end of the year	**315,272**	**12,392**	**327,664**	**284,472**	**11,419**	**295,891**

Net actuarial (gain)/loss recognised immediately in other comprehensive income

	2024			2023		
	Switzerland	Other	**Total**	Switzerland	Other	**Total**
Changes in financial assumptions	16,730	88	**16,818**	40,528	359	**40,887**
Changes in demographic assumptions	-	(375)	**(375)**	63	8	**71**
Experience adjustments on benefit obligations	5,016	1,126	**6,142**	59	(589)	**(530)**
Actual return on plan assets less interest on plan assets	(22,026)	(1,106)	**(23,132)**	(15,432)	88	**(15,344)**
Other adjustments	-	(23)	**(23)**	-	-	-
Total (gain)/loss recognised in OCI	(280)	(290)	(570)	25,218	(134)	25,084

In 2024, the loss on financial assumptions is mainly due to the decrease in the discount rate by 40bps in Switzerland (partially offset by the decrease in the interest credit rate by 25bps). The return on assets (excluding interest income) in Switzerland relates to the improvement of Axa's statutory funding position over the year.

In 2023, the loss on financial assumptions is mainly due to decrease in the discount rate by 95bps in Switzerland. The return on assets (excluding interest income) in Switzerland relates to the improvement in Axa's statutory funding position over the year.

The deferred tax asset recognised on the OCI movement is disclosed in Note 11.

(Amounts expressed in thousands of Euros)

Recognition of the changes in the net liabilities

	2024			2023		
	Switzerland	Other	Total	Switzerland	Other	**Total**
Net liability at the beginning of the year	**44,354**	**15,724**	**60,078**	**21,124**	**15,522**	**36,646**
Amounts recognised in the statement of income	17,955	2,856	**20,811**	11,552	2,693	**14,245**
Employer contributions	(15,780)	(1,518)	**(17,298)**	(15,220)	(1,804)	**(17,024)**
Amounts recognised in other comprehensive income	(280)	(290)	**(570)**	25,218	(134)	**25,084**
Exchange differences	(273)	104	**(169)**	1,680	(553)	**1,127**
Other adjustments	-	23	**23**	-	-	-
Net liability at the end of the year	**45,976**	**16,899**	**62,875**	**44,354**	**15,724**	**60,078**

Principal actuarial assumptions used at the end of the reporting period

	2024			2023		
	Switzerland	Other	**Total (weighted average)**	Switzerland	Other	**Total (weighted average)**
Discount rate	1.0%	4.6%	**1.2%**	1.4%	4.5%	**1.6%**
Inflation rate	1.0%	2.5%	**1.1%**	1.0%	2.5%	**1.1%**
Interest credit rate assumption	1.8%	n/a	**1.8%**	2.0%	n/a	**2.0%**
Compensation growth rate	1.5%	4.3%	**1.7%**	1.5%	3.9%	**1.7%**
Pension growth rate	0.0%	1.8%	**0.1%**	0.0%	1.6%	**0.1%**

Assumptions at the end of the reporting period are used to determine expense over the subsequent period.

These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 65:

	2024		2023	
	Switzerland	Other	Switzerland	Other
Retiring at the end of reporting period:				
- Male	21.9	21.0	21.7	20.8
- Female	23.6	22.7	23.5	22.8
Retiring 20 years after the end of the reporting period:				
- Male	23.5	21.9	23.4	21.7
- Female	25.2	23.6	25.1	23.6

(Amounts expressed in thousands of Euros)

Standard base mortality tables have been use in Switzerland with longevity improvements being projected using the CMI 2018 with a long term rate of 1.25%. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, inflation and interest credit rate, compensation and pension growth rates as well as life expectancy. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding other assumptions constant. There has been no changes compared to previous years in deriving these sensitivities.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

Impact on defined benefit obligation

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 3.6%	Increase by 3.8%
Inflation assumption	0.25%	Increase by 0%	Decrease by 0%
Interest credit rate	0.25%	Increase by 1.3%	Decrease by 1.3%
Compensation growth rate	0.25%	Increase by 1.1%	Decrease by 1.1%
Pension growth rate	0.25%	Increase by 1.8%	Decrease by 1.7%
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		Increase by 1.9%	Decrease by 1.9%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Composition of plan assets

	2024				2023			
	Switzerland	Other	**Total**	% of Total	Switzerland	Other	**Total**	% of Total
Equities	113,504	94	**113,598**	35%	99,901	85	**99,986**	34%
Bonds	90,437	607	**91,044**	28%	89,530	678	**90,208**	30%
Real estate	91,237	88	**91,325**	28%	73,567	40	**73,607**	25%
Cash	4,976	45	**5,021**	1%	7,335	40	**7,375**	2%
Alternative investments	15,118	-	**15,118**	5%	14,139	-	**14,139**	5%
Insurance policies	-	8,856	**8,856**	2%	-	7,355	**7,355**	2%
Others	-	2,702	**2,702**	1%	-	3,221	**3,221**	1%
Total	315,272	12,392	327,664	100%	284,472	11,419	295,891	100%

With the exception of insurance contracts in Israel and direct real estate investments as well as alternative investments (classified under unquoted) in Switzerland, all assets have a quoted price in an active market.

Cash outflows expected for contributions in 2025 is **€18,472**.

(Amounts expressed in thousands of Euros)

Actuarial risks

- Defined benefit plans expose the Group to a range of risks including longevity, interest rate, market/ investment and currency risks

- The Group finances its Swiss pension benefits through collective foundations of non-associated companies that pool financing and other risks between participating employers. In case of underfunding, participating employers can be required to pay deficit financing contributions under certain circumstances

- Longevity risk: the Group makes allowance for future anticipated improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, pensions would be paid for longer and consequently the plan's IFRS liabilities would increase

- Interest risk: A decrease in the bond interest rate will increase the plan liability but it may not be fully offset by an increase in the plans debt investments

- Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estate

- Currency risk: The Group is exposed to currency risk mostly from translating Swiss pension plans liabilities and assets in Euros, which are not hedged

23. Provisions

	Litigation	Returns	Restructuring	Incentive plan	Other	Total
At 1 January 2023	**9,855**	**28,270**	**2,974**	**38,400**	**1,428**	**80,927**
Additional provisions	1,424	1,624	15,569	17,158	1,413	**37,188**
Unused amounts reversed	(393)	(244)	(1,898)	(2,982)	(47)	**(5,564)**
Charged/(credited) to statement of income	**1,031**	**1,380**	**13,671**	**14,176**	**1,366**	**31,624**
Utilised during year	(104)	(1,233)	(9,014)	(10,317)	(1,460)	**(22,128)**
Exchange rate difference	(653)	(957)	(200)	425	(29)	**(1,414)**
At 31 December 2023	10,129	27,460	7,431	42,684	1,305	89,009
of which:						
- Non-current	678	18,307	-	27,730	519	**47,234**
- Current	9,451	9,153	7,431	14,954	786	**41,775**

(Amounts expressed in thousands of Euros)

	Litigation	Returns	Restructuring	Incentive plan	Other	Total
At 1 January 2024	**10,129**	**27,460**	**7,431**	**42,684**	**1,305**	**89,009**
Additional provisions	26,986	11,139	1,549	16,863	1,069	**57,606**
Unused amounts reversed	(9,289)	(112)	(1,260)	(5,076)	-	**(15,737)**
Charged/(credited) to statement of income	**17,697**	**11,027**	**289**	**11,787**	**1,069**	**41,869**
Utilised during year	(108)	(1,230)	(6,652)	(11,903)	(1,276)	**(21,169)**
Exchange rate difference	1,110	1,549	205	589	(44)	**3,409**
At 31 December 2024	28,828	38,806	1,273	43,157	1,054	113,118
of which:						
- Non-current	28,758	22,261	-	28,215	875	**80,109**
- Current	70	16,545	1,273	14,942	179	**33,009**

The litigation provisions mainly relates to a litigation with Finch Therapeutic Group Inc. and the University of Minnesota regarding Rebyota™ **€27,878**, which includes one-time payment (Note 8), royalty accrual, and interest accrual.

In December 2021 the Group filed a complaint at the District Court of Delaware (United States) seeking a declaratory judgment that the claims of certain third party patents regarding Rebyota, the product launched in 2023, are invalid and not infringed. Patent owners have countersued for patent infringement. In August 2024 the Court judge rendered a verdict finding that the Group infringed several of the patent claims of Finch and/or the University of Minnesota and awarded damages in the amounts of USD 25 million plus a 5.5% royalty. Taken this verdict into account a litigation provision is recognised in 2024. The Group has filed post-trial motions and depending on the final court decision, may pursue an appeal.

In prior years, the main litigation provision was related to a case with the Italian health authorities regarding Menopur®. The provision of €9,289 has been fully reversed in 2024.

Sales are recorded net of provisions for returns. The returns provision mostly relates to estimated product returns. The calculation is based on historical product return patterns, inventory levels and specific risks regarding product launches and special arrangements with distributors.

The expected timing of any resulting outflows of economic benefits of the non-current portion is between 1 and 3 years. The Group recorded return provisions mainly related to Cervidil®, Clenpiq®, Euflexxa®, Minirin® and Menopur®.

In the previous years, the Group started a company-wide initiative with the goal of transforming the Group structures, processes and resources to create efficiency improvements to drive future growth. As a result the Group has started building restructuring provisions. In 2023, the restructuring impacted the Group's manufacturing (Ferring Microbiome Inc, Roseville) and research operations (San Diego) in the USA (€12,345) and commercial operations in Shanghai, China (€1,926). In 2024, the restructuring continues to impact the Group's manufacturing at Ferring Microbiome Inc in Roseville, USA (**€1,092**).

The long-term incentive plan mainly relates to the Group's Senior Management additional bonus scheme based on the Group's performance throughout a defined period.

Provisions are only discounted when the impact is considered material for the Group, like the litigation provision added in 2024.

(Amounts expressed in thousands of Euros)

24. Deferred income

	2024	2023
Opening book value	30,518	39,442
New deferred income	54	8,314
Credited to statement of income	(6,811)	(14,473)
Exchange rate differences	(939)	(2,765)
Closing book value	**22,822**	**30,518**

The split of deferred income is as follows:		
Co-promotion, distribution and out-licensing	4,062	23,535
Total non-current	**4,062**	**23,535**

Co-promotion and distribution	18,713	5,990
Sales of goods	47	993
Total current	**18,760**	**6,983**

The income credited to the statement of income is presented in revenues under sales of goods (2024: **€1,113**; 2023: €5,697), other income (2024: **€5,377**; 2023: €7,839) and cost of sales (2024: **€321**; 2023: €937).

In January 2020 the Group signed an extension of the existing distributor contract with Kissei Pharmaceuticals related to the co-promotion and distribution of MINIRIN MELT® in Japan and received an upfront payment of €50,064 booked as deferred income and recognised in the income statement over the contract duration following the Group's obligations under the agreement. The agreement resulted in recognising other income in 2024 of **€4,060** (2023: €6,863).

As of December 2024, as a result of the intended early termination of the co-promotion agreement between Ferring Pharmaceuticals and Kissei Pharmaceutical, the Group has presented the entire remaining deferred income (**€17,229**) in current deferred income. The termination agreement was signed in January 2025 with the effective date of 31 March 2025.

In October 2020, the Group signed an out-licensing agreement with Antares related to the distribution of Nocdurna® in the United States. The recognised deferred income of €6,358 comprised an upfront payment of €4,258 and a one-year anniversary milestone of €2,100. The agreement resulted in recognising other income in 2024 of **€636** (2023: €936).

(Amounts expressed in thousands of Euros)

25. Contingent consideration liabilities

The consideration for certain acquisitions of intangible assets includes amounts contingent on future events such as development milestones and sales performance. Those amounts are expected to be paid over several years hence they are discounted to their present values.

	Notes	Adstiladrin®	Condoliase	Other	Total
At 1 January 2023		**37,822**	**60,364**	**13,129**	**111,315**
Unwinding of discount and changes in discount rates	*10*	916	2,313	(236)	2,993
Recognition of milestone liabilities during the year	*13*	31,452	-	6,329	37,781
Derecognition of milestone liabilities during the year	*8*	-	-	(7,921)	(7,921)
Cash payments: investing activities		(20,000)	(4,659)	(1,843)	(26,502)
Transfers		-	-	(2,000)	(2,000)
Exchange rate differences		-	(2,081)	(181)	(2,262)
At 31 December 2023		50,190	55,937	7,277	113,404
Unwinding of discount and changes in discount rates	*10*	359	(1,005)	244	(402)
Recognition of milestone liabilities during the year	*13*	-	-	8,003	8,003
Derecognition of milestone liabilities during the year	*8*	-	-	(300)	(300)
Cash payments: investing activities		-	(13,848)	(3,411)	(17,259)
Transfers	*26*	(31,452)	-	(515)	(31,967)
Exchange rate differences		-	2,984	123	3,107
At 31 December 2024		19,097	44,068	11,421	74,586
The split between current and non current is as follows:					
Non-current		19,097	44,068	9,658	72,823
Current		-	-	1,763	1,763
At 31 December 2024		19,097	44,068	11,421	74,586

(Amounts expressed in thousands of Euros)

Adstiladrin®

In 2023 a contingent consideration liability was recognised following the acquisition from Ferring Ventures SA, a related party of the intellectual property rights connected to Upper Tract Urothelial Carcinoma and Solid Tumour, among others, which are useful extensions for the treatment of bladder cancer in humans. This liability is no longer contingent on any milestone achievement as at 31 December 2024 and therefore was reclassified as a financial liability (Note 26).

In 2023, an amount of €20,000 was paid to Ferring Ventures Ltd., a related party, following the launch of Adstiladrin® in the U.S. market and another €12,000 of accounts payable that was connected to the BLA approval obtained in 2022.

Condoliase

With regards to Seigakaku/Condoliase, the Phase III Clinical Trial in the United States was completed in 2023. A payment of **€13,848** was made in 2024 following the BLA (Biologic License Application) acceptance in the United States.

Other

Subsequent to the collaboration agreement signed with Pharmabiome a contingent consideration liability was recognised in 2023. Several milestones were achieved in 2024 leading to a payment of **€5,411** of which **€2,000** were recognised in other financial liabilities (Note 26) in 2023. The Group recognised a contingent consideration liability of **€7,683** connected to a sale milestone upon reaching 200 million EUR cumulative sales of Cortiment. This amount is expected to be paid in 2026.

In 2023 the derecognition of the milestone liability relates to Sun Pharma regarding Cetrorelix for **€7,835** (Note 8). The Group has decided to terminate the contract and not launch the product. The connected intangible assets have been impaired following the termination of the agreement.

The contingent consideration liabilities are discounted using a risk-free rate depending on the currency of the underlying debt.

Contingent consideration milestones that are not recognised on the balance sheet are disclosed as contingent liabilities in Note 31.

26. Other financial liabilities

Other financial liabilities mainly consist of amounts payable to Blackstone Life Sciences ("Blackstone"), Royalty Pharma and the former owners of the Massone Group.

	Notes	Business collaboration	Business combination	Asset acquisition	Total
As at 1 January 2023		**66,592**	-	-	**66,592**
Recognition of new financial liability and cash received	*28*	271,942	-	-	**271,942**
Recognition of new financial liability	*34,13*	-	38,306	61,217	**99,523**
Remeasurement through the income statement	*10*	(3,592)	-	-	**(3,592)**
Cash paid: operating activities		(5,490)	-	-	**(5,490)**
Cash paid: financing activities	*28*	(13,158)	-	-	**(13,158)**
Unwinding of discount	*10*	12,460	1,812	-	**14,272**
Exchange rate differences		(2,965)	(1,419)	-	**(4,384)**
As at 31 December 2023		325,789	38,699	61,217	425,705

(Amounts expressed in thousands of Euros)

	Notes	Business collaboration	Business combination	Asset acquisition	Total
Recognition of new financial liability	*34*	-	645	-	**645**
Transfers	*25*	-	-	31,452	**31,452**
Remeasurement through the income statement	*10*	13,047	-	122	**13,169**
Cash paid: operating activities		(17,636)	-	-	**(17,636)**
Cash paid: investing activities		-	(9,585)	(62,300)	**(71,885)**
Cash paid: financing activities	*28*	(2,017)	-	-	**(2,017)**
Unwinding of discount	*10*	33,732	1,445	1,662	**36,839**
Exchange rate differences		21,451	1,887	-	**23,338**
As at 31 December 2024		374,366	33,091	32,153	439,610
The split between non-current and current is as follows:					
Non-current		345,548	21,683	-	**367,231**
Current		28,818	11,408	32,153	**72,379**
As at 31 December 2024		374,366	33,091	32,153	439,610

Financial liability on business collaboration

In 2019 the Group and Blackstone entered into a partnership agreement to fund, develop and commercialise Adstiladrin® in the United States of America. This agreement was restructured in 2022 to provide Ferring full control over Adstiladrin® and grant Blackstone an option to make a passive investment in Adstiladrin®. The restructured agreement provides that Ferring will pay Blackstone a fee of USD 105 million discounted to €98,538, payable over four years. The Group's estimate of the fair value of this option upon initial recognition was €5,065. The option that was granted to Blackstone was not exercised and therefore the fair value of the option was released into the statement of income under other operating expenses in 2023.

The 2024 repayment represents **€17,636** presented as operating cash outflow (2023: €18,645 split into operating and financing). The outstanding balance at the end of the reporting period is **€35,645** (2023: €48,934).

In 2023, the Group signed a funding agreement in two tranches, of USD 300 million and USD 200 million, with Royalty Pharma. The repayment of the liability is based on a percentage of the quarterly net sales of Adstiladrin® in the U.S. and is expected to end in the early mid-2030's. The first drawdown of USD 300 million in 2023 represents the amount received in cash. The liability is classified as financial liability at amortised cost and was therefore initially booked at fair value, which corresponds to the cash received and was subsequently remeasured through the statement of income based on the latest sales projections. The funding of the second tranche of USD 200 million is subject to certain manufacturing goals that are expected to be achieved in 2025.

The outstanding balance at the end of the reporting period is **€338,721** (2023: €276,855).

Financial liability on business combination

The financial liability related to business combinations is connected to the outstanding consideration payable for the acquisition of the Massone Group in 2023 and Minerva Analytix GmbH in 2024 (Note 34).

Financial liability on asset acquisition

In 2023, the liabilities recognised on asset acquisition correspond to the consideration payable for intellectual property rights connected to Upper Tract Urothelial Carcinoma and Solid Tumour, among others, which are useful extensions for the treatment of bladder cancer in humans (Note 33) and the R&D collaboration with PharmaBiome to extend the existing microbiome strategy.

(Amounts expressed in thousands of Euros)

27. Accruals and other liabilities

	2024	2023
Accrued royalties, discounts and commissions	166,409	137,639
Accrued personnel costs	144,670	142,315
Accrued interest costs	16,394	29,772
Accrued inventory purchases	25,415	26,869
Accrued marketing and sales costs	22,507	21,869
Accrued clinical trials, research and development costs	18,293	17,125
Accrued legal and professional fees	12,587	17,809
Accrued distribution costs	5,325	4,672
Accrued other	55,020	57,125
Non-trade accounts payable	5,904	4,461
Total	472,524	459,656

Accrued discounts related to the sales recognised in the United States market represent **€123,473** (2023: €104,112).

28. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	1 January 2024	Cash flows	Foreign exchange movements	Transfer	Other changes	31 December 2024
Bonds	813,530	340,282	5,146	-	-	1,158,958
Non-current lease liabilities	256,801	-	174	(29,590)	17,929	245,314
Current lease liabilities	33,533	(33,097)	52	29,590	2,205	32,283
Other non-current liabilities	274,332	-	19,062	(8,866)	43,583	328,111
Other current liabilities	2,524	(2,017)	529	8,866	708	10,610
Total	1,380,720	305,168	24,963	-	64,425	1,775,276

(Amounts expressed in thousands of Euros)

		Non-cash changes				
	1 January 2023	Cash flows	Foreign exchange movements	Transfer	Other changes	31 December 2023
Short-term borrowings	347	(347)	-	-	-	-
Bonds	274,362	498,837	40,331	-	-	813,530
Non-current lease liabilities	243,286	-	(1,926)	(30,574)	46,015	256,801
Current lease liabilities	33,064	(33,551)	(957)	30,574	4,403	33,533
Other non-current liabilities	-	268,403	(1,254)	(1,415)	8,598	274,332
Other current liabilities	13,029	(9,619)	(61)	1,415	(2,240)	2,524
Total	564,088	723,723	36,133	-	56,776	1,380,720

The increase presented in Bonds through the cash flows (**€340,282**, net of transaction costs incurred) is related to the additional bonds issued on the SIX Swiss Exchange in the amount of CHF 330,000 (Note 21).

Other changes for current and non-current lease liabilities in 2024 are mainly explained by new contracts for vehicles and buildings (Note 14). In 2023, they were related to the addendum signed to the lease agreement for the Soundport building, in order to establish the new rent based on the final construction costs, and the new contracts for buildings in USA, Japan and Canada.

In 2023, the increase presented in Other non-current liabilities through the cash flows was related to the first drawdown from Royalty Pharma Investments (USD 300 million) regarding the amount received in exchange for Revenue Participation Rights. The objective of the financing was to fund the Adstiladrin launch activities and the continued Life Cycle Management development. The funding of the second tranche of USD 200 million is subject to certain manufacturing goals that are expected to be achieved in 2025 (Note 26).

Interest accruals and cash flows are not included in this table as the interest cash flows are part of operating and investing activities in the cash flow statement.

29. Financial risk management

Financial risk management objectives

In line with requirements of Swiss law, the Group's internal risk assessment process consists of reporting to the Board of Directors and the Audit Committee on identified risks and management's reaction to them. The procedures and actions to identify the risks, and where appropriate remediate, are performed by specific corporate functions as well as by the operational units of the Group.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group's overall risk management program seeks to minimise potential adverse effects on the Group's financial performance from financial market volatility. The Group uses derivatives to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors.

(Amounts expressed in thousands of Euros)

Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and use of derivatives and investment of excess liquidity.

(a) Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivatives to manage its exposure to foreign currency risk and interest rate risk.

(i) Foreign currency risk management

As a consequence of the global nature of the business, cash flows and operational results of the Group are exposed to risks associated with fluctuations in the exchange rates of the currencies in which we operate.

The primary purpose of the Group's currency risk management is to reduce the effect of currency fluctuations on cash flows.

Foreign currency sensitivity analysis

The Group is exposed to currency risk on revenues and expenses that are generated in currencies other than the Euro. The Group has a substantial portion of its production, research and development, general and administrative expenses denominated in U.S. Dollars and Swiss Francs. U.S. Dollars represent the largest foreign currency revenue exposure.

The gross carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities for its largest cash flow exposures at the end of the reporting period are as follows. The figures reported include the notional value of currency hedges. The Group exposure for all other currencies is not material.

	Assets		Liabilities	
€ '000	2024	2023	2024	2023
USD	1,115,356	1,070,077	603,001	320,720
CHF	1,275,796	824,671	1,260,665	900,578

Hereunder a sensitivity analysis is presented for the major currencies: U.S. Dollar and Swiss Franc. The table details the Group's 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 calculations are based on the net exposures for transaction risks in these currencies that are on the balance sheets of entities that are not denominated in these currencies. The foreign exchange rate is based on the corresponding year end Group balance sheet rates.

	Currency U.S. Dollar impact		Currency Swiss Franc impact	
€ '000	2024	2023	2024	2023
P&L impact EUR weaken 10%	43,550	64,870	1,286	(6,571)
P&L impact EUR strengthen 10%	(43,550)	(64,870)	(1,286)	6,571

Group Treasury typically enters into foreign exchange contracts for periods up to one year to hedge a portion of Group's anticipated cash flows for its significant foreign currency exposures. Such contracts are not qualified as cash flow hedges and are, therefore, not accounted for using hedge accounting principles. Gains and losses on these transactions are recognised directly in the income statement.

(Amounts expressed in thousands of Euros)

The equity impact for foreign exchange sensitivity related to derivatives is immaterial.

As at 31 December 2024 the Group had entered into forward exchange contracts with a nominal face value of **€225,239** (2023: €131,120) and the fair value of all open currency contracts amounted to a loss of **€5,488** (2023: a loss of €599).

(ii) Interest rate risk management

The Group's principal interest rate risk arises from borrowings. The Group has an outstanding total debt balance of **€1,158,958** (2023: €813,530). Almost the entire amount relates to the bonds which have fixed interest rates at different rates depending on the tranche (Note 21). The last fixed interest rate period is June 2033.

The Group has entered into the following derivatives to manage interest rate and currency risk on its borrowings: cross currency interest rate swaps to convert CHF 270,000 of borrowings with a fixed interest rate of 1.05% to €253,770 of principal with a fixed interest rate of 1.32% maturing July 9, 2025; cross currency interest rate swaps to convert respectively CHF 250,000 and CHF 240,000 of borrowings with a fixed interest rate of 2.70% and 3.25% to €254,152 and €245,381 of principal with a fixed interest rate of 4.25% and 4.91% maturing April, 2027 and April 2031, respectively; cross currency interest rate swaps to convert respectively CHF 210,000 and CHF 120,000 of borrowings with a fixed interest rate of 2.25% and 2.50% to **€217,135** and **€124,134** of principal with a fixed interest rate of 4.15% and 4.46% maturing June, 2029 and June 2033, respectively. The total fair value of the above swaps is **€83,627** (2023: €68,177).

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(iii) Interest rate swap contracts and hedge accounting

The Group enters into derivatives to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

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

The interest rate swap contracts as mentioned above qualify for hedge accounting as cash flow hedges. For these derivatives the Group documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether each derivative is highly effective. The effective portion is recognised in other comprehensive income. If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of income over the period to maturity. The fair values of various financial instruments used for hedging purposes are disclosed in this note.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed interest amounts calculated on agreed notional principal amounts. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Interest rate hedge

	Average contracted fixed interest rate		Notional principal value		Fair value assets (liabilities)	
	2024	2023	2024	2023	2024	2023
Less than 1 year	1.3%	-	253,770	-	35,771	-
1-2 years	-	1.32%	-	253,770	-	42,206
2-5 years	4.21%	4.25%	471,287	254,152	21,455	13,641
5 years+	4.76%	4.91%	369,516	245,382	26,401	12,330
Total			1,094,573	753,304	83,627	68,177

The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

The Group entered into cross currency interest rate swaps (CCIRS) with different banks to hedge CHF 1,090,000 (the CHF principal) and interest to EUR. The total CHF 1,090,000 bonds are settled on the maturity date, which will be the following: CHF 270,000 in July 2025, CHF 250,000 in April 2027, CHF 210,000 in June 2029, CHF 240,000 in April 2031 and CHF 120,000 in June 2033. Both Euro and CHF rates are fixed. The Group settles the difference between the Euro and CHF rates. The CCIRS are designated as cash flow hedges, thereby reflecting the EUR interest rate paid in the P&L with FX movements reflected in Other Comprehensive Income. The costs of hedging are immaterial.

(iv) Inflation risk sensitivity

Subsidiaries whose functional currencies have experienced a cumulative inflation rate of more than 100% over the past three years apply the principles of IAS 29 “Financial reporting in Hyperinflationary Economies". The hyperinflationary economies in which the Group operates are Argentina and Turkey. IAS 29 has been applied where material to the marketing and sales operations in Argentina. In Turkey, they were not significant in all years presented and were therefore not applied. The impacts of applying IAS 29 on the Massone Group acquired in 2023 have been recorded in the Consolidated Financial Statements because they were material and will remain material as long as Argentina remains a hyperinflationary economy.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk on commercial customers is managed on an entity basis (Note 18).

Credit risks arising from cash, derivatives and deposits with banks are managed by Group Treasury. At 31 December 2024 the Group’s most significant concentration risk equated to around **39%** of cash and cash equivalents with a single AAA rated counterparty. Approximately **95%** of cash is held with banks with an external credit rating of BBB+ or higher (i.e., investment grade).

(c) Liquidity risk management

Group liquidity management is centralised in Group Treasury. In order to maintain sufficient liquidity to meet financial obligations, funds are typically held in overnight or short-term deposits. Maturities are aligned with expected liquidity needs of the Group. The Group also maintains an adequate amount of committed and uncommitted credit facilities. The Group had **€328,943** of unused credit lines at 31 December 2024 (€328,789 at 31 December 2023).

Liquidity and interest risk tables

The following tables detail the Group’s main non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

(Amounts expressed in thousands of Euros)

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Non-derivative financial liabilities

At 31 December 2024	Average weighted rate	Up to 3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying amount
Fixed interest rate borrowings	2.30%	-	313,780	569,484	412,121	**1,295,385**	1,158,958
Trade and other payables and liabilities	-	139,829	-	475	-	**140,304**	140,304
Other financial liabilities	-	43,939	27,797	223,528	425,628	**720,892**	439,610
Total		183,768	341,577	793,487	837,749	2,156,581	1,738,872
At 31 December 2023							
Fixed interest rate borrowings	2.29%	-	18,610	614,735	281,952	**915,297**	813,530
Trade and other payables and liabilities	-	153,882	-	1,089	-	**154,971**	154,971
Other financial liabilities	-	131	90,253	233,743	328,295	**652,422**	425,705
Total		154,013	108,863	849,567	610,248	1,722,690	1,394,206

Derivative CCIRS

At 31 December 2024	Average weighted rate	3 months to 1 year	1-5 years	5+ years	Total
Cross currency IRS (receiving CHF) – fixed interest rates	2.30%	313,780	569,484	412,121	**1,295,385**
Cross currency IRS (paying EUR) – fixed interest rates	3.72%	(294,539)	(599,360)	(415,793)	**(1,309,692)**
At 31 December 2023					
Cross currency IRS (receiving CHF) – fixed interest rates	2.29%	18,610	614,735	281,952	**915,297**
Cross currency IRS (paying EUR) – fixed interest rates	3.48%	(26,212)	(591,921)	(281,550)	**(899,683)**

(Amounts expressed in thousands of Euros)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the equity ratio. This ratio is calculated as shareholders equity divided by total assets.

During 2024 the Group's strategy, which was unchanged from 2023, was to maintain the equity ratio within a 35% to 60% range. This range comfortably exceeds the minimum equity covenant applicable to some of Ferring's credit facilities.

The equity ratios at 31 December 2024 and 2023 were:

	2024	2023 restated
Total shareholder's equity	1,738,427	1,512,108
Total assets	4,646,315	4,053,211
Equity ratio	37%	37%

30. Financial instruments by category

Year ended 31 December 2024

Assets per balance sheet	*Notes*	Assets at AC*	Assets at FVTPL*	Assets at FVTOCI*	Total
Long-term receivables		10,044	383	-	**10,427**
Investments in financial assets	*16*	-	14,573	1,246	**15,819**
Trade and other receivables		400,830	-	-	**400,830**
Cash and cash equivalents	*19*	952,545	-	-	**952,545**
Derivative financial instruments	*29*	-	-	83,627	**83,627**
Total		1,363,419	14,956	84,873	1,463,248

Liabilities per balance sheet		Liabilities at AC*	Liabilities at FVTPL*	Liabilities at FVTOCI*	Total
Borrowings	*21*	1,158,958	-	-	**1,158,958**
Lease liabilities	*14*	277,597			**277,597**
Trade and other payables and liabilities		140,304	-	-	**140,304**
Other financial liabilities	*26*	439,610	-	-	**439,610**
Derivative financial instruments	*29*	-	5,488	-	**5,488**
Total		2,016,469	5,488	-	2,021,957

(Amounts expressed in thousands of Euros)

Year ended 31 December 2023

Assets per balance sheet	*Notes*	Assets at AC*	Assets at FVTPL*	Assets at FVTOCI*	Total
Long-term receivables		9,703	413	-	**10,116**
Investments in financial assets	*16*	2,260	18,643	1,246	**22,149**
Trade and other receivables		323,745	-	-	**323,745**
Cash and cash equivalents	*19*	900,317	-	-	**900,317**
Derivative financial instruments	*29*	-	-	68,177	**68,177**
Total		1,236,025	19,056	69,423	1,324,504

Liabilities per balance sheet		Liabilities at AC*	Liabilities at FVTPL*	Liabilities at FVTOCI*	Total
Borrowings	*21*	813,530	-	-	**813,530**
Lease liabilities	*14*	290,334			**290,334**
Trade and other payables and liabilities		154,971	-	-	**154,971**
Other financial liabilities	*26*	425,705	-	-	**425,705**
Derivative financial instruments	*29*	-	599	-	**599**
Total		1,684,540	599	-	1,685,139

** AC: Amortised cost*
** FVTPL: Fair Value Through Profit or Loss*
** FVTOCI: Fair Value Through Other Comprehensive Income*

(Amounts expressed in thousands of Euros)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December:

	2024			2023		
Assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Investments in financial assets						
- Equity securities designated as at FVTOCI	-	1,246	-	-	1,246	-
- Financial assets measured as a FVTPL	330	-	-	345	-	-
Financial assets at fair value through statement of income						
- Loans to related party entities	-	14,243	-	-	18,298	-
Derivatives used for economic hedging outstanding forwards						
- Forward-starting interest rate swap	-	83,627	-	-	68,177	-
Life insurance	-	383	-	-	413	-
Total	330	99,499	-	345	88,134	-

	2024			2023		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through statement of income						
- Trading derivatives	-	5,488	-	-	599	-
Total	-	5,488	-	-	599	-

Fair value estimation

The fair value of financial instruments that are not quoted in an active market is determined by using various valuation techniques. In most cases quoted market prices or dealer quotes for similar instruments are used for long-term debt and forward foreign exchange instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Level 1
Quoted prices/unadjusted in active markets for identical assets or liabilities.

Level 2
Inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data.

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

(Amounts expressed in thousands of Euros)

31. Contingent liabilities

Litigation

Through the normal course of the business the Group is involved in legal disputes. Settlement may involve costs to the Group. Provisions for these costs are made where an adverse outcome is probable and associated costs can be reliably estimated.

The Group is in dispute with the Danish tax authorities on the valuation of assets transferred from Denmark to Switzerland before the end of 2003. The Group has assessed the risk and has recorded a provision. The assessment of the Danish tax authorities is significantly higher. In April 2012, the Group appealed to the National Tax Tribunal against the valuation made by the tax authorities. Two independent valuators were appointed and confirmed by the civil court and they issued their report in 2017. Based on this valuation of DKK 574 million, the Group recorded an incremental liability in the local books in 2017 and paid the remaining amount of DKK 142 million in December 2017. In late 2019 the Danish tax authorities contested the valuation experts' appraisals and submitted a pleading to the National Tax Tribunal in which they argued that the Tribunal should set aside the experts' opinion. An oral hearing on the case was held before the Tax Tribunal on 4 November 2022, and on 14 November 2022 the Tax Tribunal gave its ruling leading to a valuation of DKK 875 million, still significantly higher than the experts' opinion.

The Group has decided to appeal the Tax Tribunal's decision to the ordinary courts and believes that the appeal will be successful and the ordinary courts will predominantly follow the experts' opinion. A potential negative final outcome following the Tax Tribunal valuation would lead to an additional liability of DKK 267 million (approx. €35.8 million) compared to the provision recorded as at 31 December 2022. A potential positive outcome following the valuation experts would lead to a reduction of the exposure of DKK 87 million (approx. €11.7 million) compared to what has been recorded by the Group up until December 2024.

The procedure at the ordinary courts is not expected to take place before 2026. In order to avoid interest on potential incremental charges a net payment of DKK 251,770 million (€33,770) was made to Danish tax authorities in 2023, which resulted in a non-current tax asset balance reported of €21,699 as at 31 December 2024. Management believes that it is highly probable that the prepayment can be recovered after the resolution of litigation. However, it is expected that the amount will not be returned within 12 months after the balance sheet date.

In December 2021 the Group filed a complaint at the District Court of Delaware (United States) seeking a declaratory judgment that the claims of certain third party patents regarding Rebyota, the product launched in 2023, are invalid and not infringed. Patent owners have countersued for patent infringement. In August 2024 during a trial in U.S. District Court the jury found the third party patents valid and infringed, awarding damages and royalties to the third party. The Group has recorded a provision of €27.9 million (Note 23). It is possible these damages could be increased or decreased based on what the judge or appellate court decides. The Group believes that the recorded provision and a royalty on the future Rebyota sales is the best estimate of the damages. A final decision is not expected before 2026.

Other contingent liabilities

In past years, the Group has acquired several assets with additional consideration payable contingent on meeting specific development, commercialisation or sales milestones. The milestone payments with a probability of becoming due, within the next 5 years, of below 50% as at 31 December 2024 have not been recognised as a liability on the balance sheet and amount to the undiscounted value of **€56,882** (€77,857 at 31 December 2023). In addition, there are incremental unrecognised contingent consideration amounts which will become payable in the future upon reaching certain sales levels for products still in development and sales milestones not expected to become due in the next 5 years.

There are no other significant contingent liabilities.

32. Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements amounted to **€42,896** at 31 December 2024 and €78,516 at 31 December 2023.

During 2024, the significant decrease is primarily attributed to the completion of major construction activities in Germany, as well as substantial capital expenditures realised for the manufacturing project in India.

33. Related party transactions

The Group is ultimately owned by the Dr Frederik Paulsen Foundation, established by the late Dr. Frederik Paulsen, the founder of the Ferring Group. Related party transactions refer to transactions with key management and with companies controlled directly or indirectly by common directors with Ferring Holding SA.

(I) Sales of goods, services and other

Sales of goods	2024	2023
Sever Group	4,150	3,139
Other	-	-
Total	4,150	3,139

The sales of goods are mainly related to Desmopressin, Biolon and Lysteda for which the marketing and distribution agreements were transferred from the Group to Sever Group.

Sales of services and other	2024	2023
Esperante	738	-
PolyPeptide Group	350	-
Sever Group	148	-
Other	370	120
Total	1,606	120

The amount for Esperante is mainly connected to royalty income and marketing and sales activities for Bivos.

(Amounts expressed in thousands of Euros)

Recharges of services	2024	2023
Ferring Ventures Group	13,622	8,067
Insula	812	10,652
Total	14,434	18,719

The amount for Ferring Ventures Group mainly represents the recharge of services connected to general and administrative expenses and R&D services connected to Adstiladrin.

The amount for Insula Group in 2024 mainly represents the recharge of services connected to general and administrative expenses. In 2023, the amount was related to the income generated by the Group regarding R&D services provided to Bazell Pharma AG. This income was netted with the costs within Research and development expenses in the statement of income of the Group. The contract terminated in 2023.

Transfer of research and development

In 2024, the Group transferred the in-house developed intellectual property rights connected to Phages and α4ß7, for an amount of €32,900 to Ferring Ventures SA.

(II) Purchases of related party goods, services and other

Purchases of goods	2024	2023
PolyPeptide Group	44,944	29,956
Ferring Ventures Group	32,103	27,287
Sever Group	4,019	3,532
Total	81,066	60,775

The Group mainly purchases Active Pharmaceutical Ingredient (API) to produce drugs from the PolyPeptide Group. The Ferring Ventures Group purchases represent the purchase of Adstiladrin®.

(Amounts expressed in thousands of Euros)

Purchase of services	2024	2023
Ferring Ventures Group	32,278	40,243
Ney Group	17,189	16,014
Sever Group	3,039	8
Insula Group	522	14,378
Other	887	88
Total	53,915	70,731

The purchase of services from the Ferring Ventures Group comprises services connected to Adstiladrin®.

The purchase of services from Ney Group includes the Soundport A/S building lease which commenced in May 2022. This lease agreement was amended in December 2023 and includes the final construction costs.

Since 2021, Bazell Pharma AG, part of the Insula Group and formerly a Ferring Group entity provides support to Ferring's Global Life Cycle Management products under a 3 year research agreement, for €5,000 the first year and €15,000 the following two years. The contract ended in 2023.

Purchases of product licences

In 2023, the Group signed an agreement with Ferring Ventures SA regarding most of the remaining rights of the rAd-INF portfolio (Adstiladrin®) with the main asset for the treatment of UTUC leading to an increase of the intangible assets for an amount of €90,669. The outstanding balance is **€32,104** and is due in March 2025.

Assets under construction

The Group's U.S. Manufacturing site purchased material that has been capitalised from the Ferring Ventures Group to support the drug product process and quality control methods transfer activities in the light of building a production line dedicated to Adstiladrin® for an amount €387.

(III) Outstanding balances arising from sale, purchase of goods, services and other

Receivables from/prepayments to related parties	2024	2023
Ferring Ventures Group	57,259	38,182
Ney Group	6,195	5,782
Sever Group	719	964
Insula Group	361	3,149
Other	45	4
Total	64,579	48,081

Outstanding balances from the Ferring Ventures Group mainly represents the costs recharged regarding Adstiladrin®, advance payments for future purchase of inventory and general and administrative expenses.

The Ney Group receivable represents a lease deposit related to a lease agreement for premises in Copenhagen.

In 2023, the Insula receivable represents the invoicing of services to Bazell Pharma AG.

(Amounts expressed in thousands of Euros)

Payables and contingent consideration liabilities to related parties	2024	2023
Ferring Ventures Group	55,508	112,637
PolyPeptide Group	9,098	7,679
Sever Group	394	136
Total	65,000	120,452

The payables to the Ferring Ventures Group mainly represent the unpaid milestones related to the agreement regarding UTUC and related to the approval of Adstiladrin® in Europe and Asia as well as the outstanding balances regarding the service charges. **Additionally, the Group has committed to funding the Ferring Ventures Group's working capital requirements through pre-payments for Adstiladrin®**.

(IV) Loans to/from related parties

Included in the agreement signed in 2021 with the Ferring Ventures Group, there was a receivable of €25,000 to be repaid in tranches in the 5 years following the Adstiladrin® approval in the United States. The first payment occurred in December 2023, which is one year after the approval. A portion is recognised as a current asset of **€4,862** (2023: €4,798) and the remaining **€9,381** (2023: €13,500) recognised as a non-current asset. This receivable is a financial instrument measured at fair value to profit or loss and has been discounted using a market interest rate.

(V) Property transactions

The Group leases a number of properties from related parties. The lease conditions are established by reference to market terms. Rent paid to related parties is included in purchases of services. Lease liabilities amounts to **€219,353** (2023: 229,064).

(VI) Key management compensation

The recurring compensation for key management (Ferring Holding SA Board of Directors, Group Executive Management) in 2024 was **€15,181** (2023: €16,670), which includes salary costs, other short term and long term benefits **€14,057** (2023: €14,953) and post-employment benefits **€1,124** (2023: €1,717).

34. Business combinations

On 31 August 2024, the Group acquired 100% of the share capital of Minerva Analytix GmbH, located in Rangsdorf, near Berlin, Germany. It is a Good Manufacturing Practice certified laboratory offering analytical testing services, assay establishment and validation using state of the art methods. Minerva Analytix GmbH provides virus testing services for hMG-HP (Menopur) and hCG-HP (Chorapur) for API batch release. The objective of the acquisition is to further strengthen the Menopur supply chain and eventually also for other products in the future by bringing the services provided in-house.

Acquisition-related costs amounting to €21 have been excluded from the consideration transferred and have been recognised as an expense in the statement of income in 2024 within the general and administration expenses line item.

(Amounts expressed in thousands of Euros)

Assets acquired and liabilities recognised at the date of acquisition	*Notes*	
Non-current assets		309
Current assets		250
Current liabilities		68
Net assets acquired		**491**

Consideration		
Cash paid		1,120
Financial liability	26	645
Total consideration transferred		**1,765**

The financial liability represents the retained share purchase price and is a security for all indemnity claims against Minerva Analytix and shall be paid on 31 March 2025 if no dispute is pending in court.

Goodwill	
Consideration	1,120
Financial liability	645
Fair value of identifiable net assets	(491)
Goodwill	**1,274**

The acquired identifiable assets and liabilities of Minerva Analytix GmbH, are recorded at fair value at the date of acquisition. The goodwill arising on acquisition relates to the value of assets that do not meet the criteria for recognition as separable assets and mainly represents the know-how and relationships of staff. This goodwill was added to the Menopur CGU.

Net cash outflow	
Cash consideration	(1,120)
Less cash and cash equivalents balances and bank overdraft acquired	66
Net cash outflow on acquisition	**(1,054)**

Had the company been acquired on 1 January 2024 the revenue for the year 2024 would have been €540 and the gain would have been **€174**.

The acquisition of Minerva Analytix GmbH's has not generated any significant impact on the statement of income since acquisition date.

(Amounts expressed in thousands of Euros)

Business combination in 2023

On 3 January 2023 the Group acquired 100% of the share capital of Massone SA (the Massone Group) for a purchase price of €47,686.

The Massone Group was created in 1947 and is the Group's long-term supplier of the active pharmaceutical ingredient (API) for Menopur and Chorapur/Novarel. The Group is based in Buenos Aires, Argentina and employs around 900 people. The objective of the acquisition was to secure supply, sustain production, and leverage capabilities, and in order to create a global reproductive medicine business that provides significant value to people on their family-building journey.

Acquisition-related costs amounting to €1,600 have been excluded from the consideration transferred and have been recognised as an expense in the statement of income in 2023 within the general and administration expenses line item.

Assets acquired and liabilities recognised at the date of acquisition	*Notes*	
Property, plant and equipment	*12*	32,423
Intangible assets	*13*	303
Deferred tax assets	*11*	6,866
Other non-current assets		89
Total non-current assets		**39,681**
Inventories		84,585
Current income tax assets		6,450
Other taxes and social security assets		10,500
Receivables and prepayments		2,026
Cash and cash equivalents		12,910
Total current assets		**116,471**
Deferred tax liabilities	*11*	4,765
Total non-current liabilities		**4,765**
Debt		4,324
Trade accounts payable		17,813
Other taxes and social security liabilities		1,773
Current income tax		692
Provisions		866
Accruals and other liabilities		2,684
Total current liabilities		**28,152**
Net assets acquired		**123,235**

(Amounts expressed in thousands of Euros)

Consideration	*Notes*	
Cash paid		9,380
Future instalments	*26*	38,306
Total consideration transferred		**47,686**

The future instalments include interest of 6% per annum and will be settled over the next four years on the anniversary date of the contract. The nominal value represents 50 million USD and has been discounted in order to reflect the fair value of the future payments. The outstanding balance at the end of the current reporting period is **€32,445** (Note 26).

Gain on acquisition	
Consideration	47,686
Fair value of identifiable net assets	(123,235)
Gain on acquisition	**(75,549)**

The Group recognised a gain on acquisition in the consolidated statement of income in 2023 as the fair value of the identifiable net assets exceeded the consideration. This gain on purchase was related to the fact that the acquired company at the time of the negotiations had significant operational problems with a need for investments and was operating in a difficult economical environment with very high inflation rates.

As the Massone Group was the Group's long-term supplier of the active pharmaceutical ingredient (API) for Menopur and Chorapur/Novarel there were mutual positions at acquisition date. At this date there were no outstanding receivables and payables between the two groups. Before the acquisition date the Group provided the Massone Group a prepayment of €9,600 for future product deliveries, which were settled after acquisition date with these product deliveries.

Net cash outflows

Cash consideration	9,380
Less cash and cash equivalents balances and bank overdraft acquired	(8,586)
Net cash outflow on acquisition	**(794)**

Massone negatively impacted the Group's net income by **€42,698** between the date of acquisition and the year-ended 2023. The revenues were all intragroup and have been eliminated in the consolidation.

There were no significant transactions impacting revenue or profit of Massone between the first day of the financial year 2023 and the acquisition date.

(Amounts expressed in thousands of Euros)

35. Adjustments reconciling net income to operating cash flows

	Notes	2024	2023 restated
Net income from continuing operations		**138,767**	**113,270**
Adjustments to reconcile cash generated by operating activities			
Depreciation	*12,14*	87,380	85,872
Amortisation	*13*	67,874	70,599
Impairment charges	*8*	12,217	139,359
Interest income		(29,206)	(30,871)
Other finance costs		64,357	49,552
Unrealised foreign exchange (gain)/loss included in the net income		(28,849)	14,416
Income tax expense/(income)	*11*	35,121	(20,972)
Loss on sale of non-current assets		375	1,138
Contingent consideration and financial liabilities remeasurement	*25,26*	12,869	(11,428)
Impact on loss/(gain) of non-monetary items		22,377	(67,422)
Other non-cash expense/(income)		245	(76,307)
Fair value loss/(gain) on derivatives and other financial assets		12,732	(943)
(Decrease)/increase in other employee benefits		(217)	3,948
Increase/(decrease) in pension liabilities		3,612	(2,658)
Increase in provisions		17,495	4,639
Decrease in financial liabilities		(17,636)	(4,857)
(Decrease)/increase in other liabilities		(751)	557
Changes in working capital			
Increase in trade and other receivables		(19,642)	(83,189)
Increase in inventories		(182,796)	(87,540)
(Decrease)/increase in trade and other payables		(96,630)	60,214
Decrease in deferred income		(6,757)	(6,160)
Total adjustments		**(45,830)**	**37,947**
Cash generated from operations		92,937	151,217

36. Prior year restatement

In 2024, the Group identified errors in the recognition of deferred tax assets in prior years. The Group has restated its prior year opening and closing balance sheets and Statement of Income to correct these errors as corrections in 2024 would have had a material impact.

The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following table summarises the impacts on the Group's consolidated financial statements.

(Amounts expressed in thousands of Euros)

Consolidated balance sheet

		Impact of correction of errors	
1 January 2023	As previously reported	Adjustments	As restated
Total assets	**3,154,179**	-	**3,154,179**
Deferred tax assets	166,898	-	166,898
Others	2,987,281	-	2,987,281
Total equity	**1,558,927**	**(24,137)**	**1,534,790**
Other reserves	(22,551)	-	(22,551)
Retained earnings	1,357,760	(24,137)	1,333,623
Other	223,718	-	223,718
Total liabilities	**1,595,252**	**24,137**	**1,619,389**
Deferred tax liabilities	29,414	15,946	45,360
Current income tax liabilities	34,271	8,191	42,462
Others	1,531,567	-	1,531,567
31 December 2023			
Total assets	**4,077,083**	**(23,872)**	**4,053,211**
Deferred tax assets	237,691	(23,872)	213,819
Others	3,839,392	-	3,839,392
Total equity	**1,540,360**	**(28,252)**	**1,512,108**
Other reserves	(139,392)	1,081	(138,311)
Retained earnings	1,456,014	(29,335)	1,426,679
Others	223,738	2	223,740
Total liabilities	**2,536,723**	**4,380**	**2,541,103**
Current income tax liabilities	18,051	4,380	22,431
Others	2,518,672	-	2,518,672

Consolidated statement of income and other comprehensive income

		Impact of correction of errors	
	As previously reported	Adjustments	As restated
Finance income and expense	(46,422)	(720)	(47,142)
Income tax gain/(charge)	25,450	(4,478)	20,972
Others	139,440	-	139,440
Net income	**118,468**	**(5,198)**	**113,270**
Total comprehensive income	(18,567)	(4,115)	(22,682)

(Amounts expressed in thousands of Euros)

37. Audit fees and non-audit services fees

	2024	2023
Audit fees	4,158	3,719
Non-audit service fees	693	951
Total	4,851	4,670

Audit fees charged by Deloitte relate to work performed to issue audit opinions on the Group consolidated financial statements and parent company financial statements of Ferring Holding SA, and to issue reports on local statutory financial statements of subsidiaries around the world.

Non-audit service fees charged by Deloitte are for other professional services unrelated to the statutory and Group audit activity.

38. Principal subsidiary companies

Unless stated otherwise, all companies listed below are 100% owned, as of 31 December 2024 and 31 December 2023.

Name of entity	Place of business	Principal activity
Laboratórios Ferring SA	Argentina, Buenos Aires	Marketing and Sales, Manufacturing
Massone SA	Argentina, Buenos Aires	Holding
Instituto Massone SA	Argentina, Buenos Aires	Manufacturing
Biomas SA	Argentina, Buenos Aires	Manufacturing
Ferring Pharmaceuticals Pty Ltd.	Australia, Pymble	Marketing and Sales
Ferring Arzneimittel GesmbH	Austria, Vienna	Marketing and Sales
Ferring NV	Belgium, Aalst	Marketing and Sales
CPSI Holdings Ltd.	Bermuda	Holding
Laboratórios Ferring Ltda.	Brazil, São Paulo	Marketing and Sales
Ferring Inc.	Canada, Toronto	Marketing and Sales
Ferring Productos Farmaceuticos SpA	Chile, Santiago	Marketing and Sales
Ferring Pharmaceuticals Ltd.	China, Hong Kong	Marketing and Sales
Ferring Pharmaceutical (China) Co.Ltd.	China, Zhongshan City	Manufacturing
Ferring Pharmaceuticals (Asia) Company Ltd.	China, Shanghai	Marketing, R&D
Ferring Pharmaceuticals SAS	Colombia, Bogotá	Marketing
Ferring-Léciva a.s.	Czech Republic, Jesenice u, Praha	Manufacturing
Ferring Pharmaceuticals CZ SRO	Czech Republic, Jesenice u, Praha	Marketing and Sales
Farmaceutisk Laboratorium Ferring A/S	Denmark, Copenhagen	No activity
Ferring Lægemidler A/S	Denmark, Copenhagen	Marketing and Sales

(Amounts expressed in thousands of Euros)

Name of entity	Place of business	Principal activity
Ferring Pharmaceuticals A/S	Denmark, Copenhagen	R&D
Syntese A/S	Denmark, Hvidovre	Manufacturing
Ferring Lääkkeet Oy	Finland, Espoo	Marketing and Sales
Ferring SAS	France, Gentilly	Marketing and Sales
Laboratoire Pharmaceutique Noroit Sàrl	France, Gentilly	No activity
Ferring Gentilly SCI	France, Gentilly	No activity
Ferring Arzneimittel GmbH	Germany, Kiel	Marketing and Sales
Ferring GmbH	Germany, Kiel	Manufacturing
Wittland Vermögensverwaltung GmbH	Germany, Kiel	Real Estate
Minerva Analytix GmbH [1]	Germany, Rangsdorf	Manufacturing
Ferring Hellas Pharmaceuticals MEPE	Greece, Athens	Marketing and Sales
Ferring Magyarország Gyógyszerkereskedelmi Korlátolt Felelossegu Társasaság	Hungary, Budapest	Marketing and Sales
Ferring Pharmaceuticals Private Ltd.	India, Mumbai	Marketing and Sales, R&D
Ferring Therapeutics Private Ltd.	India, Mumbai	Manufacturing
Ferring Laboratories Private Ltd.	India, Mumbai	Manufacturing, Real Estate
PT Ferring Pharmaceuticals Industry	Indonesia, Jakarta	Marketing and Sales, Manufacturing
Ferring (Ireland) Ltd.	Ireland, Dublin	Marketing and Sales
Ferring Pharmaceuticals Ltd.	Israel, Caesarea	Marketing and Sales
Bio-Technology General (Israel) Ltd.	Israel, Kiryat Malachi	Manufacturing, R&D
Ferring Holding Ltd.	Israel, Kiryat Malachi	Holding
Ferring SpA	Italy, Milan	Marketing and Sales
Ferring Pharma Kabushiki Kaisha	Japan, Tokyo	Marketing and Sales, R&D
Ferring Sdn. Bhd	Malaysia, Petaling Jaya	Marketing and Sales
Ferring SA de CV	Mexico, Lerma, Estado de Mexico	Marketing and Sales, Manufacturing
Ferring BV	The Netherlands, Hoofddorp	Holding, Marketing and Sales
Ferring Pharmaceuticals BV	The Netherlands, Hoofddorp	Holding, Marketing and Sales
Ferring Legemidler AS	Norway, Oslo	Marketing and Sales
Ferring Pharmaceuticals Poland Sp.z o.o	Poland, Warsaw	Marketing and Sales
Ferring Portuguesa – Produtos Farmacêuticos, Sociedade Unipessoal, Lda.	Portugal, Linda-a-Velha	Marketing and Sales
Ferring Service Center LDA	Portugal, Lisbon	IT Services, Human Resources, Finance and Legal
Ferring Pharmaceuticals Romania Srl	Romania, Timisoara	Marketing
Ferring Pharmaceuticals LLC	Russian Federation, Moscow	Marketing and Sales
Ferring Production LLC	Russian Federation, Moscow	Manufacturing

Name of entity	Place of business	Principal activity
Ferring Pharmaceuticals DOO	Serbia, Belgrade	Marketing
Ferring Pharmaceuticals Private Ltd.	Singapore	Marketing and Sales
Ferring Private Ltd.	Singapore	Regional Head Office, Manufacturing, R&D, Marketing and Sales
Ferring Slovakia s.r.o.	Slovakia, Bratislava	Marketing
Ferring (Proprietary) Ltd.	South Africa, Pretoria	Marketing and Sales
Ferring Jeyak Chusik Hoesa	South Korea, Seoul	Marketing and Sales
Ferring SAU	Spain, Madrid	Marketing and Sales
Ferring AB	Sweden, Malmö	No activity
Ferring Läkemedel AB	Sweden, Malmö	Marketing and Sales
Ferring AG	Switzerland, Baar	Marketing and Sales
Ferring International Center SA	Switzerland, St-Prex	Head Office, Manufacturing, R&D, Marketing and Sales
Ferring Pharmaceuticals SA	Switzerland, St-Prex	Marketing and Sales
Ferring Properties SA	Switzerland, St-Prex	Real Estate
Ferring Pharmaceuticals Ltd.	Taiwan, Taipei	Marketing and Sales
Ferring Pharmaceuticals Company Ltd.	Thailand, Bangkok	Marketing and Sales
Ferring Ilac Sanayi Ve Ticaret Limited Sirketi	Turkey, Istanbul	Marketing and Sales
Ferring Ukraine LLC	Ukraine, Kyiv	Marketing
CPSI Scotland Ltd.	United Kingdom, Glasgow	No activity
Ferring Controlled Therapeutics Ltd.	United Kingdom, Glasgow	Manufacturing, R&D
Ferring Laboratories Ltd.	United Kingdom, West Drayton	Holding
Ferring Pharmaceuticals Ltd.	United Kingdom, West Drayton	Marketing and Sales
Cytokine Pharmasciences Inc.	U.S.A., Delaware	Holding
Ferring Pharmaceuticals Inc.	U.S.A., Parsippany, NJ	Marketing and Sales
Ferring International Pharmascience Center U.S. Inc. [2]	U.S.A., Parsippany, NJ	R&D
Ferring Holding Inc.	U.S.A., Parsippany, NJ	Holding
Ferring Production Inc.	U.S.A., Parsippany, NJ	Manufacturing
Ferring Properties Inc.	U.S.A., Parsippany, NJ	Real Estate
QualTech Laboratories, Inc.	U.S.A., Ocean Township, NJ	Manufacturing
Ferring Microbiome Inc. [3]	U.S.A., Roseville, MN	R&D
Ferring Properties Sorrento Valley Inc.	U.S.A., San Diego, CA	R&D
Ferring Pharmaceuticals Company Ltd.	Vietnam, Ho Chi Minh City	Marketing and Sales

(1) 100% acquired in May 2024 *(2) Merged into Ferring Pharmaceuticals Inc. in December 2024* *(3) Previously named Rebiotix Inc., name changed in July 2024*

39. Subsequent events

On 14 January, 2025, the Group and Kissei Pharmaceutical Co., Ltd. ("Kissei") announced the termination of their co-promotion agreement for "Minirin Melt®" and "Desmopressin formulations." The termination will be effective as per 31 March, 2025, after which Kissei will cease promotion activities for these drugs. From 1 April, 2025, the Group will assume sole responsibility for the promotion of these products.

The termination of this agreement is considered a material non-adjusting subsequent event. The upfront payment associated with the termination will be recognised under other income in 2025.

No other subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements as of the date of approval of 11 March, 2025.

Ferring Holding SA

Saint-Prex

To the General Meeting of **Ferring Holding SA, Saint-Prex**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ferring Holding SA (the Company), which comprise the Balance sheet as at 31 December 2024, the Statement of income for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion the financial statements (pages 141 to 150) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the stand-alone financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte SA

Robert Purdy
Licensed Audit Expert
Auditor in Charge

Aurélie Darrigade
Licensed Audit Expert

Lausanne, 11 March, 2025

Balance sheet	Notes	31 December 2024 EUR	31 December 2024 CHF	31 December 2023 EUR	31 December 2023 CHF
Assets					
Current assets					
Other receivables – third parties		**976**	918	**713**	666
Other receivables – cashpool		**103,278**	97,133	**360,210**	336,508
Loans to related parties	*3*	**306,904**	288,643	**16,030**	14,975
Total current assets		**411,158**	386,694	**376,953**	352,149
Non-current assets					
Other receivables – third parties		**1,081**	1,017	**563**	526
Loans to related parties	*4*	**871,877**	820,000	**813,530**	760,000
Investments	*5*	**635,679**	597,858	**335,679**	313,591
Total non-current assets		**1,508,637**	1,418,875	**1,149,772**	1,074,117
Total assets		1,919,795	1,805,569	1,526,725	1,426,266
Liabilities and shareholder's equity					
Current liabilities					
Other payables – third parties		**2,491**	2,342	**785**	734
Other payables – cashpool		**511**	481	**551**	515
Deferred unrealised foreign exchange gain	*6*	-	-	**67,401**	62,966
Provision and accrued expenses		**16,993**	15,983	**12,851**	12,005
Loans		**287,081**	270,000	-	-
Liabilities to related party		**5,409**	5,087	**3,723**	3,478
Total current liabilities		**312,486**	293,893	**85,311**	79,698
Non-current liabilities					
Bonds repayable to third parties	*7*	**871,877**	820,000	**813,530**	760,000
Total non-current liabilities		**871,877**	820,000	**813,530**	760,000

(Amounts expressed in thousands of Euros and Swiss Francs)

	Notes	31 December 2024 EUR	31 December 2024 CHF	31 December 2023 EUR	31 December 2023 CHF
Shareholder's equity					
Share capital	8	**207,866**	250,000	**207,866**	250,000
General legal reserve from accumulated profit		**43,844**	50,293	**43,844**	50,293
Retained earnings	9	**483,722**	484,952	**376,174**	383,001
Cumulative translation adjustment		-	(93,569)	-	(96,726)
Total shareholder's equity		**735,432**	691,676	**627,884**	586,568
Total liabilities and shareholder's equity		1,919,795	1,805,569	1,526,725	1,426,266

Statement of income for the year ended 31 December		2024 EUR	2024 CHF	2023 EUR	2023 CHF
Income					
Income from investments		**69,250**	65,877	**200,000**	195,162
Financial income		**33,844**	32,196	**23,431**	22,864
Total income		103,094	98,073	223,431	218,026
Expenses					
Board fees		**(1,315)**	(1,251)	**(2,022)**	(1,973)
General and administrative expenses		**(6,579)**	(6,259)	**(4,598)**	(4,487)
Capital taxes income	10	-	-	**2,497**	2,437
Financial expenses		**(22,929)**	(21,812)	**(13,068)**	(12,752)
Net foreign exchange gain/(loss)		**61**	58	**(41,588)**	(40,582)
Total expenses		(30,762)	(29,264)	(58,779)	(57,357)
Extraordinary item	6	**67,401**	64,118	-	-
Net income for the year before income taxes		**139,733**	132,927	**164,652**	160,669
Income taxes		**(2,185)**	(2,079)	**(841)**	(821)
Net income for the year		137,548	130,848	163,811	159,848

(Amounts expressed in thousands of Euros and Swiss Francs)

Notes to the financial statements 2024

1. General information

The principal activities of Ferring Holding SA, Saint-Prex (Switzerland) ("the Company") and its subsidiaries ("Ferring Group" or "the Group") are the research, development, production, distribution and sale of prescription pharmaceuticals in the areas of reproductive health, urology, gastroenterology, endocrinology and osteoarthritis.

Ferring Holding SA was incorporated on 15 December 2000 and is 100% owned by Ferring Foundation B.V. incorporated in The Netherlands. It is ultimately owned by the Dr. Frederik Paulsen Foundation, established by the late Dr. Frederik Paulsen, the founder of the Ferring Group.

Ferring Holding SA directly owns Ferring International Center SA and Ferring B.V. The Group develops, produces and markets its pharmaceuticals worldwide through subsidiaries located in North America, Europe, Latin America, the Middle East, the Far East, Australia and also through an extensive network of agents and distributors.

The Company has prepared consolidated financial statements for the year ended 31 December 2024 in accordance with International Financial Reporting Standards and therefore is dispensed to include additional disclosure information and a cash flow statement in compliance with the art. 961d of the Swiss Code of Obligations. The consolidated financial statements are available separately.

2. Key accounting and valuation principles

Principles of financial reporting
These financial statements are prepared in accordance with the regulations of Swiss financial reporting law. Where not prescribed by the Code of Obligations, the significant accounting and valuation principles applied are described below.

Use of estimates
Financial reporting under the Code of Obligations requires certain estimates and assumptions to be made by management.

These are made continuously and are based on past experience and other factors (e.g. anticipations of future results, which seem appropriate under the circumstances). The results subsequently achieved may deviate from these estimates. Actual items in the annual accounts, which are based on the estimates and assumptions made by management, are as follows:

- Provisions
- Investments

Foreign currency items
Regarding the presentation of the financial statements in Swiss Franc (CHF), assets and liabilities presented in EUR are translated to CHF using the exchange rate prevailing at the balance sheet date as below. Equity denominated in CHF is measured at historical rate. The profit and loss items presented in EUR are translated to CHF at the average rate for the year. Additionally, starting in 2024, a new policy on netting foreign exchange (FX) gains and losses on loans has been implemented. This change is disclosed in Note 6, which explains the release of deferred unrealised foreign exchange gains into the profit & loss account.

Investments
Investments are stated at cost less provision for permanent impairment.

Ferring BV and Ferring International Center SA were contributed on the incorporation of Ferring Holding SA on 15 December 2000 in return for the issue of share capital with a nominal value of CHF 249,750.

Related parties
The Group is ultimately owned by the Frederik Paulsen Foundation, established by the late Dr. Frederik Paulsen, the founder of the Ferring Group. Related party transactions refer to transactions with key management and with companies controlled directly or indirectly by common directors with Ferring Holding SA.

Income from investments – dividends
Dividends are treated as an appropriation of profit in the year in which they are ratified at the Annual General Meeting and subsequently paid. As a result, dividends are recognised in income in the year in which they are received, on a cash basis.

Taxes
Current income taxes are computed on the basis of the taxable results on an accruals basis.

Employees
The Company has no employees.

Bonds
Bonds are valued at nominal value.

3. Loans to related parties

The other receivables – related parties represents mainly a loan reclassification from non-current to current for **CHF 270,000** (**€287,081 as of 31 December 2024**) to Ferring International Center SA, with maturity less than 1 year (due in July 2025) at an interest rate of 1.55%. The remaining amount of CHF 18,643 (€19,822 as of 31 December 2024) consists of accrued interests.

4. Loans to related parties non-current

The other receivables to related parties non-current represents a loan for **CHF 820,000** (**€871,877 as of 31 December 2024**) to Ferring International Center SA, with maturity between 2 to 8 years at an average interest rate of 2.79% per annum. The Other receivables to related parties non-current amounted to CHF760,000 (€813,530 as of 31 December 2023).

5. Investments

	31 December 2024		31 December 2023	
Company	EUR	CHF	EUR	CHF
Ferring BV	**507,892**	477,673	**207,892**	194,212
Ferring International Center SA	**127,787**	120,185	**127,787**	119,379
	635,679	597,858	335,679	313,591

Company	Location	Shares held	Voting right	Total share capital
Ferring BV	The Netherlands	99.8%	100%	EUR 4,757
Ferring International Center SA	Switzerland	100%	100%	CHF 56,600

In 2016 in agreement with the Company, Ferring BV issued new B-shares to other parties with rights to a certain portion of the profit of Ferring BV and without voting rights. The Company had the right to buy these shares at any time at the price of the accrued profit and nominal value of these shares.

In 2018 in agreement with the Company, Ferring BV issued new C-shares to other parties with rights to a certain portion of the profit of Ferring BV and without voting rights. The Company has the right to buy these shares at any time at the price of the accrued profit and nominal value of these shares.

During 2021 the Company acquired all 16,700 non-voting B-shares of Ferring B.V. for a purchase price of €18,340.

During 2024 Ferring Holding SA made a capital contribution to Ferring B.V. for the amount of €300,000,000.

Ferring BV acts as a holding company and also distributes pharmaceutical products within the Netherlands. The purpose of Ferring International Center SA is to coordinate and operate the production, marketing and sale of pharmaceutical products.

(Amounts expressed in thousands of Euros and Swiss Francs)

Unless stated otherwise, all companies listed below are 100% owned, as of 31 December 2024 and 31 December 2023.

Ferring BV direct investments:

Name of company	Location	Principal activity
Laboratórios Ferring SA	Argentina, Buenos Aires	Marketing and Sales, Manufacturing
Massone SA	Argentina, Buenos Aires	Holding
Instituto Massone SA	Argentina, Buenos Aires	Manufacturing
Biomas SA	Argentina, Buenos Aires	Manufacturing
Ferring Pharmaceuticals Pty Ltd.	Australia, Pymble	Marketing and Sales
Ferring Arzneimittel GesmbH	Austria, Vienna	Marketing and Sales
Ferring NV	Belgium, Aalst	Marketing and Sales
CPSI Holdings Ltd.	Bermuda	Holding
Laboratórios Ferring Ltda.	Brazil, São Paulo	Marketing and Sales
Ferring Inc.	Canada, Toronto	Marketing and Sales
Ferring Productos Farmaceuticos SpA	Chile, Santiago	Marketing and Sales
Ferring Pharmaceuticals Ltd.	China, Hong Kong	Marketing and Sales
Ferring Pharmaceutical (China) Co.Ltd.	China, Zhongshan City	Manufacturing
Ferring Pharmaceuticals (Asia) Company Ltd.	China, Shanghai	Marketing, R&D
Ferring Pharmaceuticals SAS	Colombia, Bogotá	Marketing
Ferring-Léciva a.s.	Czech Republic, Jesenice u, Praha	Manufacturing
Ferring Pharmaceuticals CZ SRO	Czech Republic, Jesenice u, Praha	Marketing and Sales
Farmaceutisk Laboratorium Ferring A/S	Denmark, Copenhagen	No activity
Ferring Lægemidler A/S	Denmark, Copenhagen	Marketing and Sales
Ferring Pharmaceuticals A/S	Denmark, Copenhagen	R&D
Syntese A/S	Denmark, Hvidovre	Manufacturing
Ferring Lääkkeet Oy	Finland, Espoo	Marketing and Sales
Ferring SAS	France, Gentilly	Marketing and Sales
Laboratoire Pharmaceutique Noroit Sàrl	France, Gentilly	No activity
Ferring Gentilly SCI	France, Gentilly	No activity
Ferring Arzneimittel GmbH	Germany, Kiel	Marketing and Sales
Ferring GmbH	Germany, Kiel	Manufacturing
Wittland Vermögensverwaltung GmbH	Germany, Kiel	Real Estate
Minerva Analytix GmbH [1]	Germany, Rangsdorf	Manufacturing
Ferring Hellas Pharmaceuticals MEPE	Greece, Athens	Marketing and Sales
Ferring Magyarország Gyógyszerkereskedelmi Korlátolt Felelossegu Társaság	Hungary, Budapest	Marketing and Sales
Ferring Pharmaceuticals Private Ltd.	India, Mumbai	Marketing and Sales, R&D
Ferring Therapeutics Private Ltd.	India, Mumbai	Manufacturing, R&D

Name of company	Location	Principal activity
Ferring Laboratories Private Ltd.	India, Mumbai	Manufacturing, Real Estate
PT Ferring Pharmaceuticals Industry	Indonesia, Jakarta	Marketing and Sales, Manufacturing
Ferring (Ireland) Ltd.	Ireland, Dublin	Marketing and Sales
Ferring Pharmaceuticals Ltd.	Israel, Caesarea	Marketing and Sales
Bio-Technology General (Israel) Ltd.	Israel, Kiryat Malachi	Manufacturing, R&D
Ferring Holding Ltd.	Israel, Kiryat Malachi	Holding
Ferring SpA	Italy, Milan	Marketing and Sales
Ferring Pharma Kabushiki Kaisha	Japan, Tokyo	Marketing and Sales, R&D
Ferring Sdn. Bhd	Malaysia, Petaling Jaya	Marketing and Sales
Ferring SA de CV	Mexico, Lerma, Estado de Mexico	Marketing and Sales, Manufacturing
Ferring BV	The Netherlands, Hoofddorp	Holding, Marketing and Sales
Ferring Pharmaceuticals BV	The Netherlands, Hoofddorp	Holding, Marketing and Sales
Ferring Legemidler AS	Norway, Oslo	Marketing and Sales
Ferring Pharmaceuticals Poland Sp.z o.o	Poland, Warsaw	Marketing and Sales
Ferring Portuguesa – Produtos Farmacêuticos, Sociedade Unipessoal, Lda.	Portugal, Linda-a-Velha	Marketing and Sales
Ferring Service Center LDA	Portugal, Lisbon	IT Services, Human Resources, Finance and Legal
Ferring Pharmaceuticals Romania Srl	Romania, Timisoara	Marketing
Ferring Pharmaceuticals LLC	Russian Federation, Moscow	Marketing and Sales
Ferring Production LLC	Russian Federation, Moscow	Manufacturing
Ferring Pharmaceuticals DOO	Serbia, Belgrade	Marketing
Ferring Pharmaceuticals Private Ltd.	Singapore	Marketing and Sales
Ferring Private Ltd.	Singapore	Regional Head Office, Manufacturing, R&D, Marketing and Sales
Ferring Slovakia s.r.o.	Slovakia, Bratislava	Marketing
Ferring (Proprietary) Ltd.	South Africa, Pretoria	Marketing and Sales
Ferring Jeyak Chusik Hoesa	South Korea, Seoul	Marketing and Sales
Ferring SAU	Spain, Madrid	Marketing and Sales
Ferring AB	Sweden, Malmö	No activity
Ferring Läkemedel AB	Sweden, Malmö	Marketing and Sales
Ferring AG	Switzerland, Baar	Marketing and Sales
Ferring International Center SA	Switzerland, St-Prex	Head Office, Manufacturing, R&D, Marketing and Sales
Ferring Pharmaceuticals Ltd.	Taiwan, Taipei	Marketing and Sales
Ferring Pharmaceuticals Company Ltd.	Thailand, Bangkok	Marketing and Sales

Name of company	Location	Principal activity
Ferring Ilac Sanayi Ve Ticaret Limited Sirketi	Turkey, Istanbul	Marketing and Sales
Ferring Ukraine LLC	Ukraine, Kyiv	Marketing
CPSI Scotland Ltd.	United Kingdom, Glasgow	No activity
Ferring Controlled Therapeutics Ltd.	United Kingdom, Glasgow	Manufacturing, R&D
Ferring Laboratories Ltd.	United Kingdom, West Drayton	Holding
Ferring Pharmaceuticals Ltd.	United Kingdom, West Drayton	Marketing and Sales
Cytokine Pharmasciences Inc.	U.S.A., Delaware	Holding
Ferring Pharmaceuticals Inc.	U.S.A., Parsippany, NJ	Marketing and Sales
Ferring International Pharmascience Center U.S. Inc. [2]	U.S.A., Parsippany, NJ	R&D
Ferring Holding Inc.	U.S.A., Parsippany, NJ	Holding
Ferring Production Inc.	U.S.A., Parsippany, NJ	Manufacturing
Ferring Properties Inc.	U.S.A., Parsippany, NJ	Real Estate
QualTech Laboratories, Inc.	U.S.A., Ocean Township, NJ	Manufacturing
Ferring Microbiome Inc. [3]	U.S.A., Roseville, MN	R&D
4245 Sorrento Valley, Inc.	U.S.A., San Diego, CA	Real Estate
Ferring Pharmaceuticals Company Ltd.	Vietnam, Ho Chi Minh City	Marketing and Sales

Ferring International Center SA direct investments:

Name of company	Location	Principal activity
Ferring Pharmaceuticals SA	Switzerland, St-Prex	Marketing and Sales
Ferring Private Ltd.	Singapore	Regional Head Office, Manufacturing, R&D, Marketing and Sales
Ferring Properties SA	Switzerland, St-Prex	Real Estate

(1) 100% acquired in May 2024 *(2) Merged into Ferring Pharmaceuticals Inc. in December 2024* *(3) Previously named Rebiotix Inc., name changed in July 2024*

6. Extraordinary item

The extraordinary item relates to the release of deferred unrealised foreign exchange gain into the profit & loss account. It derives from a change of accounting treatment from 2023 to 2024 linked to the revaluation of the current and non-current receivable from related parties of CHF 270,000 and CHF 820,000 (€287,081 and €871,877 respectively as of 31 December 2024). As the bonds and the loans to FICSA have same currency and same timing, exchange gain and losses are compensated with each other. The unrealised deferred in balance sheet from previous years of CHF 64,118 (€67,401) was released in P&L in the current year.

(Amounts expressed in thousands of Euros and Swiss Francs)

7. Long term liabilities to third parties

As of 9 July 2020, the Company issued bonds on the SIX Swiss Exchange for CHF **270,000** (€287,079 as of 31 December 2024) with a 5-year maturity at a fixed rate of 1.05% per annum.

On 21 April 2023, the Company issued additional bonds on the SIX Swiss Exchange for a total amount of CHF **490,000** (€520,998 as of 31 December 2024). CHF **250,000** (€265,815 as of 31 December 2024) with a 4-year maturity at a fixed rate of 2.7% per annum, CHF **160,000** (€170,122 as of 31 December 2024) with a 8-year maturity at a fixed rate of 3.25% per annum.

As per 12 July 2023 the Company obtained an additional CHF **80,000** (€85,061 as of 31 December 2024) with a 7.775- year maturity at a fixed rate of 3.25% per annum.

On 28 June 2024, the Company issued additional bonds on the SIX Swiss Exchange for a total amount of CHF 330,000 (€350,876 as of 31 December 2024). CHF 210,000 (€223,285 as of 31 December 2024) with a 5-year maturity at a fixed rate of 2.25% per annum, CHF 120,000 (€127,591 as of 31 December 2024) with a 9-year maturity at a fixed rate of 2.5% per annum. In 2024 the bond issued in 2020, due in 2025, was reclassified to short term liabilities third parties for CHF 270,000 (€287,079 as of 31 December 2024).

8. Share capital

	31 December 2024		31 December 2023	
	EUR	CHF	EUR	CHF
20,625,000 registered shares of CHF 10 each	**171,489**	206,250	**171,489**	206,250
2,187,500 registered shares of CHF 20 each	**36,377**	43,750	**36,377**	43,750
	207,866	250,000	207,866	250,000

The share capital is converted to EUR using the EUR/CHF rate as per 31.12.2014 of 1.2027 as a result of the transition to the new Swiss law valid as from 2015, whereby statutory financial statements are established in Euro and presented in both Euro and Swiss francs. This rate is different from the EUR/CHF rate used in the consolidated financial statements, which refers back to the historical EUR/CHF rate at incorporation in 2000.

(Amounts expressed in thousands of Euros and Swiss Francs)

9. Movements in retained earnings

	2024		2023	
	EUR	CHF	EUR	CHF
Balance at 1 January	**376,174**	383,001	**212,363**	223,153
Payment of the ordinary dividend according to the shareholder's meeting	**(30,000)**	(28,897)	-	-
Net income	**137,548**	130,848	**163,811**	159,848
Balance at 31 December	483,722	484,952	376,174	383,001

Balance of retained earnings incl. cumulative translation adjustments	2024		2023	
	EUR	CHF	EUR	CHF
Balance at 1 January	**376,174**	286,275	**212,363**	156,400
Movement of cumulative translation adjustment	-	3,157	-	(29,973)
Movement of retained earnings adjustment	**107,548**	101,951	**163,811**	159,848
Balance at 31 December	483,722	391,383	376,174	286,275

10. Capital taxes income (expenses)

No Capital Taxes in 2024. The income on Capital taxes in 2023 consists for CHF 2,437 (EUR 2,497) of refunds from the Swiss tax authorities relating to the period 2018 – 2021.

11. Guarantees in favor of third parties

	31 December 2024		31 December 2023	
	EUR	CHF	EUR	CHF
Guarantees granted to related parties in connection with credit facility agreements	**319,139**	300,151	**319,268**	298,260
Of which used:	**2,490**	2,342	**2,490**	2,326

12. Subsequent events

No subsequent events have occurred that would require recognition or disclosure in the stand alone financial statements.

(Amounts expressed in thousands of Euros and Swiss Francs)

13. Exchange rates

Exchange rates used for translation from EUR (functional currency) to CHF	31 December 2024 EUR/CHF	31 December 2023 EUR/CHF
Closing rate	**0.94050**	**0.93420**
Average rate	**0.95129**	**0.97581**

Proposal of the board of directors for appropriation of available earnings

		2024 EUR	2024 CHF
Available earnings	*In Euros*	**483,722,000**	484,952,000
Gross dividend	*In Euros*	**(30,000,000)**	(28,215,112)
To be carried forward		453,722,000	456,736,888

(Amounts expressed in thousands of Euros and Swiss Francs)

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