



**Formycon Group**  
***key financial figures***

***This English version  
is a translation of the legally  
definitive version***

**2025**

**44.5**

**Revenue**  
in € million

**-3.6**

**EBITDA**  
in € million

**-2.3**

**Adjusted EBITDA**  
in € million

**70.1**

**Working Capital**  
in € million

**2024**

**69.7**

**Revenue**  
in € million

**-13.7**

**EBITDA**  
in € million

**-1.6**

**Adjusted EBITDA**  
in € million

**55.1**

**Working Capital**  
in € million

## About Formycon

Formycon is a leading, independent developer of high-quality biosimilars, which are follow-on products to biopharmaceutical drugs. In the dynamically growing biosimilar market, we are consistently working to expand and further develop our scalable biosimilar platform. This platform currently includes three approved biosimilars for indications in ophthalmology and immunology, providing millions of patients worldwide with access to life-saving and cost-effective therapies. Five additional biosimilar candidates in various stages of development, on their way to approval, complement our valuable pipeline.

As a pure-play biosimilar company, Formycon has a decisive competitive advantage: thanks to our focused strategy, agile development processes, and strong partnerships, we are able to efficiently develop high-quality follow-on products and adapt quickly to market changes. This flexibility, combined with our deep scientific expertise, positions us as a reliable and preferred partner in the highly regulated biopharmaceutical market.

Our goal is to meet the growing global demand for biosimilars and ensure long-term value creation through a diversified portfolio and strong partnerships. Around 200 highly qualified employees are working toward this goal at our Martinsried site near Munich.

## Our Biosimilar Assets

OPHTHALMOLOGY

**FYB201**

ranibizumab

*In 24 countries worldwide  
on the market*

IMMUNOLOGY

**FYB202**

ustekinumab

*In the U.S. and Europe  
on the market*

OPHTHALMOLOGY

**FYB203**

aflibercept

*To be launched in Europe  
and the U.S. in 2026*

IMMUNO-ONCOLOGY

**FYB206**

pembrolizumab

*Clinical development  
successfully completed*

IMMUNOLOGY

**FYB208**

dupilumab

*Technical Proof  
of Similarity Achieved*

IMMUNOLOGY

**FYB209**

undisclosed

*Technical development  
advanced*

IMMUNOLOGY

**FYB210**

undisclosed

*Technical development  
advanced*

IMMUNOLOGY

**FYB286**

undisclosed

*Technische Entwicklung  
gestartet*

Learn more about our  
biosimilar portfolio  
starting on page 48



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**To our  
shareholders**

# *An interview with our* **Management Board**



**From left to right:** Dr. Andreas Seidl (CSO), Enno Spillner (CFO), Dr. Stefan Glombitza (CEO), Nicola Mikulcik (CBO)

***The financial year of 2025 was characterized by important regulatory milestones, progress in the pipeline and new partnerships. However, the market environment was quite challenging, especially in the US. Looking back, how do you assess the year?***

**Dr. Stefan Glombitza, Chief Executive Officer:** “In review, 2025 was strategically and operationally successful, shaped by important decisions. We reached key milestones in our development pipeline that will sustainably strengthen our medium- and long-term growth. Particularly noteworthy is the data-driven scientific coordination with the FDA, which made it possible to waive a separate efficacy study (Phase III) for FYB206. This regulatory breakthrough represents a significant time and cost

advantage for us and underlines the agility and creativity with which Formycon is breaking new ground in product development.

This was further enhanced by the earlier-than-planned initiation of the clinical pharmacokinetic study for FYB206. Patient recruitment was already completed in mid-2025, securing us a leading competitive position in one of the world's most commercially attractive biosimilar opportunities.

The successful out-licensing of FYB206 in North America and the MENA region lays the foundation for strong commercialization partnerships in these key markets.

To achieve the operational objectives, it was important to combine stringent implementation with innovative approaches:

With FYB201 as the first ranibizumab biosimilar distributed through a pre-filled syringe, we have set a technological milestone in Europe. The fact that we were the first biosimilar developer ever to obtain a second approval for an existing product in the U.S. confirms our pioneering work in the regulatory field. For FYB203, we have reached a patent agreement with the reference drug manufacturer, which will enable market entry in 2026 and make yet another product from our ophthalmic pipeline accessible to patients worldwide. With the so-called "Technical Proof of Similarity" (TpoS), we have demonstrated the high analytical comparability of FYB208 with the reference drug and have thus successfully entered the next development phase for this attractive product from our pipeline.

The milestone achievements were not adequately reflected in the capital market's response, primarily due to the challenging environment in the U.S. biosimilars market. At the beginning of the year, our announcements regarding the significant impairments on FYB201 and FYB202, as well as the temporary pause in the U.S. commercialization of FYB201, also represented challenging news for the capital markets.

However, our strategic positioning and the long-term potential of biosimilars remain unchanged. We are entering 2026 with a clear focus and confidence.

### ***What strategical factors are decisive for Formycon's long-term success?***

**Dr. Stefan Glombitza:** "Our long-term success is based on four clearly defined strategic pillars:

First, *geographical diversification*. In addition to the core markets of Europe and the U.S., we specifically address high-growth regions such as the MENA region, Sub-Saharan Africa and Latin America – in close partnership with experienced regional market players.

Second, through a balanced selection of candidates, we ensure that we consistently build and advance a *smart portfolio* to market maturity. Streamlined clinical requirements enable more efficient development and open up opportunities in indications that were previously considered less commercially attractive.

Third, *excellence and innovation* are at the core of what we do. Our technological and regulatory expertise positions Formycon as a high-performing development powerhouse. Innovative product solutions and novel regulatory approaches enable us to differentiate ourselves from the competition.

Fourth, *rigorous cost efficiency* is an increasingly important success factor. Through process optimization, regulatory simplifications and the targeted use of digital technologies, we are sustainably reducing development and production costs and strengthening our competitiveness."

### ***What goals have you set for 2026?***

**Dr. Stefan Glombitza:** "For the current year, we aim to further advance the company strategically and operationally while accelerating the transition to sustained growth and sustainable EBITDA profitability.

A key milestone on this path has already been achieved: The primary study endpoints for the Keytruda® biosimilar candidate FYB206 have been successfully met and are currently being incorporated into the regulatory submission dossier together with the manufacturing and analytical data. In parallel, we are conducting licensing discussions for regions that have not yet been partnered in order to further expand the project's international commercialization potential.

Operationally, we expect additional momentum from the relaunch of our Lucentis® biosimilar Cimerli® in the U.S. and from the market entry of a second FYB201 product in the U.S., Nufymco®. For our Stelara® biosimilar FYB202, we see encouraging signs of improving market access despite the still challenging market environment, which should progressively translate into stronger growth throughout 2026.

Another key milestone in 2026 will be the market launch of our Eylea® biosimilar FYB203 under the brand names Ahzantive® and Baiama®. With this product, we are, for the first time, managing the complete organization of the supply chain and market supply, further strengthening our position as an integrated development and supply partner.

In parallel, we are firmly focused on achieving operating profitability and consolidating it over the long term. This will be supported by the continued expansion of partnerships, regulatory efficiencies, and ongoing optimization of our cost base.”

***Is there a risk that biosimilars will increasingly be treated like classic generics?***

**Stefan Glombitza:** “In individual markets, we are observing a stronger convergence towards generic-like mechanisms, for example through the introduction of automatic substitution in Germany. This increases price pressure and exacerbates the supply situation.

That said, barriers to entry in the biosimilar market remain high, both technologically and financially.

Despite regulatory simplification of restrictions, we therefore expect only a limited number of new entrants, who will also need time to establish themselves. Instead, we believe that the increasing number of biosimilars as a distinct market segment, combined with numerous new product opportunities, will drive continued growth of the overall addressable market. In this environment, we believe Formycon remains very well positioned.”

***Geographical diversification was cited as a strategically decisive success factor. What are the advantages of regional partnerships for Formycon?***

**Nicola Mikulcik, CBO:** “Geographical diversification offers both strategic and commercial advantages for Formycon. The biosimilars market is characterized by distinct local competitive dynamics, national reimbursement structures, and regulatory specificities. Market leadership in one region does not automatically translate into leadership in others.

By placing greater emphasis on regional partnerships with leading local companies, we leverage their strong reputation and in-depth market expertise. Established relationships with physicians, pharmacists, payers and purchasing organizations are key. This enhances market penetration, reinforces our competitive positioning and mitigates market entry risks.

For Formycon, this approach enables efficient international commercialization without the need to build our own cost-intensive sales structures, while at the same time ensuring broader risk diversification.”

***How do you succeed in gaining access in markets where the reference product is already competitively priced?***

**Nicola Mikulcik:** “Opportunities also arise in such markets. A biosimilar can gain meaningful market share if, alongside competitive manufacturing costs, reliable supply and strong commercial positioning are ensured. This requires cost- and efficiency-optimized development and manufacturing,

allowing us to compete effectively even in price-sensitive markets.”

### ***Why is early market entry for biosimilars so important?***

**Nicola Mikulcik:** “Early market entry represents a significant competitive advantage. Market shares are typically allocated at the outset, and price levels tend to be more stable during this phase. Companies entering the market at a later stage phase considerably more intense competition and well-established structures. Achieving early entry requires fast development and approval timelines, the establishment of a flexible supply chain and partners willing to assume a certain level of risk in order to set the course for timely market entry, even under conditions of uncertainty.”

### ***What impact does the Phase III waiver have on future development projects?***

**Dr. Andreas Seidl, CSO:** “Waiving Phase III efficacy studies can shorten development timelines by up to three years and generate substantial cost savings. This makes additional biosimilar projects financially viable, including in indications that have previously been less commercially attractive. At the same time, safety, efficacy, and quality remain fully assured. Market entry nevertheless remains demanding, as development and manufacturing continue to require deep technological expertise and significant investment.”

### ***Do you expect similar regulatory developments outside the U.S.?***

**Dr. Andreas Seidl:** “Yes. Other regulatory authorities are also moving in this direction. Last year, the EMA published a draft reflection paper that supports the waiver of Phase III studies under certain conditions. Similar guidelines are now also available from the British MHRA and the Canadian authorities. In addition, a new ICH guideline<sup>1</sup> addressing this topic is currently being developed at the global level. The trend towards scientifically sound,

more efficient approval channels is thus clearly evident. For us, this is a substantial economic opportunity that we are already actively leveraging.”

### ***In fiscal year 2025, three of four key performance indicators – EBITDA, adjusted EBITDA and working capital – performed better than originally forecast, while revenues fell short of guidance. In addition, an impairment was recognized. How should this development be assessed?***

**Enno Spiller, CFO:** “The development of our key performance indicators in fiscal year 2025 reflects the operational reality of a project-, royalty-, and milestone-driven business model. The favourable development of working capital demonstrates that we have managed our cost base and resource allocation with a high degree of discipline while securing additional liquidity in a timely manner. EBITDA was positively impacted by stringent cost management, a higher share of capitalized development costs, and the later timing of certain development expenses. Adjusted EBITDA benefited significantly from a better-than-expected Investment gain from our 50% stake in Bioeq AG, which reflects the overall performance of the FYB201 ranibizumab biosimilar and was positively influenced by the partnership with Zydus.

Revenues below guidance were primarily attributable to three factors: first, timing shifts in the conclusion of commercialization and development partnerships; second, the deferral of milestone payments into fiscal year 2026; and third, a more moderate than expected increase in royalty income from product sales of FYB202.

In this context, we have adjusted our valuation approach and the accounting treatment of FYB202 accordingly. The U.S. reimbursement landscape — particularly the pharmacy benefit manager (PBM) system — is only gradually opening up to immunology biosimilars. As a result, short-term market penetration remains limited, which in turn affects our medium-term royalty expectations. We have

<sup>1</sup> ICH Guidelines (International Council for Harmonisation) are international standards for harmonizing drug development and approval

prudently reflected these developments in our financial planning and valuation.

Looking ahead, we benefit from a growing number of marketed products, additional market launches and an increasing share of recurring royalties. This enhances the predictability and stability of our revenues. At the same time, we remain disciplined in our capital allocation and financially flexible. On this basis, we are confident that we will achieve our goal of operating profitability in the near term and sustain it over the long term.”

### ***How does Formycon ensure financial flexibility in a challenging environment?***

**Enno Spillner:** “Our financial flexibility is built on an increasingly broad and diversified revenue base, supported by a forward-looking financing strategy. With FYB201 and FYB202, we already have marketed products that generate revenues, and FYB203 will add another product in 2026. For this product, we will assume full responsibility for supply chain management and market supply and will be compensated accordingly. In addition, we generate recurring royalty income as well as upfront and milestone payments from our partnerships.

Another key pillar is the corporate bond successfully placed in 2025, which has established a reliable long-term financing base and significantly enhanced our planning certainty. This overall financing and revenue structure enables us to continue executing our growth strategy while preserving financial stability.”

### ***What are your expectations for the 2026 fiscal year, particularly with regard to Formycon’s financial performance?***

**Enno Spillner:** “The 2026 fiscal year will be characterized by the continued transformation from a predominantly development-oriented company to one with increasingly commercially revenue structures.

The established biosimilars FYB201 and FYB202, including the relaunch of FYB201 in the U.S. since January 2026, as well as the market entry of

FYB203 in key markets planned for this year, are relevant drivers in this regard.

Against this backdrop, we anticipate growing sales revenue from marketing across the Group. In addition, we expect contributions from development, licensing, and milestone payments, particularly in connection with further progress on projects such as FYB206. At the same time, we continue to invest significantly in our existing pipeline as well as in the launch of additional development programs. These investments are an integral part of our long-term growth strategy.

Based on growing revenue on the one hand and continued disciplined cost and investment management on the other, we are aiming for positive EBITDA in fiscal year 2026. This represents an important intermediate step toward sustainable profitability in the medium to long term, even though the market environment—particularly in the U.S.—remains characterized by high volatility and intense competition.”

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**Thank you very much for the interview**

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# **Report of the Supervisory Board**

## Dear Shareholders,

Formycon AG (hereinafter also “**Company**”) can look back on an eventful and successful year 2025. In my capacity as Chair of the Company’s Supervisory Board, I am pleased to provide you with this overview of the Supervisory Board’s work during the fiscal year 2025.

### Composition of Supervisory Board

As established by the current Articles of Association (*Satzung*) of the Company, the Supervisory Board consists of six members:

The composition of the Supervisory Board has changed compared to the prior fiscal year. At the Annual General Meeting held physically in Munich on June 18, 2025, Klaus Röhrig (Founding Partner and Co-Chief Investment Officer of Active Ownership Capital S.à.r.l., Luxembourg) was re-elected to the Supervisory Board by a large majority. In addition, the Annual General Meeting resolved to increase the number of Supervisory Board members from five to six members, and Graham Keith Dixon, Ph.D. (Chief Executive Officer of Estetra SRL) was elected as a Supervisory Board member with effect from July 30, 2025. In its current composition, the Supervisory Board is very well-equipped with diverse and complementary skills. For potential future members of the Supervisory Board, we will especially focus on diversity, in particular with respect to the gender quota.

### Composition of Supervisory Board

Name	Role	In office since	Elected until the end of the annual general meeting in
Wolfgang Essler	Chair	2023	2027
Colin Bond	Deputy Chair	2024	2028
Nicholas Haggart	Member	2024	2028
Klaus Röhrig	Member	2020	2029
Dr. Bodo Coldewey	Member	2024	2027
Dr. Graham Dixon	Member	2025	2029

### Cooperation between Management Board and Supervisory Board

The Management Board involved the Supervisory Board at an early stage in all important transactions which were of material importance for the assessment of the Company's situation and development. The Management Board regularly reported to the Supervisory Board in both written and oral form, providing comprehensive and timely information about all business transactions and events of material importance. These reports fully met the requirements established by the Supervisory Board in terms of both content and scope. Based on these reports, the current development status of the biosimilar candidates, the regulatory environment, strategic growth options, the business model, the Company's economic and financial situation and its organizational alignment were discussed. The Supervisory Board also closely monitored the Company's risk situation, risk management and its compliance with legal requirements and ethical standards.

In addition, the Chair of the Supervisory Board held regular meetings with the Management Board to discuss current business developments and key individual topics and decisions. Through this approach, the Supervisory Board was well-informed detail between meetings.

The cooperation with the Management Board was therefore characterized by responsible and focused action in every respect.

### Activities of the Supervisory Board

Throughout the fiscal year, the Supervisory Board duly performed the tasks and duties incumbent upon it in accordance with the law and the Articles of Association. It dealt intensively with the Company's operational and strategic development, regularly advised the Management Board on the Company's management and continuously monitored the Company's management. The Chair of the Supervisory Board was available to discuss Supervisory Board-related issues with investors. During its meetings, the Supervisory Board dealt with all business transactions and pending decisions that required its approval according to the law and the Articles of Association, and passed the corresponding resolutions.

In the fiscal year 2025, the Supervisory Board held four ordinary meetings and eight extraordinary meetings, of which two were held in person, two as hybrid meetings and eight via video conference. The Supervisory Board also met without the Management Board on a regular basis, either in whole or in part, in order to deal with agenda items that either concerned the Management Board itself or required internal discussion by the Supervisory Board.

The following table contains an overview of attendance at the meetings of the Supervisory Board and its committees:

#### Attendance at regular quarterly meetings of the Supervisory Board and its committees

Member of the Supervisory Board	Supervisory Board plenum	Audit Committee	Nomination and Remuneration Committee
Wolfgang Essler	9/9	-	2/2
Colin Bond	7/9	8/8	2/2
Nicholas Hagggar	8/9	8/8	2/2
Klaus Röhrig	9/9	-	-
Dr. Bodo Coldewey	9/9	8/8	-
Dr. Graham Dixon (since July 30, 2025)	2/2	-	-

### Main topics of discussion in the fiscal year 2025

During its meetings in the fiscal year 2025, the Supervisory Board discussed, among other topics, the following regularly recurring agenda items:

- Reports on the biosimilar candidates under development and the commercialization of the already approved biosimilar FYB201 as well as the marketing start of FYB202; in particular discussion of the approval processes and commercialization opportunities for the biosimilar candidates;
- corporate planning, key financial figures and securing the Company's financial resources as well as the evaluation of different products;
- discussion of various financing options to strengthen liquidity;
- discussion of the overall corporate strategy, focus, alignment and vertical vs. horizontal integration along the value chain;
- current and future development of the business and the market environment and relevant regulatory environment;
- human resources and planning, as well as the determination and confirmation of STI and LTI target objectives for 2025 and 2026;
- Management Board contracts, remuneration, long-term commitment and remuneration programs, composition of the current and future Management Board; and
- outlook for the fiscal year 2026 and beyond.

In addition, further discussion topics of particular importance included:

- IT/cybersecurity reporting and further development of risk reporting within the plenum;

- costs, capacities, and personnel structures against the backdrop of optimized competitiveness;
- addition of three new biosimilar candidates in 2026 in accordance with the new portfolio concept;
- strategic growth options, their value creation potential and financing;
- the increase of the number of Supervisory Board members and partial replacement of Supervisory Board members; and
- the approval of the agenda for the Annual General Meeting.

The Supervisory Board also strengthened the Company's corporate governance. It adopted new rules of procedure for both the Management Board and the Supervisory Board. In addition, the Supervisory Board adopted targets for its composition, including with respect to the competence profile, independence and diversity concept.

## Audit committee

In order to efficiently perform its duties in connection with the audit of the financial statements, the Supervisory Board formed an Audit Committee consisting of three members:

### Audit committee

Name	Function
Colin Bond	Chair of the Audit Committee
Dr. Bodo Coldewey	Deputy Chair of the Audit Committee
Nicholas Haggart	Member of the Audit Committee

In the fiscal year 2025, the Audit Committee held eight meetings, of which one meeting was held in person and seven as video conference.

In the presence of the auditor, the Audit Committee dealt with the Company's annual financial statements, the consolidated financial statements and the combined management report. It also discussed the annual report and its review. The Audit Committee discussed with the auditor the assessment of the audit risk, the audit strategy, the audit focus and audit planning as well as the audit results. The Chair of the Audit Committee frequently discussed the progress of the audit with the auditor and reported back to the Audit Committee. The Audit Committee also regularly consulted with the auditor without the Management Board.

The half-year report and quarterly reports (Q1 and Q3 2025) were also reviewed and discussed in detail with management.

The Audit Committee recommended that the Supervisory Board propose KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, as the auditor for the financial statements and the consolidated financial statements to the Annual General Meeting 2025. The Audit Committee issued the audit mandate to the auditor for the fiscal year 2025 as auditor and group auditor, determined the audit focus and set the auditor's fee.

The Audit Committee also monitored the selection, independence, qualifications and effectiveness of the auditor. It focused particularly on evaluating the quality of the audit process.

Finally, the Audit Committee reviewed the Company's accounting process, further securing of financing along with the various possible forms of financing and ensuring going concern, and business risks and was regularly informed about compliance matters.

## Nomination and Remuneration Committee

The Supervisory Board established a Nomination and Remuneration Committee consisting of three members:

### Nomination and Remuneration Committee

Name	Function
Nicholas Hagggar	Chair of the Nomination and Remuneration Committee
Wolfgang Essler	Deputy Chair of the Nomination and Remuneration Committee
Colin Bond	Member of the Nomination and Remuneration Committee

In the fiscal year 2025, the Nomination and Remuneration Committee held four meetings, of which one was held in person and three were held as a video conference.

### Declaration of Conformity with the German Corporate Governance Code

Pursuant to Section 161 para. 1 sentence 1 AktG, the Management Board and the Supervisory Board must declare annually that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with or which recommendations have not been or are not being applied and why not (so-called Declaration of Conformity). On April 28, 2022, the Government Commission on the German Corporate Governance Code presented a new version of the German Corporate Governance Code, which was published in the official section of the Federal Gazette on June 27, 2022. In March 2026, the Management Board and the Supervisory Board published the annual declaration of conformity, which was published on the Company's website <https://www.formycon.com/en/investor-relations/governance/>. Further information on the Company's corporate governance can be found in the corporate governance declaration.

### Training and further professional development measures

The Supervisory Board members independently undertook the training and professional development measures necessary for their duties. The Company provided appropriate support to the Supervisory Board members in their training and professional development measures.

### Audit of annual and consolidated financial statements

The auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, audited the Company's consolidated financial statements and the unconsolidated financial statements as well as the combined management report of the Company and the Formycon Group for the fiscal year 2025 and issued an unqualified audit opinion in each case. The Company's unconsolidated financial statements and the combined management report for the Company and the Formycon Group were prepared in accordance with the German statutory accounting provisions of the German Commercial Code (*Handelsgesetzbuch*). The Company's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (*Handelsgesetzbuch*).

The financial statement documents with the audit reports of the auditor, including the audit opinion on the remuneration report, were sent to the Supervisory Board members in a timely manner. They were thoroughly reviewed and discussed, particularly in terms of legality and correctness, in the presence of the auditor during the Audit Committee meeting on April 21, 2026, and during the Supervisory Board meeting on April 21, 2026, both held at the Company's business premises. The auditor reported on the key findings of the audit, the established audit focus areas, as well as the key audit matters described in the respective audit opinion, and the related audit procedures. The Management Board and the auditor were available to the Audit Committee and the Supervisory Board for further questions and additional information. After thorough discussion, the Audit Committee decided to recommend to the Supervisory Board that it approves the financial statement documents.

The Supervisory Board agreed with the audit results. Based on the final results of its review, the Supervisory Board found no grounds for objection. In line with the recommendations of the Audit Committee, the Supervisory Board approved the unconsolidated financial statements and the consolidated financial statements for the fiscal year 2025, as well as the combined management report of the Company and the Group, in its meeting on April 21, 2026; thus, the unconsolidated financial statements for the fiscal year 2025 were adopted.

#### **Conflicts of interest in the Supervisory Board and Management Board**

The Chair of the Supervisory Board, Wolfgang Essler, is managing director of Santo Holding (Deutschland) GmbH, a 100 % subsidiary of ATHOS KG. Due to a potential conflict of interest arising from this function, Wolfgang Essler did not participate in the resolution regarding the conclusion of a service agreement between the Company and Klinge Pharma GmbH, nor in the resolution concerning the conclusion of a service agreement between the Company and Aristo Pharma GmbH; Klinge Pharma GmbH and Aristo Pharma GmbH are indirect wholly-owned subsidiaries of ATHOS KG. Wolfgang Essler disclosed the potential conflict of interest to

the other members of the Supervisory Board. Wolfgang Essler agreed to the resolution being passed by the other members of the Supervisory Board. Furthermore, no conflicts of interest were reported in fiscal year 2025.

#### **Change in the composition of the Management Board**

There were no changes to the composition of the Management Board in the fiscal year 2025.

#### **Thanks for dedicated services**

On behalf of the entire Supervisory Board, I would like to thank the members of the Management Board for their excellent cooperation and successful management of the Company in the past challenging fiscal year.

We would also like to thank our employees for their extraordinary commitment and outstanding performance. Thanks to their efforts, Formycon AG's pipeline has continued to mature and expand, and various important milestones have been reached.

We would also like to thank our partners, who have also made a significant contribution to the success of our company.

**Munich, April, 2026**



Wolfgang Essler  
*Chair of Supervisory Board*



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# **Formycon on the Capital Market**

## Shares and the market environment

### German and international stock market environment

At the start of 2025, the performance of the world's capital markets was generally subdued and marked by increased volatility. Negative factors included the continuation of restrictive monetary policies, geopolitical uncertainties, and high valuation levels, particularly in the United States technology sector.<sup>2</sup> In addition, the U.S. "Liberation Day" in the spring of 2025, with the announcement of new trade policies involving extensive import tariffs, led to a temporary expansion of risk premiums and increased market uncertainty at the global level.<sup>3</sup>

However, a significant recovery took hold later in the year, with broad advances in equity markets.<sup>4</sup> This upturn was primarily due to falling inflation rates, increasing expectations of monetary easing, and robust corporate profits.<sup>5</sup> While the U.S. stock market recorded significant gains over the year, the performance of European markets was even stronger, with the difference arising primarily due to already high U.S. valuations at the start of the year and the increased sensitivity of U.S. benchmarks to

trade policy risks and regulatory uncertainties.<sup>6</sup> The Dow Jones Industrial Average posted double-digit gains over the course of the year, ending 2025 with a 13% increase.<sup>7</sup> The NASDAQ-100, after hitting a low in April 2025, closed the year with a 20% year-on-year gain,<sup>8</sup> while the S&P 500 rose by 17%.<sup>9</sup> The MSCI World Index performed slightly better, recording an increase of nearly 22% during 2025.<sup>10</sup>

In comparison to the U.S., European stock markets outperformed thanks to lower valuation levels, a greater weighting of cyclical and industrial sectors,<sup>11</sup> and strong fiscal policy measures, particularly from Germany.<sup>12</sup> Furthermore, the sharp depreciation of the U.S. dollar against other currencies, particularly the euro, reduced the relative attractiveness of dollar-denominated assets.<sup>13</sup> The Euro STOXX 50, which tracks the performance of the 50 largest companies in the eurozone, rose by 22% over the year.<sup>14</sup> Germany's DAX benchmark index delivered a similarly strong performance, ending 2025 with a gain of 23%.<sup>15</sup>

<sup>2</sup> <https://www.bis.org/publ/arpdf/ar2025e.pdf>

<sup>3</sup> <https://www.dlapiper.com/en-kr/insights/publications/2025/04/president-trumps-liberation-day-tariffs?>

<sup>4</sup> <https://live.deutsche-boerse.com/nachrichten/aktien-2025-das-dritte-starke-jahr-in-folge>

<sup>5</sup> <https://www.reuters.com/world/us/us-economic-growth-likely-remained-strong-third-quarter-2025-12-23/>

<sup>6</sup> <https://thefinancialanalyst.net/2025/02/22/european-stocks-outshine-us-markets-in-2025/>

<sup>7</sup> <https://www.spglobal.com/spdji/en/commentary/article/us-equities-market-attributes>

<sup>8</sup> <https://www.nasdaq.com/articles/index-monthly-scorecard-december-2025>

<sup>9</sup> <https://www.spglobal.com/spdji/en/commentary/article/us-equities-market-attributes>

<sup>10</sup> <https://www.handelsblatt.com/finanzen/anlagestrategie/etf-beim-msci-world-waechst-die-skepsis-der-analysten-01/100185361.html>

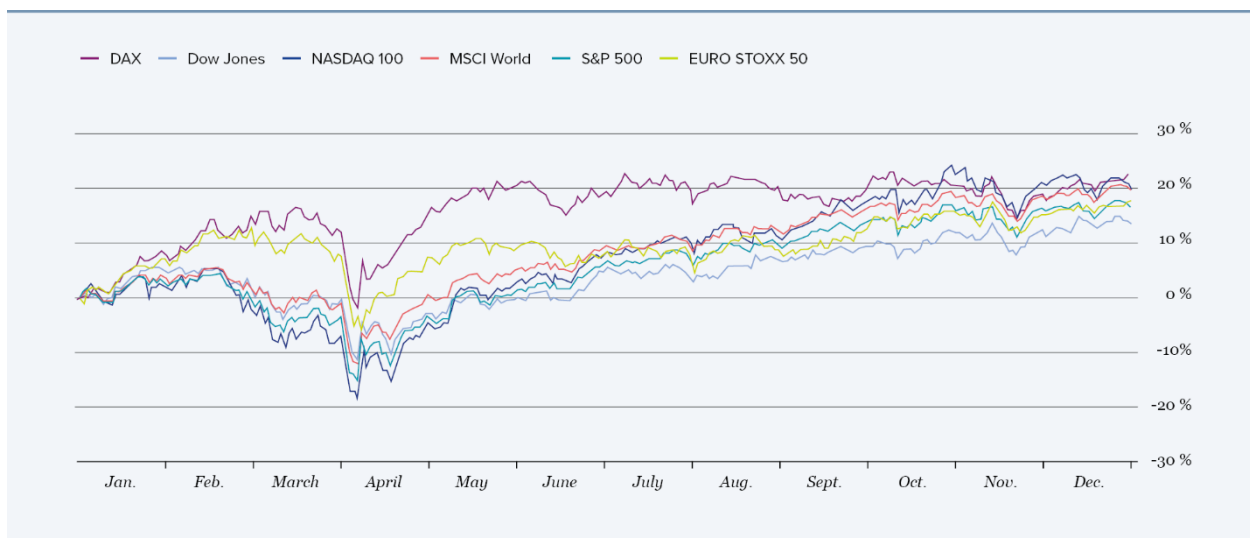
<sup>11</sup> <https://am.jpmorgan.com/us/en/asset-management/liq/insights/market-insights/market-updates/on-the-minds-of-investors/is-the-strong-performance-in-european-equities-sustainable/>

<sup>12</sup> <https://www.allianzgi.com/en/insights/outlook-and-commentary/european-equities-outlook-q4-2025>

<sup>13</sup> <https://www.msci.com/research-and-insights/blog-post/some-see-a-renaissance-for-european-equities>

<sup>14</sup> <https://www.boerse.de/historische-kurse/Euro-Stoxx-50-Perf/EU0009658152?>

<sup>15</sup> <https://de.finance.yahoo.com/nachrichten/plus-23-prozent-dax-legt-135930133.html?>



The International Monetary Fund (IMF) expects continued robust global economic growth over the coming years. Following an estimated 3.3% in 2025, growth of 3.3% is projected for 2026 and 3.2% for 2027.<sup>1</sup> This steady expected growth reflects the balance between opposing forces: While the changing trade policy environment and escalating geopolitical conflicts have a negative impact, increasing technology-related investments – particularly in North America and Asia – as well as the supportive fiscal and monetary policy environment provide positive impetus.<sup>2</sup>

Global inflation is expected to further diminish, dropping from 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027.<sup>3</sup> Overall, the IMF outlook points to continued solid global economic growth, accompanied by a moderate slowdown in inflationary momentum. At the same time, the economic outlook remains subject to heightened downside risks, particularly those arising from geopolitical developments, trade tensions and monetary policy uncertainty.<sup>4</sup>

### Performance of the biotechnology sector

Following several weak years and a subdued start in 2025, the biotechnology sector gained significant momentum during the second half of the year.<sup>5</sup> Following a market low in April of 2025, international biotech indices quickly recovered and sustained the rally throughout the remainder of the year. The NASDAQ Biotechnology Index, for example, finished the year with a gain of over 31%.<sup>6</sup> A similar trend was observed in the S&P Biotechnology Index (XBI), which, due to its equal weighting in U.S. small- and mid-cap biotechnology companies, benefited even more from the improved market sentiment, closing the year with a gain of almost 34% and outperforming most other sector ETFs.<sup>7</sup>

Other indices, however, were characterized by increased volatility during 2025, including the DAX subsector Biotechnology index of German

<sup>1</sup> World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces; World Economic Outlook 2026/003

<sup>2</sup> World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces; World Economic Outlook 2026/003

<sup>3</sup> World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces; World Economic Outlook 2026/003

<sup>4</sup> World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces; World Economic Outlook 2026/003

<sup>5</sup> Deutsche Bank Research, Jan. 9, 2026: 2026 SMID-Cap Biotechnology Outlook – Back in Business (For Now)

<sup>6</sup> <https://indexes.nasdaqomx.com/Index/History/NBI>

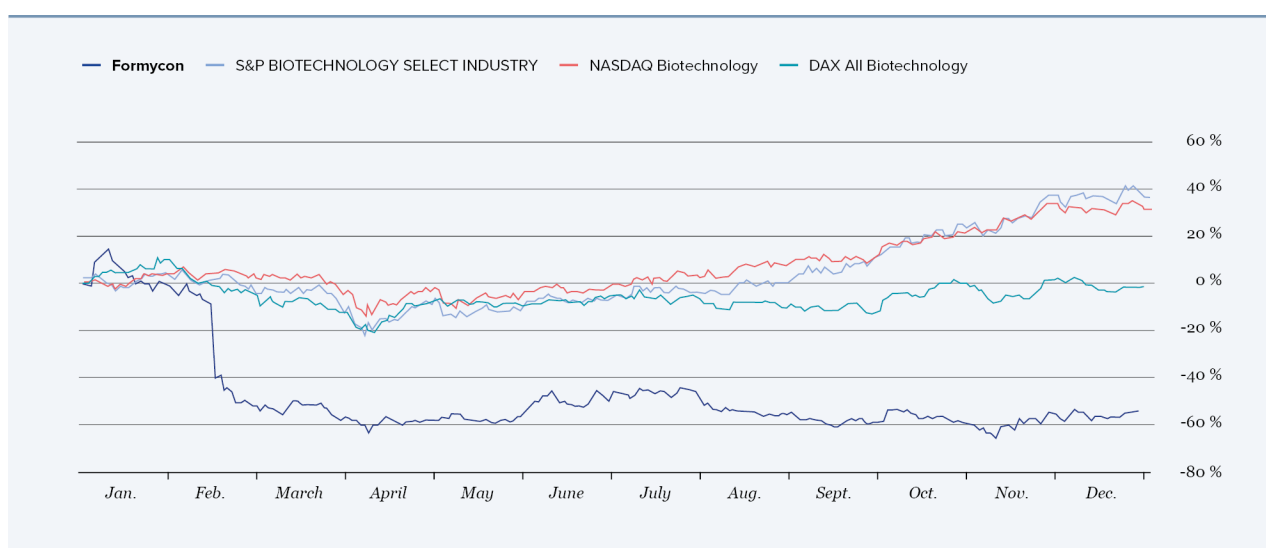
<sup>7</sup> <https://www.financecharts.com/etfs/XBI/performance?>

biotech companies, which ended the year with a slight decline of 0.6%.<sup>1</sup>

The performance of biotechnology stocks in 2025 was impacted by several factors. In the first half of the year, concerns about potential drug tariffs and uncertainties regarding the future regulatory direction of the U.S. Food and Drug Administration (FDA) weighed heavily on share prices.<sup>2</sup> However, a significant recovery began in early April, supported by the FDA remaining functional despite budget cuts

and personnel changes, as well as by political signals that offered the industry some flexibility to mitigate price and tariff risks.<sup>3</sup>

Against this backdrop, the positive momentum in the biotechnology sector is likely to continue into 2026, supported by increasing investor risk appetite, ongoing M&A activity in the context of upcoming patent expirations, improved capital market conditions, and revaluations of selected companies following operational and clinical successes.<sup>4</sup>



<sup>1</sup> [https://www.finanzen.net/index/daxsubsector-biotechnology-kurs/hochtief?utm\\_source=chatgpt.com](https://www.finanzen.net/index/daxsubsector-biotechnology-kurs/hochtief?utm_source=chatgpt.com)

<sup>2</sup> <https://www.janushenderson.com/de-de/advisor/article/why-healthcare-stocks-could-excel-in-2026/>

<sup>3</sup> <https://www.janushenderson.com/de-de/advisor/article/why-healthcare-stocks-could-excel-in-2026/>

<sup>4</sup> Deutsche Bank Research, Jan. 9, 2026: 2026 SMID-Cap Biotechnology Outlook. – Back in Business (For Now)

## Performance of Formycon shares

Shares of Formycon AG started 2025 at € 54.10 and reached a high of € 63.70 following its inclusion in Germany's SDAX index of small- to medium-sized companies at the end of 2024 and the TecDAX index of technology companies on January 13, 2025.<sup>27</sup> Due to the necessary adjustments to the valuation model and accounting treatment for the biosimilars FYB201 and FYB202, Formycon's share price declined significantly in February. In the generally challenging market environment, further and specifically impacted by the announcement of potential U.S. tariffs, Formycon's share price hit its year low of € 20.00 in April 2025.<sup>28</sup>

Even the extremely positive news of an optimized clinical development program for FYB206 was not enough to offset these downward forces.

During the second quarter, the share price recovered slightly from the significant declines in the early part of the year but remained volatile despite a number of favorable company announcements as well as improved market conditions. A key impetus came from the successful placement of an unsecured, floating-rate bond issue totaling € 70 million. Further share price support resulted from the settlement agreement with Regeneron announced in

October 2025, which secures the U.S. market launch of the aflibercept biosimilar FYB203 for the fourth quarter of 2026, and from Formycon's partnership deals in December 2025 covering its Keytruda® biosimilar candidate FYB206 in the United States as well as the MENA region. Despite these positive developments, the share price did not fully recover and closed 2025 at € 25.50.<sup>29</sup>

Both the TecDAX and the SDAX, to which Formycon respectively belonged until September 22, 2025, and December 22, 2025, ended the year with increases. While the TecDAX rose only just over 4%, the SDAX posted a strong year-over-year gain of almost 23%.<sup>30,31</sup> The Prime All Share index, which reflects the performance of all companies listed in the Prime Standard segment of the Frankfurt Stock Exchange, likewise showed strong performance, closing 2025 with a full-year gain of more than 22%.<sup>32</sup>

The resumption of U.S. commercialization activities for the FYB201 product in the first quarter of 2026, clinical data and further partnerships for FYB206 and expanded market penetration for FYB202 could contribute to improved business momentum, thus potentially supporting further share price increases.

## Formycon shares: Trading information

Ticker symbol	FYB
German securities identifier (WKN)	A1EWVY
ISIN	DE000A1EWVY8
Listed exchange, Market segment	Frankfurt Stock Exchange, Prime Standard
Trading venues	Xetra, Berlin, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart, Tradegate
Designated Sponsors	Oddo BHF Corporates & Markets AG M.M. Warburg & Co.

<sup>27</sup> <https://www.boerse.de/historische-kurse/Formycon-Aktie/DE000A1EWVY8>

<sup>28</sup> <https://www.finanzen.net/historische-kurse/formycon>

<sup>29</sup> <https://live.deutsche-boerse.com/nachrichten/AKTIE-IM-FOKUS-Formycon-klar-erholt---Einigung-auf-US-Start-fuer-FYB203-a6620ab4-b994-403e-bdc4-ca678088d873>

<sup>30</sup> <https://www.boerse.de/performance/TecDax/DE0007203275>

<sup>31</sup> <https://www.boerse.de/performance/SDax/DE0009653386>

<sup>32</sup> <https://www.onvista.de/index/Prime-All-Share-Index-6623220>

**Formycon shares: Performance information**

<b>in Euro</b>	<b>2025</b>	<b>2024</b>
Opening price (Xetra) on Jan. 3, 2024 / Jan. 2, 2025	54.10	55.50
Closing price (Xetra) on Dec. 30, 2024 / Dec. 30, 2025	25.50	53.10
Average price (Xetra closing price)	28.71	49.23
Market capitalization as of Dec. 31	450,659,638	937,581,496
in shares		
Total shares traded (on all trading venues)	13,022,488	2,979,222
Daily average shares traded (on all trading venues)	51,472	11,729
Total shares issued as of Dec. 31	17,672,927	17,656,902

**Formycon 2025/2029 bond issue**

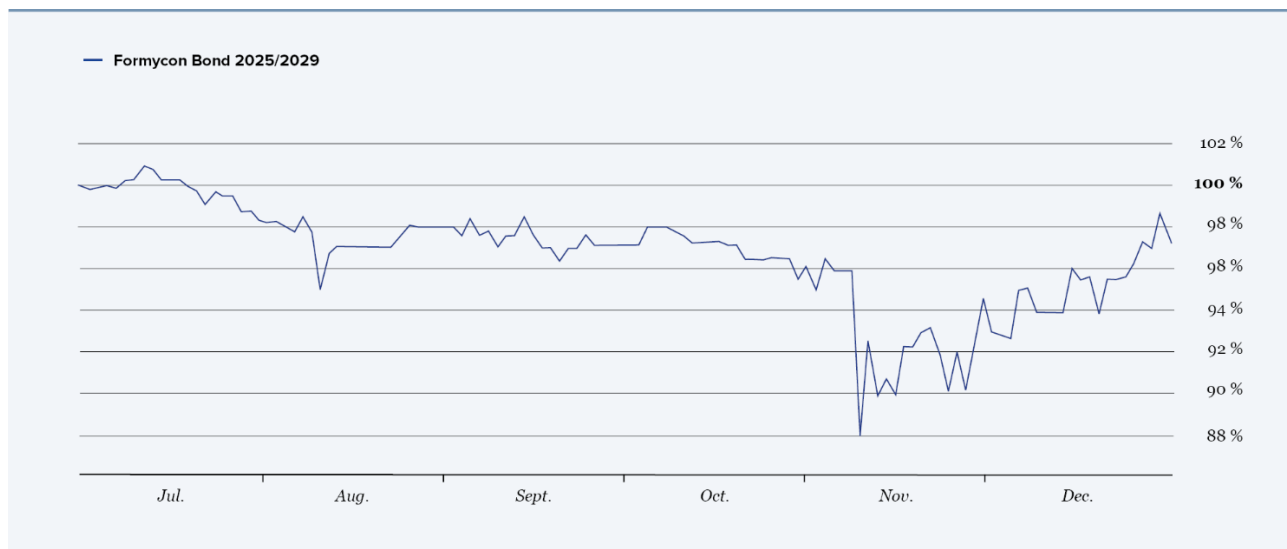
In the first half of 2025, Formycon AG successfully launched a public corporate bond issue totaling € 70 million. The Formycon 2025/2029 bond (ISIN: NO0013586024 / WKN: A4DFJH) was originally planned with a target volume of € 50 million but was increased in response to strong investor demand.

The senior unsecured four-year bond was issued with a final maturity date of July 9, 2029, and bearing a variable interest rate of 7.00% p.a. over three-month EURIBOR.

The bond has been listed for trading on the Open Market of the Frankfurt Stock Exchange since June 30, 2025, and on the Euronext ABM of the Oslo Stock Exchange since December 15, 2025.

Through this bond market transaction, Formycon has strengthened its liquidity base. The issuance proceeds are being used to finance the ongoing development and commercialization of Formycon's biosimilar portfolio and to provide Formycon with additional flexibility to implement its medium- to long-term growth strategy. The broad investor base and strong demand reflect confidence in the Company's position in the growing global market for biosimilars.

**Price performance of 2025/2029 bonds from July 2025 through Dec. 2025<sup>33</sup>**



**Formycon 2025/2029 bond issue: Trading information**

Issuer	Formycon AG, Planegg-Martinsried, Germany
Total issuance amount	€ 70,000,000
ISIN / German securities identifier (WKN)	NO0013586024 / A4DFJH
Interest rate (coupon)	3-Monats EURIBOR plus 7.0 % p.a.
Issuance price	100%
Nominal amount (face value) per bond	€ 1,000
Interest payment	Quarterly, starting October 9, 2025
Term	Four years, from July 9, 2025 until July 9, 2029
Scheduled repayment	Due on July 9, 2029
Status	Senior unsecured
Covenants	Customary covenants including restriction of distributions, maintenance of liquidity, and quarterly financial reporting.
Trading venue and market segment	Listed for trading on the Quotation Board, part of the Open Market segment of the Frankfurt Stock Exchange. Additional listing on the Euronext ABM of the Oslo Stock Exchange expected within six months.
Issuance and value date	July 9, 2025
Joint Lead Manager	IKB Deutsche Industriebank AG, Pareto Securities AS, Frankfurt Branch

<sup>33</sup> The chart shows the performance of the bond on the German stock exchange.

### Shareholder structure

If certain voting rights thresholds are exceeded, the relevant shareholders are required, under German law, to file a notification thereof with the respective issuing company as well as with the German.

Federal Financial Supervisory Authority (BaFin). As a member of the Frankfurt Stock Exchange’s Prime Standard segment, Formycon AG is an issuer within Germany’s Regulated Market and is thus subject to the provisions of sec. 33 ff. of the German Securities Trading Act (*Wertpapierhandelsgesetz*), including the resulting notification obligations in case of changes in significant shareholdings. The relevant thresholds under this law are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

Based upon the Company’s registered capital (*Grundkapital*) as of Dec. 31, 2025, and upon Voting Rights Notifications provided to Formycon in accordance with the Securities Trading Act, a combined total of approx. 60% of Formycon’s share capital was held by anchor investors, with the remaining approx. 40% of shares held in free float.

Copies of such notifications received may be found on the Formycon website under *Votingrights – Formycon AG*.

### Shareholder structure as of Dec. 31, 2025



This overview reflects the voting rights notifications pursuant to §§ 33ff of the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*)

## Reportable securities transactions by company executives (directors' dealings)

### Directors' Dealings in the 2025 financial year

Executive or Supervisory Board Member	Position	Transaction date	Type of transaction	Price	Transaction value
Dr. Andreas Seidl	CSO	February 21, 2025	Purchase	€ 30.00	€ 4,800

During fiscal year 2025, members of the Management Board or Supervisory Board conducted securities transactions subject to reporting requirements under article 19 of the Market Abuse Regulation (MAR) as listed in the accompanying table. Further information regarding such transactions may be found on the Formycon website under <https://www.formycon.com/en/investor-relations/directors-dealings/>.

### Subscribed capital

As of January 1, 2025, the registered capital (*Grundkapital*) of Formycon AG was € 17,664,427.00, divided into 17,664,427 bearer shares without par value but with an imputed nominal value of € 1.00 per share.

On the basis of the Conditional Capital 2015, resolved and approved on June 30, 2025, 3,500 new shares were issued on a subscription basis, thereby raising the Company's registered capital to a total of € 17,667,927.00. By resolution of the Supervisory Board on July 14, 2025, Section 4 of the Company's Articles of Association (*Satzung*), governing the amount and division of registered and conditional capital, was amended accordingly.

The total share capital held by the Company's shareholders as of December 31, 2025, was thus €17,672,927.00, divided into 17,672,927 bearer shares with an imputed nominal value of € 1.00 per share. All shares are fully paid up, and all shares carry the same rights and obligations, which are governed by the provisions of the German Stock

Corporation Act (*Aktiengesetz*) and by the Company's Articles of Association.

Each share is entitled to one vote at the Annual General Meeting, with each entitled to an equal share of the Company's profit, but excluding treasury shares held by the Company, which do not entitle the Company to any rights. As of December 31, 2025, the Company did not hold any treasury shares.

More detailed information on subscribed capital can be found in the management report under the heading "Information relevant to takeovers (pursuant to Sections 289a and 315a of the German Commercial Code (HGB)) and explanatory report" – Section VII. starting on page 124.

## Annual General Meeting

The Annual General Meeting of Formycon AG was held in Munich on June 18, 2025, in presence form. In its presentation to shareholders, the Management Board provided detailed information about the company's progress over the year and answered all questions raised in the general Q&A session.

Shareholders representing approx. 67% of the Company's share capital followed the proposals of the Management Board and Supervisory Board by voting in favor of all management-proposed resolutions with large majorities. The actions of members of the Management and Supervisory Boards during the past fiscal year were ratified with majorities of more than 97% for each individual member, a strong expression of confidence.

To reflect the increased demands placed on the Supervisory Board as a result of the Company's upgraded Prime Standard exchange listing, it was resolved to expand the board from five to six members. Klaus Röhrig, Co-Chief Investment Officer of Active Ownership Capital S.à r.l. and Active Ownership Corporation S.à r.l., whose term as a member of the Supervisory Board automatically ended at the close of the Annual General Meeting on June 18, 2025, was re-elected to the Board by a large majority.

To further broaden the international focus and strengthen the expertise of the Supervisory Board, Dr. Graham Keith Dixon, Chief Executive Officer (CEO) of Estetra SRL, a subsidiary of Gedeon Richter Plc., was elected by a large majority as a new sixth member of the expanded Supervisory Board.

Further information regarding the 2025 Annual General Meeting may be found on the Formycon website under <https://www.formycon.com/en/investor-relations/annual-general-meeting-2025/>.

## Investor relations activities

Professional dialog with investors and with the international capital markets forms an important

component of Formycon's investor relations program. During fiscal year 2025, Formycon's management presented the Company at a number of investor conferences within Germany and abroad, including the following:

- J.P. Morgan Healthcare Conference, San Francisco
- UniCredit & Kepler Cheuvreux German Corporate Conference, Frankfurt
- Oddo BHF Small & Mid Cap Conference, Frankfurt
- Metzler Small Cap Days, Frankfurt
- mwb Research German Select Conference (virtual event)
- Equity Forum Spring Conference, Frankfurt
- Berenberg European Conference, New York
- Warburg Highlights, Hamburg
- mwb Research Roundtable (virtual event)
- Montega Hamburg Investor Days (HIT), Hamburg
- H.C. Wainwright Annual Investment Conference, New York
- Oddo BHF Fall Roundtable, Frankfurt
- Berenberg & Goldman Sachs German Corporate Conference, Munich
- Jefferies London Healthcare Conference, London
- German Equity Capital Forum, Frankfurt
- mwb Research Roundtable (virtual event)

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**During fiscal year 2025, the following banks or other research providers published studies on Formycon:**

Bank or research provider	Analyst
Berenberg	Benjamin Thielmann
B. Metzler seel. Sohn & Co. KGaA	Alexander Neuberger
First Berlin Equity Research GmbH	Simon Scholes
Hauck Aufhäuser Lampe Privatbank AG*	Alexander Galitsa (until Dec. 31, 2025)
H.C. Wainwright	Yi Chen
Jefferies	Brian Balchin (until March 31, 2025) Shan Hama (starting April 1, 2025)
Kepler Cheuvreux	Nicolas Pauillac
mwb Research	Alexander Zienkowicz
M.M. Warburg*	Dr. Christian Ehmann (until Dec. 31, 2025)
Oddo BHF	Damien Choplain (until May 31, 2025) Martial Descoututred (starting June 1, 2025)
Royal Bank of Canada	Alistair Campbell (until Sep. 30, 2025) Natalia Webster (starting Oct. 1, 2025)

Beyond these organized conferences and roadshows, Formycon has strived to maintain active contact with existing and potential investors and to increase its visibility on the capital markets, such as through virtual roundtable and fireside chat events.

As of December 31, 2025, 11 national and international analysts were regularly providing equity research coverage with investment recommendations on Formycon AG. In the case of three of the banks or research providers, the assigned analyst was changed in the course of the fiscal year.

Further information about Formycon and its investor relations activities may be found in the Investor Relations section of the Company's website at

<https://www.formycon.com/en/investor-relations/formycon-shares/>

Formycon believes in open dialogue with its investors and with the capital markets, as an integral part of its corporate philosophy. In this spirit, the investor relations department of Formycon AG stands ready to respond to any questions or suggestions:

**Formycon AG**

Sabrina Müller  
 Director Investor Relations &  
 Corporate Communications  
 phone +49 89 864 667 149  
[ir@formycon.com](mailto:ir@formycon.com)

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\* Hauck & Aufhäuser Lampe Privatbank AG and M.M. Warburg have completely discontinued their research business activities as part of

restructurings and have discontinued research coverage with effect from January 1, 2026.

## **#FYB4GROWTH**

*Geographic diversification, an intelligent portfolio strategy, scientific excellence, and cost-efficient product development are the keys to Formycon's sustained long-term growth*



## **#FYB4GROWTH –** **four strategic pillars** *for greater competitiveness, value creation and growth*

The biosimilars market is in a phase of global growth and regulatory realignment. The landscape is being fundamentally transformed by demand which is expanding beyond just the traditional key markets of the United States and Europe, by increasing competition, and by more efficient drug development pathways. In particular, the shift of regulatory frameworks toward approval models focused more on analytical comparability is opening up new opportunities for specialized developers of biosimilars.

In this dynamic environment, Formycon is positioning itself with **#FYB4GROWTH** – a clearly defined, long-term oriented strategy based upon four key pillars.

---

# #FYB4GROWTH

01

## Geographic diversification

In addition to the established key markets of Europe and the United States, Formycon is specifically targeting other high-growth regions with burgeoning demand for affordable biopharmaceutical therapies, particularly the Middle East and North Africa (MENA), Latin America (LATAM), and the Asia-Pacific region (APAC). Through collaborations with experienced regional partners, Formycon is strengthening its resilience internationally because this deliberate diversification serves to reduce dependencies while also unlocking new and untapped growth opportunities.

02

## Smart Portfolio

Formycon's intelligent and focused portfolio strategy strategically combines blockbuster molecules with carefully selected niche drugs. In pursuing this strategy, Formycon is taking full advantage of the accelerated development times and optimized investment profiles offered by new and more efficient regulatory development pathways. Formycon's intelligently structured portfolio approach improves the risk-reward ratio, increases pipeline diversity, and lays the foundation for sustainable value creation.

03

### Innovation and scientific excellence

Formycon's consistent focus on quality, its respected capabilities for precise analysis of biopharmaceutical comparability, and its innovative development approach is enabling it to play an active role in shaping regulatory changes. In addition, Formycon is working to strategically leverage its expertise to pursue innovations driven by patient needs – for example, by developing new drug applications. This scientific strength is a key differentiator against international competitors, particularly those who primarily rely upon economies of scale or cost leadership.

04

### Lean Development

Lean processes, optimized development structures and the increasing use of digital technologies are enabling Formycon to make significant and sustainable reductions in development and production costs. An agile organizational model, data-driven decision-making processes and efficient partner management are increasing speed, transparency and controllability along the entire biosimilar value chain. In this way, Formycon is able to combine its innovative power with rigorous business discipline. Through the interplay of these four strategic pillars, Formycon is creating a solid foundation for sustainable growth, international competitiveness and long-term value creation.

On the following pages, we will illustrate how this **#FYB4GROWTH** strategy works in practice and explain how Formycon is further strengthening its position as one of the world's leading independent biosimilar specialists.



# Geographic *Diversification*

01

*A deliberate focus on market opportunities  
beyond Europe and the U.S.*

# Strong partnerships open up growth markets worldwide



## Formycon Biosimilars



01 partnered  
01 on the market

## Commercialization partners





05



06



07



08



13





#### Geographic Diversification

## Developing growth markets – *building supply to meet demand*

Traditionally, biosimilars have been developed with the core markets of Europe and the U.S. in mind. Both regions have established regulatory frameworks, transparent approval processes, and markets of an attractive size. The global healthcare landscape, however, is changing: In addition to the traditional, highly developed markets, emerging economies are increasingly gaining in importance, not only in economic weight but also in terms of their healthcare systems.

This is precisely where Formycon's strategic focus comes in. Geographic diversification means not just selectively targeting a few individual countries but rather systematically and deliberately building regional expertise. Through partners with powerful marketing resources, in-depth and market-specific know-how, and extensive networking within the healthcare sector, Formycon is working to develop these markets for sustainable long-term growth.

Emerging economies are countries that, due to their recent economic growth, are no longer considered developing countries but have not yet reached the economic maturity of the traditional industrialized nations. These countries are undergoing a structural transformation process characterized by rising gross domestic product, increasing industrialization, and growing investments in infrastructure and social security systems. During this phase of development, healthcare is among the market sectors that experience particularly dynamic growth.

Rapid economic development in numerous countries in Latin America, the Asia-Pacific region, and particularly the Middle East is enabling substantial investment into healthcare systems. A look at key indicators such as life expectancy illustrates the impact which this is having: Through improved healthcare structures, the expansion of specialized clinics and broader access to modern therapies, life expectancy has, in the examples of Jordan and

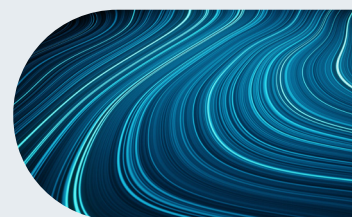
Saudi Arabia, increased by more than 8% since 2000.<sup>1</sup>

Growth in Latin America has been similarly striking. Brazil, the region's largest market, has for years been investing into the expansion of its public and private healthcare systems – and since the turn of the millennium, life expectancy has increased by 9%.<sup>2</sup> Over this same period, per-capita healthcare spending has more than doubled,<sup>3</sup> and modern treatments for chronic ailments such as diabetes, cardiovascular disease and cancer are placing increasing demands on these systems.<sup>4</sup> Throughout all of these growth markets, policymakers and providers have been struggling to balance the rising demand for innovative biologics against the growing cost pressures which are straining healthcare systems.

It is against this backdrop that biosimilars are unleashing their strategic potential. Because treatment with innovative biologics typically entails high costs, the availability of biosimilars also enables broader access to these life-saving treatments. For numerous emerging economies, this means that the introduction of biosimilars means not only savings for healthcare systems but also broader patient access to the most modern biologics. “*Access to medicine*” is more than just an abstract concept for policymakers and healthcare administrators; to patients in these countries, affordable biosimilars can mean the difference between untreated disease and life-saving treatment.

In the Middle East and North Africa (MENA), demand for biologic therapies has likewise risen

sharply. Due to the high prevalence of chronic diseases such as diabetes and the resulting enormous burden on healthcare systems, increasing attention is being paid to cost-effective solutions.<sup>5</sup> Governments are making targeted investments to expand and improve national health programs and, in some countries, are explicitly promoting the establishment of local production and value creation within the healthcare sector. At the same time, the regulatory framework for the approval of biosimilars within the region has been, and continues to be, further developed.<sup>6</sup> With the first approvals only in the mid to late 2010s, these markets have lagged behind Europe, with the first biosimilar waves thus hitting later. Those providers who are now developing an early market presence have the opportunity to establish a strong and sustainable position in the region's tender and procurement structures. This, however, means that particular regional obstacles and uncertainties must be overcome, including currency risks and political instabilities. Furthermore, many markets in the region are heavily reliant upon tender processes, placing particularly high demands upon supply capabilities, pricing and long-term partnerships. Within this heterogeneous regional environment, MS Pharma has proven itself to be a strong regional and reliable distribution partner for Formycon.



<sup>1,2</sup> Quelle: Weltbank - <https://fred.stlouisfed.org/>

<sup>3</sup> Quelle: Weltbank - <https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD?locations=BR>

<sup>4</sup> <https://www.scielosp.org/article/csc/2021.v26n9/3991-4006/en/>

<sup>5</sup> <https://diabetesatlas.org/data-by-location/region/middle-east-and-north-africa/>

<sup>6</sup> <https://www.iqvia.com/locations/middle-east-and-africa/blogs/2023/06/unlocking-the-promising-opportunities-of-biosimilars-in-the-middle-east-and-africa-market>



Our partner in the MENA region:

## MS Pharma – a strong performer with deep regional roots

Over the past few years, MS Pharma has become a leader for biosimilars marketing within the Middle East and North Africa region, where it has its headquarters in Amman, Jordan. Formycon established its first partnership with the company already in 2021 for the introduction in MENA of FYB201, Formycon’s biosimilar to Lucentis®. Since then, similar regional licensing agreements have followed for Formycon’s other approved biosimilar products, FYB202 and FYB203, along with for FYB206, Formycon’s candidate biosimilar to Keytruda®.

MS Pharma’s combination of regulatory expertise, local manufacturing, deep understanding of tender mechanisms, and strong network within the healthcare sector enables Formycon’s chosen partner to bring complex biologics to MENA markets with exceptional efficiency. These advantages have been strikingly demonstrated by the successful regional launches of FYB201 products Uptera® and Ravegza® while also broadly validating Formycon’s strategy of additional value creation through geographic diversification.

*„With its deep regional footprint, advanced biologics capabilities, and proven biosimilar execution, MS Pharma expands access to high-quality biologics across MENA. The partnership with Formycon unites global excellence with regional strength to deliver sustainable impact for patients and healthcare systems.“*



**Kalle Känd**  
Chief Executive Officer  
MS Pharma



Within MENA, biosimilars are the fastest-growing pharmaceutical segment. What makes MS Pharma so uniquely successful within the region is its ability to bring scientific excellence at the global level together with detailed market understanding at the local level. MS Pharma operates several GMP-certified manufacturing facilities within the region and has an extensive sales and marketing network.

While Formycon specializes in developing high-quality biosimilars, MS Pharma ensures rapid regulatory approvals, market-specific positioning and a reliable supply chain. In markets where supply security is an important criterion for public procurement decisions, this combination provides a distinct competitive advantage.

Geographic diversification means far more than simply expanding into new countries. It is a strategic response to changes happening in the global market. It reduces dependence on individual core markets, unlocks additional revenue potential, and positions the company as a biosimilar specialist with truly global reach. Last but definitely not least, it allows Formycon to make a real contribution to improving patient access to modern treatments in some of the world's most rapidly developing health-care markets.

In a world where the fastest growth is increasingly being seen outside of the most developed, highly industrialized economies, this strategy for biosimilars is pioneering. It combines significant growth potential with a sense of mission for improving and broadening healthcare, thereby strengthening Formycon's long-term position as an international partner of choice within the biosimilars sector.



# *Smart* Portfolio 02

*An intelligently designed  
and consistently executed product  
portfolio balancing blockbusters  
with niche drugs*

# Biosimilars

OPHTHALMOLOGY

**FYB201**  
ranibizumab

*On the market in 24 countries around the world*

**Reference drug:**  
Lucentis®

**Reference drug indications**

Neovascular (wet) age-related macular degeneration, diabetic macular edema, choroidal neovascularization, proliferative diabetic retinopathy, macular edema due to retinal vein occlusion\*

**Market Launch**  
2022

**Ranibizumab Market\*\***

Ranibizumab is a standard therapy where anti-VEGF (vascular endothelial growth factor) drugs are indicated. In 2025, reference drug Lucentis® generated global sales of approx. US\$ 600 million.

IMMUNOLOGY

**FYB202**  
ustekinumab

*On the market in the U.S. and Europe*

**Reference drug:**  
Stelara®

**Reference drug indications**

Crohn's disease, ulcerative colitis, plaque psoriasis, psoriatic arthritis \*

**Market Launch**  
2025

**Ustekinumab Market\*\***

Ustekinumab is an established and frequently used biologic for the treatment of chronic inflammatory diseases. In 2025, reference drug Stelara® generated global sales of approx. US\$ 6 billion.

OPHTHALMOLOGY

**FYB203**  
afilibercept

*European and U.S. market launches in 2026*

**Reference drug:**  
Eylea®

**Reference drug indications**

Neovascular (wet) age-related macular degeneration, diabetic macular edema, choroidal neovascularization, proliferative diabetic retinopathy, macular edema due to retinal vein occlusion\*

**Market Launch**  
2026

**Aflibercept market\*\***

Aflibercept is a leading active ingredient used in ophthalmic anti-VEGF drugs. In 2025, reference drug Eylea® in the 2 mg regular dosage and 8 mg high dosage generated combined sales of approx. US\$ 7.9 billion.

\* Detailed information about indications for which the drug has been approved may be found in the approved drug information from the European Medicines Agency (EMA) and U.S. Food and Drug Administration (FDA).

\*\* Annual sales of the reference drug represent only the market size of the reference drug. Upon market entry by one or more biosimilars, this figure reflects only a portion of the total market. This distinction is particularly relevant for the 2025 annual sales figures for ranibizumab and ustekinumab.

# Biosimilar candidates

in mid- to late-stage development

IMMUNO-ONCOLOGY

## FYB206

### pembrolizumab

*Positive clinical results from the Dahlia PK study*

⋮

**Reference drug:**  
Keytruda®

#### Reference drug indications

Advanced melanoma, non-small cell lung cancer, Hodgkin's lymphoma, urothelial carcinoma, tumors in the head and neck region, other tumor diseases\*

#### Market Launch

In the U.S. and EU following expiry of the reference drug's patent exclusivity

#### Pembrolizumab market

With its broad range of indications in oncology and 2025 sales of US\$ 31.7 billion, Keytruda® is one of the world's top-selling drugs.

IMMUNOLOGY

## FYB208

### dupilumab

*Technical Proof of Similarity (TPoS) attained*

⋮

**Reference drug:**  
Dupixent®

#### Reference drug indications

Moderate to severe atopic dermatitis (eczema), severe asthma, chronic rhinosinusitis with nasal polyps, chronic obstructive pulmonary disease (COPD)\*

#### Market Launch

In the U.S. and EU following expiry of the reference drug's patent exclusivity

#### Dupilumab market

Due to its ease of use, good tolerability, efficacy and broad range of indications, the global market for dupilumab is projected to continue its double-digit growth over the coming years. In 2025, the drug generated sales of approx. US\$ 17.8 billion, a 26% increase over the preceding year.

Lucentis® ist eine eingetragene Marke von Genentech Inc.  
Stelara® ist eine eingetragene Marke von Johnson & Johnson  
Eylea® ist eine eingetragene Marke von Regeneron Pharmaceuticals Inc.  
Keytruda® ist eine eingetragene Marke von Merck Sharp & Dohme LLC  
Dupixent® ist eine eingetragene Marke von Sanofi Biotechnology

# Biosimilar candidates

in early-stage development

IMMUNOLOGY

## FYB209

undisclosed

*Advanced technical  
development*



Reference drug indications  
and reference market  
undisclosed

IMMUNOLOGY

## FYB210

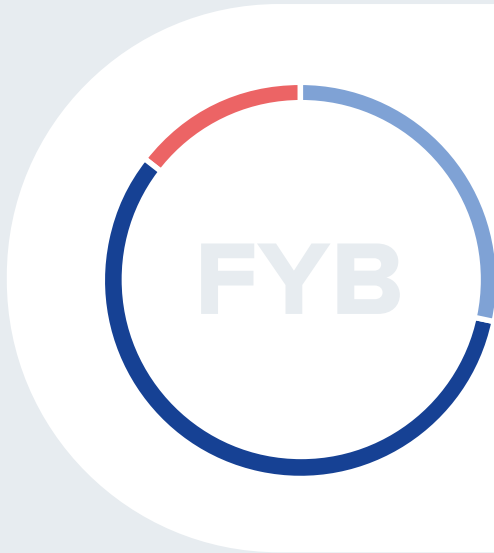
undisclosed

*Advanced technical  
development*



Reference drug indications  
and reference market  
undisclosed

# Smart Portfolio Mix



- Immunology
- Ophthalmology [including niche indications]
- Immuno-oncology

*“Our aim is to steadily expand our pipeline each year. By doing this, we’re strategically aligning our product portfolio for sustained long-term growth through an intelligent mix of blockbusters and niche drugs.”*

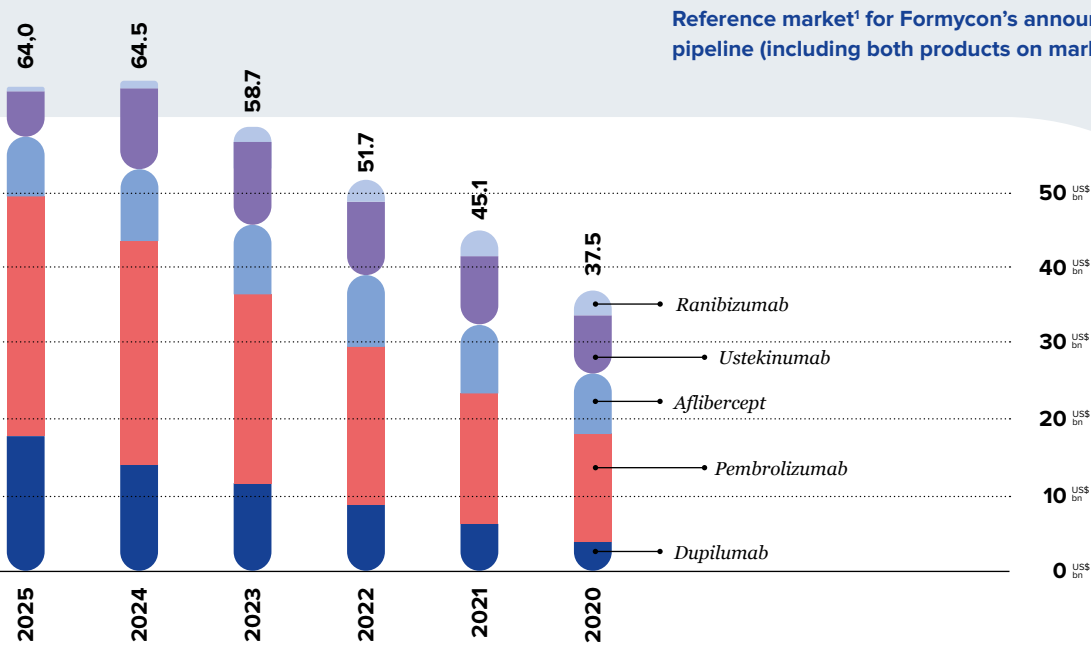
**Dr. Stefan Glombitza**  
Chief Executive Officer  
Formycon AG



## Strategic vision for sustainable success

The biopharmaceuticals world is undergoing a transformation. Sophisticated biologics are increasingly losing their patent exclusivity. At the same time, the demand for these modern treatments is growing. This dynamic environment is creating a window of opportunity for biosimilars, high-quality follow-on products that create competition, relieve cost pressures on healthcare systems, and broaden patient access around the globe to treatment with these advanced drugs. Amidst the increasingly fierce competition for market share, however, the barriers to entry for biosimilar developers remain high: The development of these complex molecules through to market maturity requires substantial investment, highly specialized scientific expertise, and – last but not least – strategic decisions which are sound and forward-looking.

Against this backdrop, Formycon is pursuing a carefully structured and future-oriented approach with an *intelligent product portfolio strategy*, combining blockbuster opportunities with selected niche indications. This *smart portfolio* mix balances profit potential with risk predictability and calculability,



while also differentiating Formycon in the market.

Blockbuster candidates with large market sizes and large profit potential, such as Formycon's biosimilar candidates FYB208 (dupilumab) and FYB206 (pembrolizumab), form the backbone of the development pipeline. These projects offer outsized revenue opportunity and a high-profile competitive position in the global biosimilars market. These are complemented by carefully selected projects for *niche busters*,<sup>2</sup> meaning biosimilars for less common indications, with a global market size which is smaller but nonetheless attractive – and with the advantage of less competition than typically the case with biosimilars for high-profile blockbusters. With less pricing pressure from competing biosimilars, the price of the future biosimilar is expected to be more stable and thus more predictable.

### A balanced and socially responsible business model

By balancing blockbuster and niche development opportunities, Formycon is able to construct a robust and balanced product portfolio combining sustainable long-term growth with diversification of target markets and market-specific risks. At the same time, Formycon is able, by offering its biosimilars around the world, to make a significant contribution to improving patient access to treatment with high-quality biologics while easing the cost burden which is straining the world's healthcare systems.

With three approved biosimilars, two of which are already successfully established in the market, and five further candidates in various stages of development, Formycon has a strong pipeline already in place, with a strong conceptual foundation based on this intelligent portfolio strategy. In combination with Formycon's scientific excellence, rational business thinking and cost management, and sense of social responsibility, it forms the corporate philosophy which is guiding Formycon into the future.

<sup>1</sup> Annual sales of the reference drug represent only the market size of the reference drug. Upon market entry by one or more biosimilars, this figure reflects only a portion of the total market. This applies to ranibizumab starting from 2022 and to ustekinumab starting from 2024. In contrast to the reference drug, sales statistics for biosimilars are not generally available.

<sup>2</sup> We define a "niche buster" as a drug for a niche indication with global annual sales in the low- to mid-single-digit billions of US\$.

The year in review:

## Operating milestones during 2025



### Ophthalmology FYB201 / FYB203

#### FYB201

**U.S.** regulatory approval of **Nufymco**

New marketing partnerships with **BioUSawa** for Sub-Saharan Africa, with **Sandoz** for Germany, and with **Zydus** for the U.S.

European launch of **innovative pre-filled syringe**

#### FYB203

EU and UK regulatory approval

New marketing partnerships with **Valorum** for the U.S. and Canada, with **Teva** for large parts of Europe, with **Horus** for selected EU countries, with **NTC** for Italy, with **Megalabs** for Latin America, with **Actor** for Australia, and with **Lotus** for the APAC region

**Settlement** reached with Regeneron enabling U.S. market launch in **4Q 2026**

#### März 2026

**Settlement** with Regeneron and Bayer for marketing in Europe starting in **May 2026**



### Immunology FYB202 / FYB208 / FYB209 / FYB210

#### FYB202

Market launch of **Otulfi** in the **U.S., Europe** and **Canada**

Market launch of **Fymskina** in **Germany**

#### FYB208

Attainment of **Technical Proof of Similarity (TPoS)** and completion of technical development

#### FYB209

Significant progress in the **technical development** of both active ingredients

#### FYB210

Significant progress in the **technical development** of both active ingredients



### Immuno-oncology FYB206

#### FYB206

Agreement with the FDA on a **streamlined, faster clinical development program**, with focus now on the **Dahlia clinical pharmacokinetic (PK) study**. As agreed with the FDA, the Lotus comparative efficacy study is no longer necessary, as the clinically relevant data can be obtained from the PK study.

**Completion of patient recruitment** for the Dahlia PK study

Marketing partnerships with **Zydus** for the U.S. and Canada and with **MS Pharma** for the MENA region

#### February 2026

Marketing partnership with **Lotus Pharmaceutical** covering large parts of the Asia-Pacific region

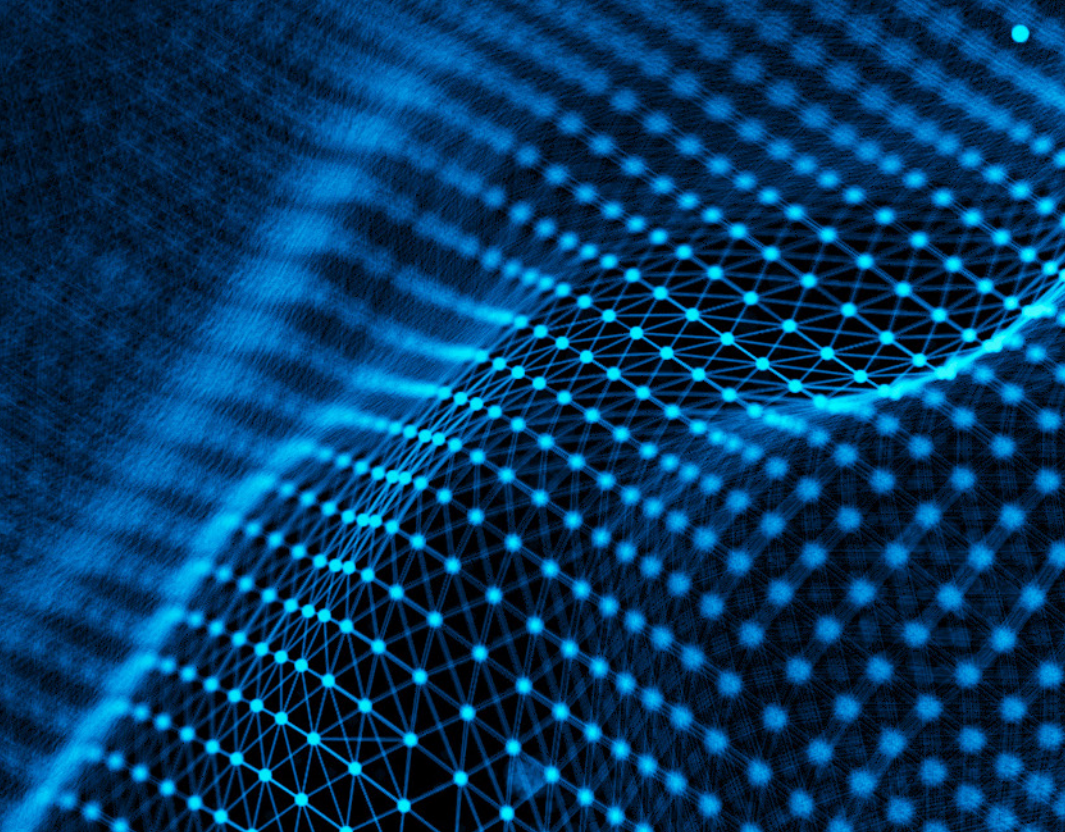
Positive clinical data from the Dahlia PK study

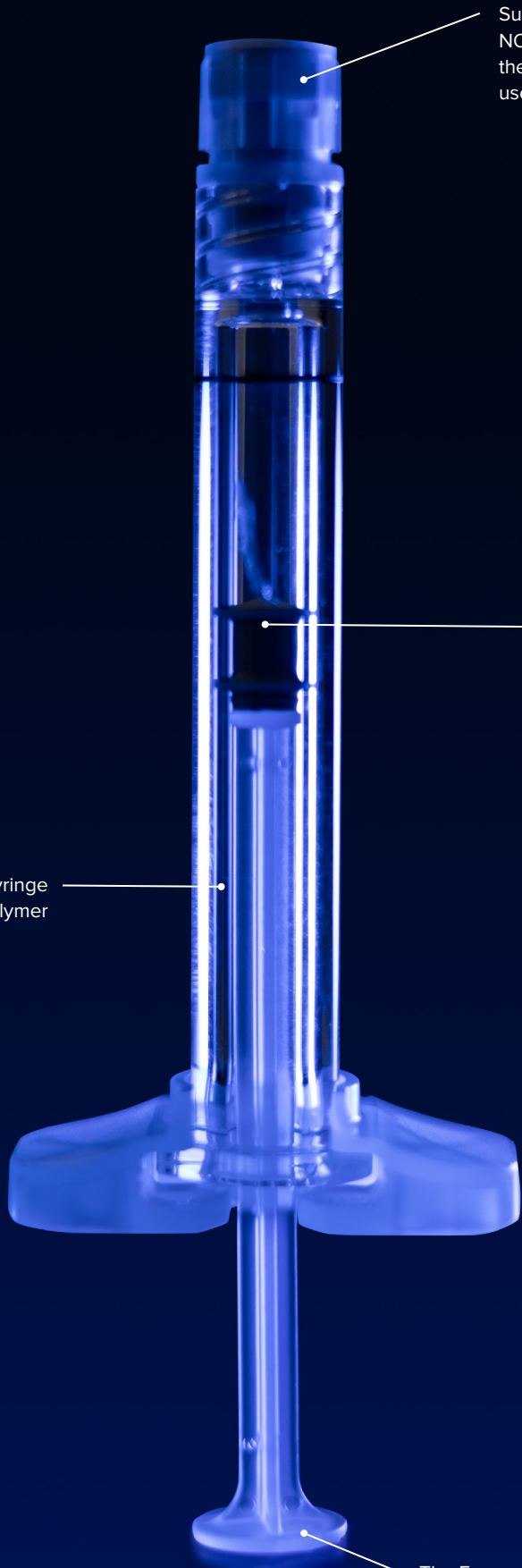


# Excellence *Innovation*

03

*Scientific excellence leads to  
innovative solutions*





Surface sterilization using NO<sub>2</sub> gas offers advantages over the otherwise commonly used ethylene oxide

A specially coated plunger ensures precisely controlled sliding without the need for lubricant

Silicone-oil-free pre-filled syringe made of cyclic olefin polymer

The Formycon pre-filled syringe is optimized for injecting very small volumes.

## Excellence &amp; Innovation

# Value creation through scientific excellence – *Formycon's innovative pre-filled ophthalmic syringe*

With Formycon's FYB201, a ranibizumab biosimilar is for the first time available in the European Union in a pre-filled syringe which is free of silicone oil lubricant. What might at first glance appear to be an arcane technical advance represents far more strategically: It demonstrates how innovation in the biosimilar sector can create new value added in response to real needs from physicians and healthcare systems while providing better care to patients, thereby clearly differentiating the biosimilar product in the market.

Intravitreal anti-VEGF injections have become the standard treatment for eye diseases such as neovascular (wet) age-related macular degeneration, diabetic macular edema, and retinal vascular occlusions. These indications require repeated intravitreal injections of tiny volumes of fluid directly into the vitreous humor. Because of the sensitivity of the eye, the demands on precision, particle-free delivery and safety are extremely high. Conventional ophthalmic syringes typically use silicone oil as a lubricant for the plunger. This can lead to silicone oil droplets entering the eye with the injection and potentially causing intraocular reactions. In contrast, the pre-filled syringe used in FYB201 is made of cyclic olefin polymer (COP) and requires no silicone oil. The material is characterized by high purity, low extractability and leachability values, and precise dimensional accuracy, properties which in the case of small-dose intravitreal injections are absolutely crucial. The specially coated plunger ensures steady and precisely controlled sliding without the need for lubricant, greatly reducing the number of subvisible particles which can enter the eye.

Furthermore, after filling, the surface of the innovative Formycon syringe is sterilized with nitrogen dioxide (NO<sub>2</sub>) gas at room temperature, a process that replaces the ethylene oxide sterilization typi-

cally used to date. Nitrogen dioxide is not only safer than highly toxic ethylene oxide but also far better in terms of emissions and sustainability. In addition, the safe and complication-free application of Formycon's new syringe has been specifically confirmed by a U.S. safety and usability study conducted among retinal specialists.

While innovation in biosimilar development is effectively precluded at the molecular level because of the strict comparability required for regulatory approval, opportunities for differentiating innovations are still possible in the manufacturing process, in primary packaging, and – as in this example – in application design. Formycon's pre-filled syringe is not just an add-on feature but rather an integral innovation which differentiates Formycon's products in the market as part of a larger strategy. Building upon this success, the pre-filled syringe will likewise be used for Formycon's second ophthalmic biosimilar, FYB203/aflibercept.





# Comparability Meets Optimization

## *From Product Details to Strategic Positioning*

Biosimilars are, by definition, closely comparable to their reference product. Quality, efficacy and safety must be demonstrated based on comprehensive analytical and clinical comparisons. Although there is substantial scope for innovation, this potential – likewise by definition – lies not in improving the biosimilar’s mechanism of action but rather in innovation and optimization in processes, in the development process, and in drug application systems.

In a market with largely comparable and substitutable products, differences in material technology, in production and sterilization processes, and in treatment handling can be competitively significant. Especially in the case of chronic diseases requiring regularly repeated treatments, these factors can materially influence patient compliance.

Formycon leverages its extensive scientific expertise to strategically exploit this potential, thereby making innovation a source of competitive advantage in the market. It enables the company to evolve its own offerings from purely cost-driven “me too” products to high-quality, competitively differentiated alternatives. More broadly, Formycon’s innovative strength reinforces its resilience against global competitors, particularly in an environment in which suppliers from lower-cost regions are increasingly entering the market.

In the competition for market share, manufacturers of biosimilar reference medicines are responding to expiring patent exclusivity with various lifecycle management strategies: new dosage forms, optimized devices, modified dosing intervals, or additional service offerings intended to hold their market position following expiry. For biosimilar developers, this means that competition based on price alone is no longer sufficient. At the same time, this means that strategic opportunities are emerging: For example, a biosimilar that offers a more user-friendly or particle-free application solution can be seen in the market as qualitatively superior to the reference medicine. Thus, even in the biosimilars market, innovative developers can meaningfully differentiate their products.

Innovation is, however, about more than a clever improvement in a single product. It is the expression of an attitude: leveraging scientific excellence not only to meet regulatory requirements but – as part of a broader competitive strategy – to actually improve the quality of patient care. Formycon’s silicone oil-free pre-filled syringe is a tangible example of this – and at the same time proof that innovative developments above and beyond the reference product are not only possible in the biosimilars market but also strategically effective.

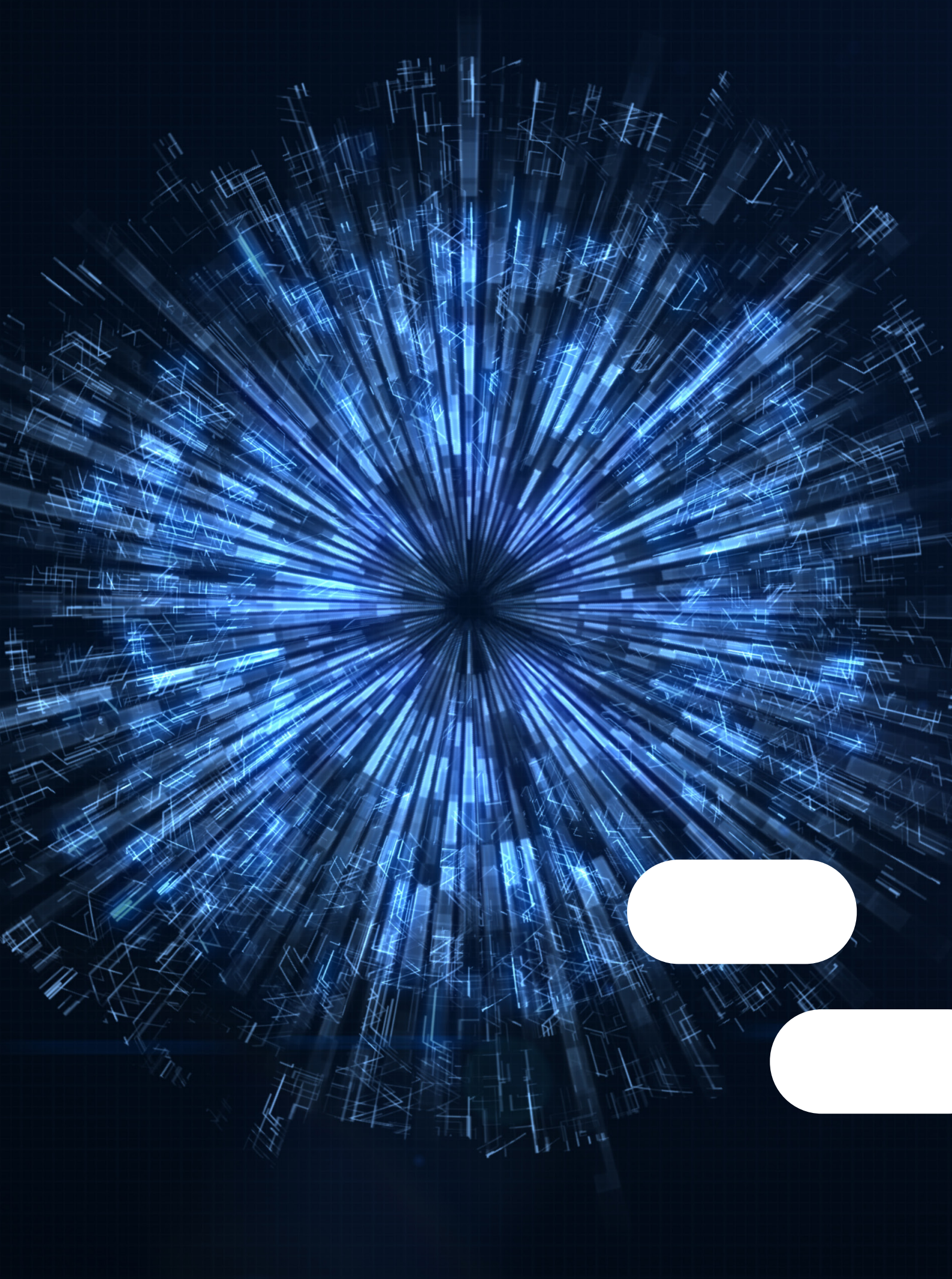
The logo consists of the letters 'GP' stacked above 'ED'. The 'G' and 'E' are white, while the 'P' and 'D' are a light blue color. The letters are bold and sans-serif.

GP  
ED

# *Lean* Development

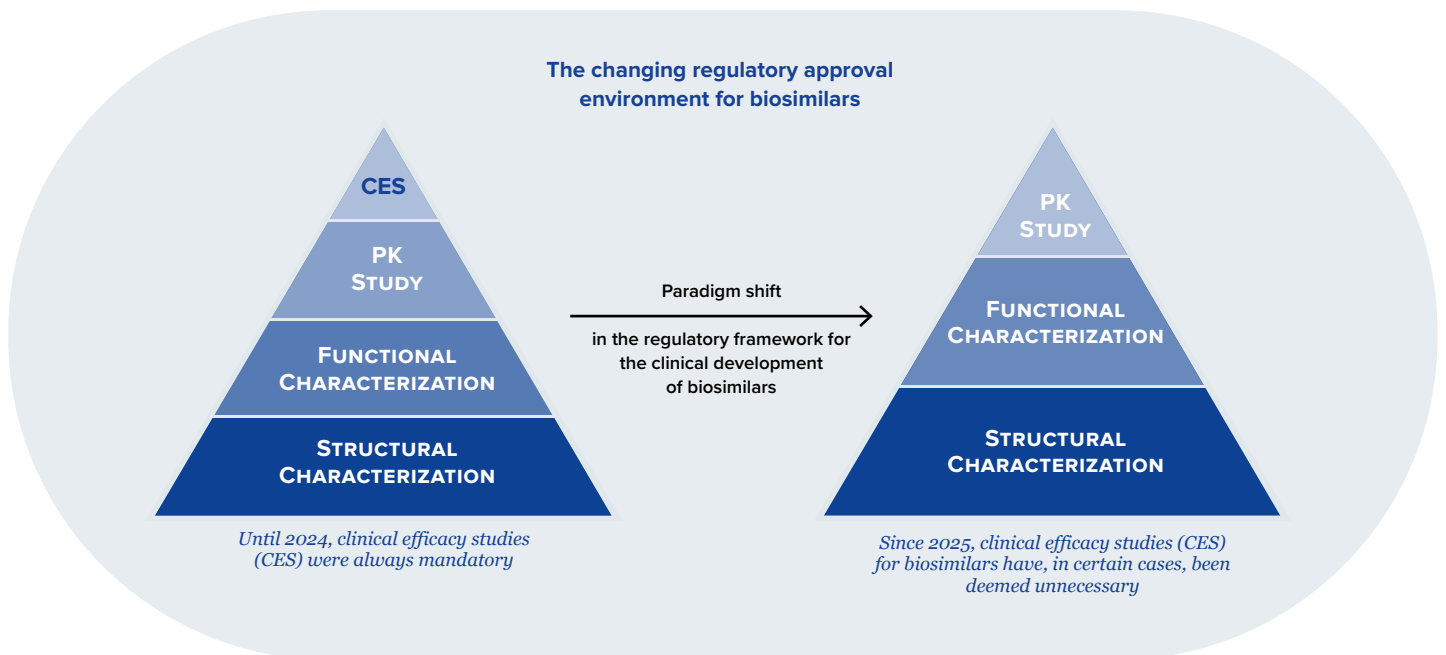
04

*Competitive advantage arises from  
cost efficiencies in development and manufacturing  
– and from making best use of more efficient  
regulatory approval pathways*



## Lean Development

# Rethinking operational excellence: Regulatory evolution as enabler of faster product development and stronger growth



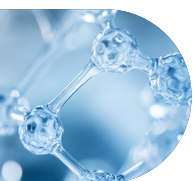
The development of biosimilars is at a turning point. What was long presumed to be a basic prerequisite for approval – large-scale comparative efficacy studies (phase III clinical trials) – is now being reassessed by leading regulatory authorities. The FDA and EMA have made it clear that, in the case of biosimilars, such studies are no longer necessarily mandatory if comprehensive analytical data and appropriate pharmacokinetic studies can convincingly demonstrate comparability.

This change is not just a minor detail in the drug approval process; it is a change in paradigm which fundamentally transforms the strategic and economic logic that drives the entire biosimilars industry. And it greatly increases the competitive potency of Formycon's fourth strategic pillar, which is to combine operational excellence with lean, cost-effective development and manufacturing.

## From mandatory clinical trials to more efficient approvals based on science

Traditionally, biosimilar development programs have consisted of three key components: analytical characterizations, clinical pharmacokinetic (PK) studies, and large-scale phase III clinical studies of comparative efficacy. Until now, this final stage has typically been the most expensive and time-consuming part of the development process, with clinical trials typically involving hundreds of patients, multiple international study centers, and complex operational management of these over several years.

In contrast, clinical PK studies are significantly more streamlined, with smaller sample sizes, focused endpoints, shorter durations, and less coordination effort. Regulators are now recognizing that these studies are particularly sensitive and thus effective for identifying potential differences between biosimilars and their reference products.



This decision by the regulatory authorities is based on what is now many years of clinical experience with numerous biosimilars already on the market. Moreover, extensive regulatory analyses have shown that comparative efficacy studies have not historically provided any additional decision-relevant information that could not already be derived from analytical and PK data.<sup>1</sup>

The shift in regulatory approval paradigm is thus driven by a clear logic: If modern analytical methods and functional assays are able to detect differences more sensitively than traditional clinical efficacy endpoints, then resources should be allocated where they deliver the greatest scientific value. Deciding that a phase III efficacy study is superfluous does not mean a lowering of regulatory standards; to the contrary, it is because analytical methods for characterizing complex proteins have advanced dramatically in recent years. Structure, glycosylation, aggregation behavior and functional activity can now be directly compared with high precision. In vitro functional assays can be conducted within the sensitive range of the dose-response curve and detect even minimal deviations compared to the biosimilar's reference drug.

In addition, retrospective analyses of European approvals have shown that decisions on biosimilars have invariably been consistent with these analytical results but not necessarily with the outcome of clinical efficacy studies. Biosimilars have already, in some specific cases, been approved despite formalistic failures in phase III trials because the

analytical evidence was so compelling. In other cases, conversely, biosimilar candidates have been denied approval despite successful phase III trials due to questionable analytical results.<sup>2</sup> This shows that, in deciding whether to grant approval of a biosimilar, phase III clinical trials have dubious value and limited decision-making relevance.

Finally, there is an ethical dimension: If the large number of clinical efficacy studies on biosimilars have been failing to reliably identify clinically relevant differences, is it fair to recruit seriously ill patients as study subjects? The new thinking of regulators, based on solid science, to dispense with studies of inferior informative value serves not only the interests of efficiency but also the interests of patients.

### **Formycon as a pioneer of a new development model**

In this rapidly evolving environment for the regulatory approval of biosimilars, Formycon has been at the forefront: In the case of its pembrolizumab biosimilar candidate FYB206, the company was among the first developers to coordinate and successfully agree an optimized clinical development program with the FDA without the need for a separate comparative efficacy study.

The success of this extraordinary, non-routine consultation process was the result of Formycon's intensive scientific preparation, regulatory expertise, and clearly structured data strategy. It positions

<sup>1,2</sup> The Tailored Biosimilar Approach: Expectations and Requirements  
<https://doi.org/10.1007/s40265-025-02168-y>



Formycon among the leading biosimilar developers in an increasingly competitive global market.

Especially in the case of highly complex molecules like checkpoint inhibitors, the ability to identify and pursue the most efficient pathway through regulatory approval based on sound scientific data is a strategic competitive advantage. It means that development can become leaner and smarter, with faster programs, lower risks, and more efficient allocation of capital and scarce resources.

### **Economic leverage and the biosimilar void**

The significance of Formycon's new approach extends far beyond individual projects. Between 2025 and 2034, 118 biologics will lose their patent protection, yet biosimilars are thought to be in development for only about 10% of these.<sup>3</sup> This untapped 90% is known as the "biosimilar void," and one of the main reasons for its existence has, until now, been the high development costs. With biosimilars being excepted from mandatory phase III trials, however, the economic calculus is fundamentally changing. Molecules involving smaller or more specialized target markets, until now a dubious business proposition, suddenly become interesting opportunities. This means, more broadly, that the new and more efficient regulatory approval process becomes an enabler of greater competition, broader market access, and ultimately more affordable and stable healthcare systems. Physicians

gain access to additional treatment options, while patients have better access to the most effective biologics – and not only the high-profile blockbusters to treat prevalent diseases but also less-known and previously neglected niche drugs to treat less common diseases.

### **Lean development as strategic success factor**

At Formycon, operational excellence and lean development mean far more than just process fine-tuning and day-to-day cost management. It means pioneering and actively shaping regulatory innovation, working smart and thinking hard to consistently translate scientific evidence into efficient development programs, and looking ahead to proactively minimize risks.

The shift in the regulatory approval paradigm is not a short-term trend but rather the expression of the maturing science which underlies biosimilars. Formycon's pioneering role with FYB206 demonstrates how strategic foresight, scientific depth, and operational agility can work together to bring about a significant evolutionary leap. And rather than waiting to react, Formycon is taking full advantage of the new regulatory paradigm proactively, as a source of competitive advantage and competitive differentiation that will further strengthen its long-term position as one of the world's leading independent biosimilar specialists.

<sup>3</sup> A Momentous, Critical Step: Paradigm Shift Ahead For US Biosimilars As FDA Formalizes Streamlining - by Dave Wallace





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# Combined Management Report

## *Basic Information about Formycon Group*

*This Combined Management Report covers the reporting period from January 1, 2025 to December 31, 2025 and encompasses the management reports for both Formycon Group (hereinafter also “Formycon” or the “Group”) and Formycon AG. Unless otherwise noted, the presentation of business performance and financial figures relevant to corporate management, both actual and forecasted, are for Formycon Group.*

*Information which applies solely to the Formycon AG parent entity is specifically marked as such.*

### **Highly specialized biosimilar development from molecule selection through to market-ready product**

Biosimilars are follow-on products to biopharmaceutical drugs whose market exclusivity has expired. They possess comparable quality, efficacy and safety, and they are subject to stringent regulatory approval processes.

Formycon is a globally operating, independent biosimilar specialist with a broad product pipeline and an established, scalable development platform for biosimilars spanning various therapeutic indications. The Company covers the entire value creation chain, from the selection of promising biosimilar candidates through to regulatory approval and the delivery of market-ready products. This includes, in particular: cell line development, comparative analytics, formulation and process development, as well as preclinical and clinical development activities, the preparation of regulatory submission packages for the relevant regulatory authorities, and the coordination of the respective approval processes. In addition, Formycon possesses comprehensive expertise in the planning, management and oversight of its supply chains and international product logistics. Formycon commercializes its biosimilars around the globe in collaboration with established pharmaceutical partners with the specialized resources necessary to successfully market biosimilars within defined geographic regions.

FYB201/ranibizumab, Formycon’s first approved biosimilar product, is currently being marketed in Europe, Canada, Israel, and the Middle East and North Africa (MENA) region. Europe’s first pre-filled syringe for a ranibizumab biosimilar, created by Formycon, has been introduced in Germany, France and the Netherlands. Further market

launches and approvals – including in Latin America and selected sub-Saharan African countries – are planned for 2026 and 2027. Following a marketing pause in the second through fourth quarters of 2025, FYB201 was relaunched in the U.S. market in early January 2026.

The approval of a second FYB201/ranibizumab biosimilar in the United States will provide an additional treatment option for patients with serious retinal diseases during 2026. This launch is being carried out in collaboration with another U.S. partner.

Since March of 2025, FYB202/ustekinumab, the second biosimilar product to emerge from Formycon's project pipeline, has been available in the key markets of the United States, Canada and Europe for indications including Crohn's disease, plaque psoriasis and psoriatic arthritis. Launches in additional regions are currently in preparation.

FYB203/aflibercept has received regulatory approval in the high-revenue regions of the United States, the European Union and the UK. With an agreement now reached with the manufacturer of the reference drug, the U.S. market launch is planned for the fourth quarter of 2026. A corresponding agreement to facilitate the European launch was also reached after the reporting date.

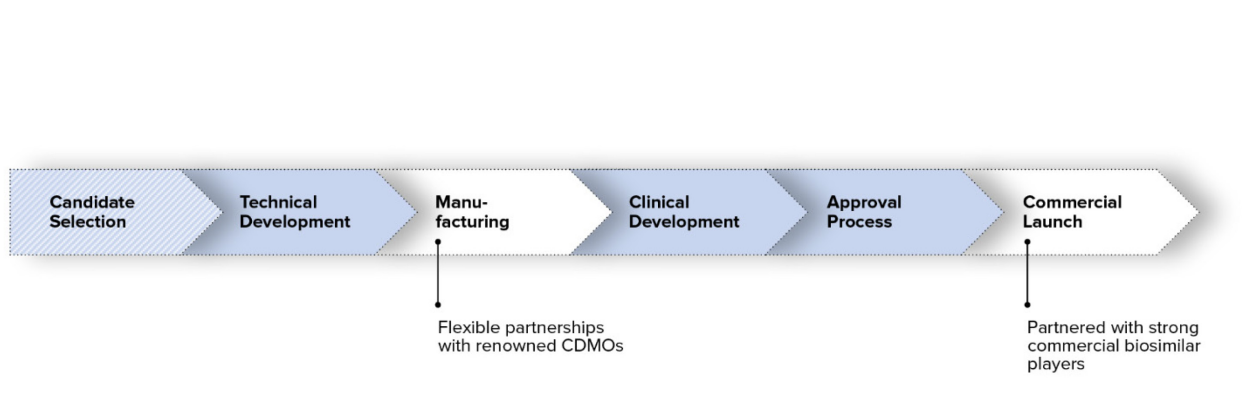
Four additional biosimilar candidates are currently in development. In the case of FYB206/pembrolizumab, patient recruitment for clinical trials has been successfully completed. In addition, partnerships have been established for both the U.S. and the MENA region, as well as for the Asia-Pacific (APAC) region subsequent to the close of the reporting period.

With the Technical Proof of Similarity (TPoS) milestone reached in 2025, FYB208/dupilumab is now entering the large-scale manufacturing and clinical trials phase.

Two further as-yet unannounced biosimilar candidates, FYB209 and FYB210, are currently in the preclinical development phase.

The continuous expansion of the portfolio through the targeted selection, development and commercialization of new biosimilar candidates – whether independently or through partnerships – forms the foundation of Formycon's strategy for long-term and sustainable growth.

**The biosimilar value chain**



**What are biosimilars?**

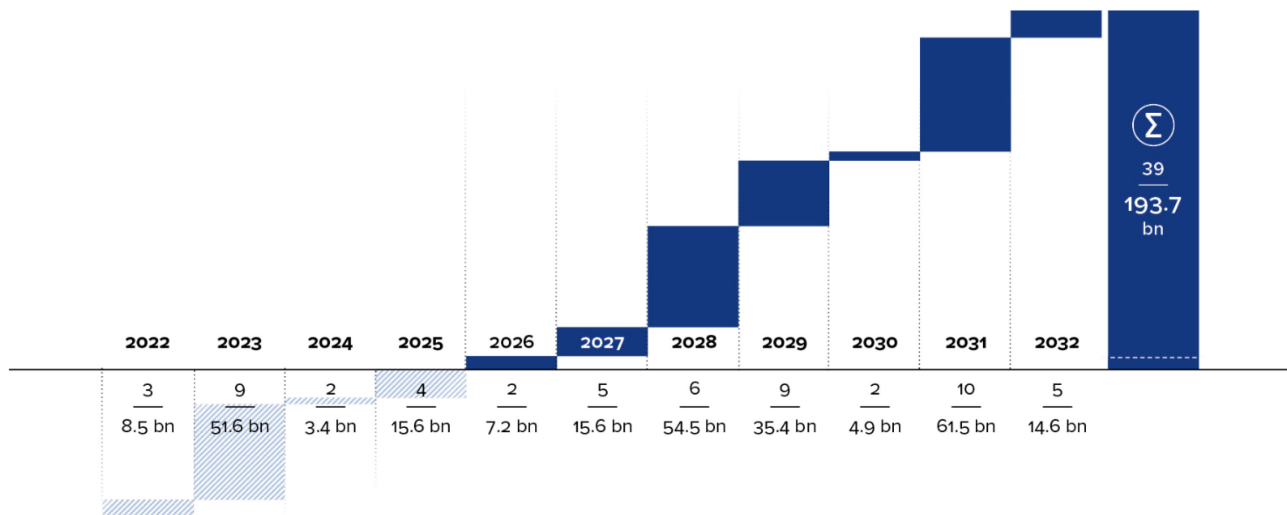
Biosimilars are follow-on products to biopharmaceutical drugs whose market exclusivity has expired. They possess comparable quality, efficacy and safety, and they are subject to stringent regulatory approval processes in highly regulated markets such as the European Union, the United Kingdom, the United States, Japan, Canada and Australia based upon the biosimilar’s proven similarity to the reference product, thereby ensuring comparability in terms of efficacy and safety.

Since the 1980s, biopharmaceuticals have revolutionized the treatment of serious diseases such as cancer, diabetes, rheumatism, multiple sclerosis and acquired blindness. Over the next seven years (2026-2032), many of these biotech drugs will lose their patent protection, including 39 blockbuster drugs with total combined annual sales estimated at US\$ 193.7 billion.<sup>1</sup>

<sup>1</sup> Blockbuster is defined here as a drug with annual sales of more than USD\$ 1 billion in the peak year. Analysis based on timing of U.S. patent expiry. Sources: EvaluatePharma database, April 2022; press reports; McKinsey analysis

Unaudited Information

**Biosimilar potential -  
by 2032, more than 39 blockbusters will  
lose their market exclusivity (in USD bn)<sup>1</sup>**



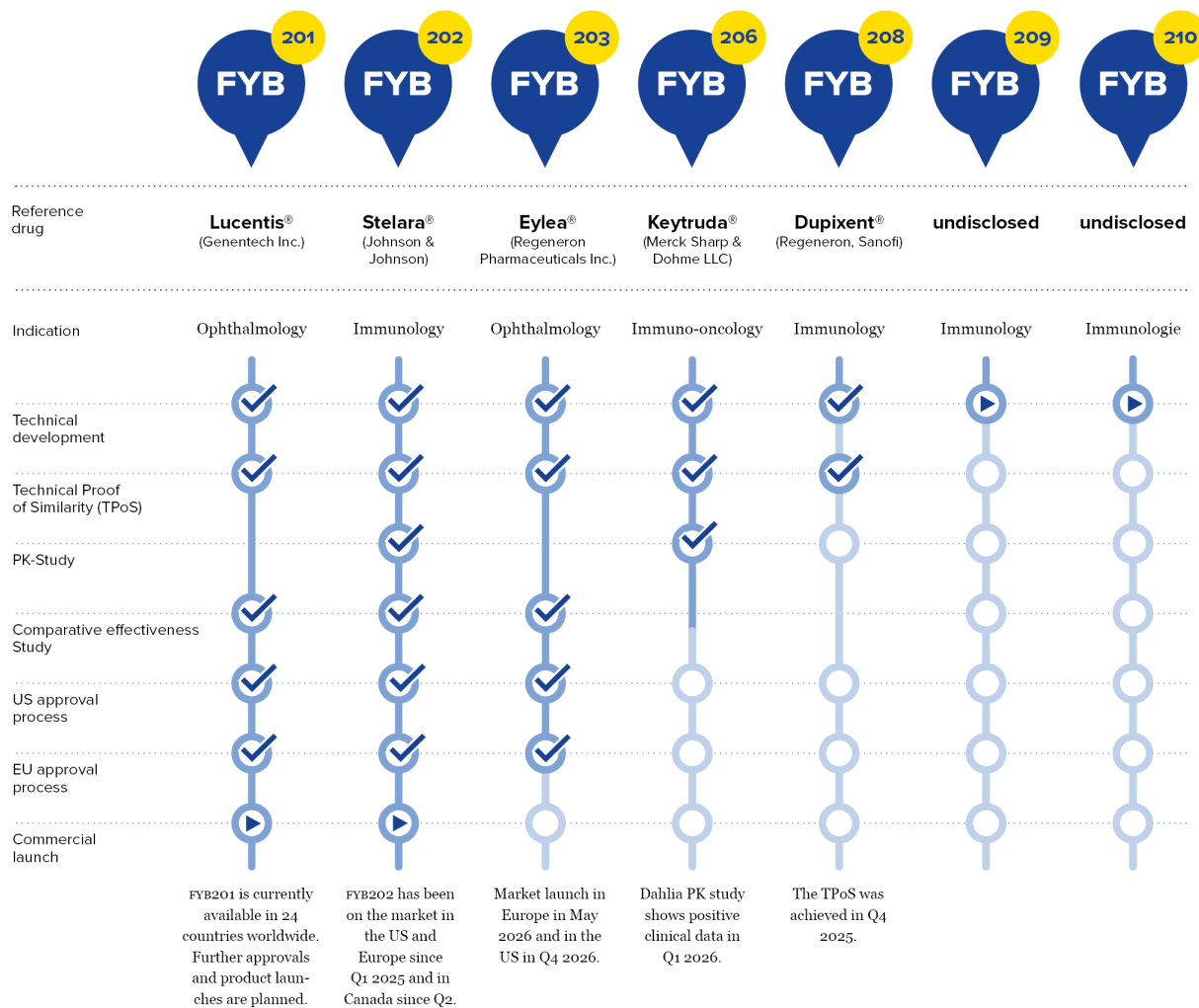
**Product pipeline**

The development of new biosimilar drugs is the foundation for the Group’s sustainable long-term growth. Within the area of biosimilars development, Formycon has the following projects in various stages of development:

<sup>1</sup> Fig. **Error! Main Document Only.**: EvaluatePharma database, April 2022; press reports; McKinsey analysis

Unaudited Information

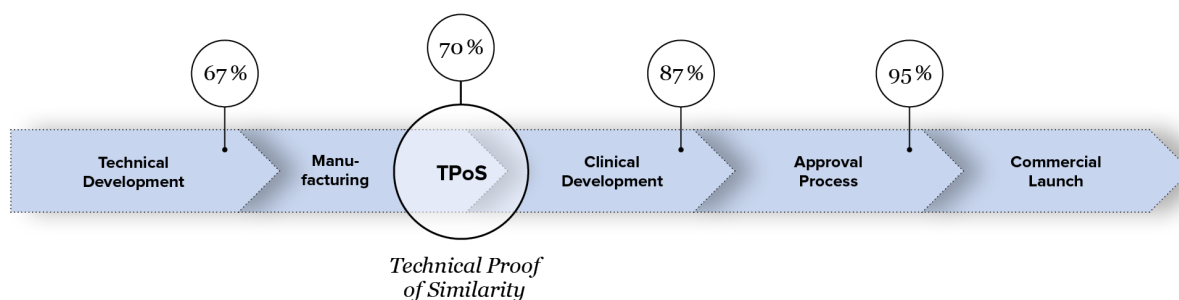
**Formycon  
Biosimilar-Product-Pipeline**



🔄 ongoing    ✅ completed

Unaudited Information

**Biosimilar development  
Probability of success**



**Even in the starting phase, the probability of a biosimilar being successfully approved is almost 70%<sup>1</sup>**

In terms of the risks and challenges involved, the biosimilar drug development approach differs fundamentally from the development of an innovative originator biopharmaceutical. While biosimilar drug development takes a confirmatory approach, whereby the biosimilar candidate is designed from the start to be demonstrably comparable to the reference drug and is accordingly managed over the entire development period of typically five to seven years, the research and development process for an entirely new biological entails an exploratory approach and thus a significantly higher level of development risk along with significantly longer development times and vastly higher development costs.

With a comparable level of expertise and experience in the development of a biosimilar drug, the probability of success, i.e. that a biosimilar will be approved, is high from the start of the development

process, as illustrated above.<sup>2</sup> In the case of the development of an innovative drug, the success rate is dramatically different, with only one in twenty projects in preclinical development, on average, reaching final approval.<sup>3</sup>

**Forthcoming regulatory changes to enable faster and more efficient biosimilar development<sup>4</sup>**

Recent initiatives by regulatory authorities, particularly the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA), suggest that the future regulatory framework for biosimilar approvals will be even more favorable. Both agencies are increasingly concluding that, based on today’s available analytical depth, established development standards, and the high predictive reliability of clinical parameters, the probability of success for a biosimilar is already so high at the outset of development that, in clearly defined cases, the costly and time-consuming phase III clinical trials to prove efficacy, which until now have been mandatory, are unnecessary. This paradigm shift toward a more analytically and pharmacokinetically based

<sup>1</sup> Unaudited Information

<sup>2</sup> The path towards a tailored clinical biosimilar development, Schiestl et al. 2020

<sup>3</sup> <https://klinischeforschung.novartis.de/patienten/allgemeines-zu-klinischen-studien/entwicklung-von-medikamenten/>, Entwicklungsphasen im Überblick

<sup>4</sup> Unaudited Information

demonstration of comparability can significantly shorten development times, substantially reduce development costs, thus further increasing the attractiveness of the biosimilar segment. The increased focus on comprehensive analytical comparability data plays well to Formycon's extensive scientific expertise in this area.

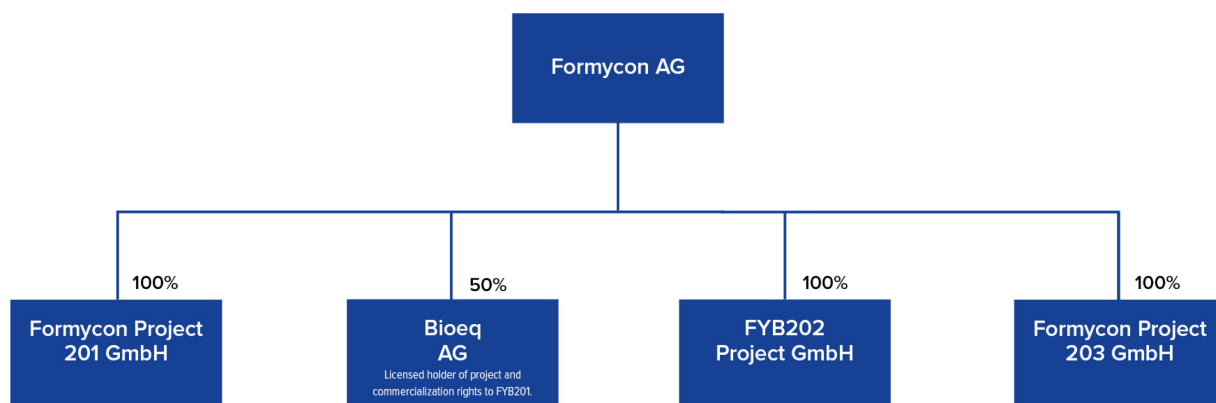
### **Business objective and strategy**

Formycon's long-term goal is to become one of the leading independent specialists and a development partner of first choice in the dynamically growing biosimilars market. By acting as a driving force in the development of biosimilars, the Group strives to facilitate the democratization of patient access to highly effective drugs, while at the same time significantly easing the financial burden on the world's healthcare systems.

### **Group structure**

Formycon Group consists of the parent entity, Formycon AG, along with its 100%-owned subsidiaries Formycon Project 201 GmbH, FYB202 Project GmbH and Formycon Project 203 GmbH, as illustrated in the accompanying figure. In addition, Formycon holds a 50% share of Bioeq AG, a joint venture between Formycon and Polpharma Biologics BV. As a 100% subsidiary of Formycon AG, Clinical Research GmbH (formerly Bioeq GmbH) has acted as the sponsor of clinical trials. Specifically, it conducted the clinical trials for the FYB201, FYB202 and FYB203 development projects, which have since been successfully completed. Therefore, the two companies have jointly decided to merge Clinical Research GmbH into Formycon AG, a transaction which was finalized through entry into the commercial register on August 4, 2025. In the clinical trials for FYB206 as well as future drug candidates, Formycon AG will directly serve as sponsor.

**Group structure**







The corporate structure of Formycon Group reflects the establishment of dedicated legal entities for individual biosimilar projects, currently in advanced stages of development. Formycon AG performs research and development activities for its own projects, on behalf of its affiliated companies (subsidiaries) and for development partners.

The Formycon AG parent entity is a German stock corporation which is listed on the Frankfurt Stock Exchange and trades in the Exchange’s “Prime Standard” segment (ISIN DE000A1EWVY8), which has the highest transparency requirements of all segments. Formycon AG serves, both legally and operationally, as the holding company for Formycon Group. As the Group’s parent entity, Formycon AG determines corporate strategy and group-level strategic management as well as communications with Formycon’s key target audiences and stakeholders.

In its current phase of corporate and organizational growth, the focus of Formycon Group is on research and development activities for both its own and out-licensed biosimilar projects. In addition, the Group’s supporting activities facilitate the efficient implementation of these development programs, particularly the management of the relevant supply chains for market supply of selected biosimilar candidates and the coordination of Formycon’s established industry and development partnerships. Formycon’s aim is to consistently align the entirety of its operational processes toward the successful development, approval and collaborative commercialization of its biosimilars.

**Management Board members and allocation of responsibilities**

 <p><b>Dr. Stefan Glombitza</b> CEO (Chief Executive Officer) COO (Chief Operations Officer)</p>	 <p><b>Nicola Mikulcik</b> CBO (Chief Business Officer)</p>	 <p><b>Dr. Andreas Seidl</b> CSO (Chief Scientific Officer)</p>	 <p><b>Enno Spillner</b> CFO (Chief Financial Officer)</p>
<p>Since July 1, 2022 (current term of office ends Dec. 31, 2027), previously served as COO (starting 2016)</p>	<p>Since June 1, 2022 (current term of office ends May 31, 2027)</p>	<p>Since July 1, 2022 (current term of office ends June 30, 2027)</p>	<p>Since April 1, 2023 (current term of office ends March 31, 2029)</p>
<p><b>Areas of responsibility:</b> Corporate Strategy and Product Development</p>	<p><b>Areas of responsibility:</b> Business Operations</p>	<p><b>Areas of responsibility:</b> Scientific and Pre-/Clinical Affairs</p>	<p><b>Areas of responsibility:</b> General Administration / Enabling Functions</p>
<ul style="list-style-type: none"> <li>— Analytics &amp; Drug Substance</li> <li>— Regulatory Affairs</li> <li>— Program Management &amp; Operational Excellence</li> <li>— Regulatory Affairs and Quality Management</li> <li>— Quality Assurance and Operations</li> </ul>	<ul style="list-style-type: none"> <li>— Business Development and Licensing</li> <li>— Supply Chain and Logistics</li> <li>— Intellectual Property Litigation</li> <li>— Procurement</li> </ul>	<ul style="list-style-type: none"> <li>— Preclinics, Bioanalytics and Scientific Affairs</li> <li>— Clinical Development and Operations</li> <li>— Intellectual Property</li> <li>— Drug Product</li> <li>— Occupational Safety</li> </ul>	<ul style="list-style-type: none"> <li>— Finance and Controlling</li> <li>— Legal and Compliance</li> <li>— Human Resources</li> <li>— Corporate Communications, Investor Relations and Corporate Social Responsibility / ESG</li> <li>— Information and Business Technology</li> <li>— Facility/Environment</li> </ul>

## Management and oversight

As required under the German Stock Corporation Act (*Aktiengesetz*) for all German stock corporations, the Formycon AG parent entity is governed by a dual board system consisting of an Management Board (*Vorstand*) and a separate Supervisory Board (*Aufsichtsrat*). The Management Board currently consists of four members who are appointed and monitored by the Supervisory Board.

The Supervisory Board of Formycon AG consists of a total of six members. At the Annual General Meeting on June 18, 2025, a resolution was passed expanding the Board from five to six members.

### Remuneration of Management Board and Supervisory Board

The remuneration of Management Board members includes both fixed and variable components. The main features of the remuneration system for Management Board and Supervisory Board members may be found in the separate Remuneration Report at: <https://www.formycon.com/en/investor-relations/governance>.<sup>1</sup>

### Remuneration of senior management

The performance of Formycon Group's broader senior management team, including non-Management Board members, is measured against agreed targets. These specific targets at both the Group-wide and operational levels are regularly reviewed.

### Declaration of Corporate Governance

The Declaration of Corporate Governance pursuant to sec. 289 and sec. 315d of the German Commercial Code (*Handelsgesetzbuch*, HGB) may be found beginning on page 138. This report describes the working procedures of the Management Board and Supervisory Board, the Declaration of Conformity pursuant to sec. 161 of the Stock Corporation Act, information on key corporate governance practices, and further information on corporate governance.

The Declaration of Conformity may be found on our corporate website, now and in the future, at: <https://www.formycon.com/en/investor-relations/governance>.<sup>2</sup>

### Important processes, partners and sales markets

The development of biosimilar drugs for the world's most stringently regulated markets is subject to very strict standards for their safety, quality, comparability and efficacy. Within the EU, the requirements for quality assurance of the production processes and production environment for the manufacture of medicinal products and active ingredients are established through a European Commission directive laying down the principles and guidelines of Good Manufacturing Practice (GMP) for all medicinal products for human use. Formycon's laboratories are subject to these various guidelines and are periodically examined and audited by regulatory authorities, including the U.S. Food and Drug Administration (FDA) and the regional government of Upper Bavaria.

Contract development and manufacturing organizations (CDMO) or "contract manufacturers" are important partners within the value chain for biosimilars development and play a critical role for Formycon, including in the production of active ingredients. Formycon manages the product-specific supply chain for the commercial market supply of a product and provides its commercialization partners with market-ready products.

For the global marketing of its biosimilar products, Formycon relies upon commercialization partnerships within defined geographic regions with the following internationally renowned pharmaceutical companies:

<sup>1</sup> Unaudited information

<sup>2</sup> Unaudited information

**Europe:**

- Fresenius Kabi AG
- Horus Pharma
- NTC s.r.l.
- Ratiopharm GmbH (subsidiary of Teva Pharmaceuticals Ltd.)
- Sandoz AG
- Teva Pharmaceuticals Ltd.

**United States and Canada:**

- Fresenius Kabi AG
- Sandoz AG
- Valorum Biologics LLC
- Zydus Lifesciences Ltd.

**Latin America (LATAM):**

- Biom SA
- Megalabs SA

**Middle East and North Africa (MENA):**

- MS Pharma

**Sub-Saharan Africa:**

- Bio Usawa Biotechnology Ltd.

**Asia-Pacific (APAC):**

- Lotus Pharmaceutical

**Australia:**

- Actor Pharmaceuticals Pty. Ltd.

The target market for Formycon's biosimilar products is the global pharmaceuticals market, particularly the United States, Europe (including also the UK), Japan and Canada, as well as Australia, the Middle East and North Africa (MENA) region, sub-Saharan Africa and Latin America.

While originator biopharmaceuticals are already available for the effective treatment of many serious diseases, these powerful drugs are very expensive due to the complexity of their development and manufacture as well as their market exclusivity. Even in the world's wealthiest countries, they can often be prohibitively expensive as a first-line therapy for all patients. However, once the legal protection period for an originator biopharmaceutical expires can be made available for broader patient care. The reduced costs of effective treatment through new competition from biosimilars not only helps to relieve the burden on the world's health providers such as statutory health insurers: They also make it possible to bring these powerful treatments to more patients and at an earlier stage of disease progression, thereby potentially opening entire new markets.

**Competitive situation**

International market studies forecast a compound annual growth rate (CAGR) for the global biosimilar market over the years from 2025 to 2034 of approx. 16.5%.<sup>1</sup> Despite high barriers to entry – specifically including expected development costs in the range of US\$ 150 million to US\$ 300 million per project,<sup>2</sup> long development cycles of five to seven years, and the necessity of highly specialized scientific and regulatory approval expertise – a diverse and increasingly globalized competitive landscape has emerged.

<sup>1</sup> Three imperatives for R&D in biosimilars | McKinsey

<sup>2</sup> With the likely introduction of phase III clinical trial waivers as well as further optimizations along the development chain, development costs are expected to

be lower in the future, with typical development timeframes likewise expected to be shortened to a range of five to seven years.

Beyond Formycon, other market leaders in the biosimilars space include large biopharmaceutical companies such as *Amgen*, *Biocon*, *Biogen*, *Frese-nius Kabi*, *Samsung Bioepis*, *Sandoz* and *Teva* as well as specialized biosimilar developers such as *Alvotech*, *Celltrion* and *Xbrane*, which – like Formycon itself – distinguish themselves through focused product portfolios and a high degree of vertical integration.<sup>1</sup>

Asian manufacturers, particularly from India and China, are increasingly shaping the global competitive landscape. A growing number of Chinese Companies with development and production platforms are investing in modern GMP production facilities, scalable development structures and global regulatory strategies. These companies benefit from cost advantages, high manufacturing capacities, and increasingly government-supported innovation ecosystems, which could intensify future competitive pressure also in Europe and North America.<sup>2</sup>

As an independent biosimilars specialist, Formycon operates in a market environment where other market participants may be both competitors and potential commercialization partners. Depending upon the indication, geographical region and project structure, a company that competes against Formycon for one product may serve as an ideal marketing partner for another development program. Formycon therefore pursues a selective and strategically oriented approach to find the optimal partner for each project and region.

### Competitive differentiation

In an increasingly globalized and competitive biosimilar market, Formycon differentiates itself through a clearly defined strategic foundation designed to maintain and strengthen long-term competitiveness. Against a market environment in which established international pharmaceutical companies and, to an increasing degree, cost-efficient competitors from India and China are emerging with significant production capacities, government support and ambitions to expand globally,

Formycon pursues a deliberately focused approach built upon the following four strategic pillars.

### 1. Geographic diversification:

In addition to its primary target markets in the United States and Europe, Formycon is strategically expanding its international presence in regions with strong expected growth in demand, specifically including Brazil/LATAM, MENA and Sub-Saharan Africa. By strategically developing these markets, cooperating with regionally established partners, and building local value creation, Formycon is actively striving to take advantage of additional growth opportunities outside of its traditional core markets by increasing its market penetration while also strengthening the security of its product supply.

### 2. Intelligent portfolio strategy:

Formycon's product development pipeline follows a clearly structured portfolio methodology that combines blockbuster molecules with a targeted "niche buster"<sup>3</sup> approach. This intelligent mix improves the risk-reward profile while also clearly differentiating Formycon from competitors. At the same time, Formycon is working to fully leverage the advantages of an increasingly streamlined regulatory development (e.g. the likely future waivers for phase III clinical trials in defined cases), thereby accelerating the path to market maturity while significantly reducing development costs.

### 3. Scientific excellence and innovation:

Formycon relies upon its scientific excellence as a key source of competitive advantage. This has already been demonstrated, for example, through the development of state-of-the-art application technologies such as pre-filled ophthalmic syringe systems, innovative study designs that actively shape regulatory change, and Formycon's recognized high standards of analytical depth and technological precision. Formycon's focus on scientific excellence ensures a level of recognized quality and scientific robustness that clearly defines and differentiates Formycon in the global market,

<sup>1</sup> Unaudited Information

<sup>2</sup> Unaudited Information

<sup>3</sup> Formycon defines a niche buster as a drug for a niche indication with global annual sales in the low- to mid-single-digit billions of U.S. dollars.

particularly against emerging new competitors who seek to gain competitive advantage through low costs.

#### **4. Operational excellence and lean development:**

A fourth key factor in Formycon's global competitiveness is an organizational model which is lean and agile yet able to deliver operational excellence. Streamlined processes, short decision-making paths and a rigorously data-driven development approach allow Formycon to achieve shorter development times, greater cost efficiency, and better utilization of its existing capacities than many competitors. Furthermore, the Company systematically leverages its many years of biosimilar experience along with state-of-the-art digital methods, including the use of AI, to further reduce development risks and bring projects to regulatory milestones faster and more reliably.

By combining these strategic levers, Formycon is able to sustainably differentiate itself from its international competitors and to position itself within the global market as a reliable, high-quality and independent biosimilars specialist with a clear and compelling logic for value creation.

#### **Corporate strategy and management**

Formycon's strategic goal is to sustainably expand the scope of its business activities with the aim of becoming one of the leading independent development specialists and partner of choice in the rapidly growing biosimilars market. In order to achieve this goal, Formycon will continue to consistently invest into the advancement and expansion of its project pipeline in order to bring new biosimilars to market maturity at regular intervals. Formycon is – depending upon the profile of the respective molecule, the attractiveness of the market, and prevailing economic conditions – capable of realizing this pipeline expansion both independently and within the framework of strategic partnerships.

In addition, Formycon is pursuing a clearly defined growth strategy aimed at further developing the company into a profitable biosimilars specialist built on sustainable growth. In order to achieve this goal, the Management Board is open to considering medium- to long-term cooperation arrangements and integration in selected areas of the manufacturing process as well as to building its own commercialization capabilities in certain geographies. In pursuing this vision, Formycon's strategic focus is on long-term profitability and sustainable cash flows. In pursuit of this aim, the Management Board considers partnerships and integrations – for example, in certain manufacturing process stages – as well as its own commercialization efforts in selected territories, to be viable medium-term and long-term options. The guiding focus will continue to be on achieving sustainable profitability, robust cash flows and an efficient risk-return profile.

Formycon may, as necessary, adapt its strategy and operational approach to particular market conditions. During the fiscal year, there was no need to make any significant changes in strategic orientation compared to the previous year.

**Key financial performance indicators in accordance with IFRS**

in € million	2025	2024	2023
Revenue	44.5	69.7	77.7
EBITDA	-3.6	-13.7	1.5
Adjusted EBITDA	-2.3	-1.6	13.3
Working Capital	70.1	55.1	38.9

**Financial performance indicator**

In managing Formycon Group, the Management Board relies to a significant extent upon the following set of financial performance indicators: revenue, EBITDA, Adjusted EBITDA, and working capital. Adjusted EBITDA additionally includes Formycon's participation in earnings from FYB201, which due to the current contractual structure is accounted for at equity, thereby providing a broader and more complete measure of Formycon's Group operating performance. This change is intended to improve measurability and transparency, for the Group's management as well as readers of this report.

At the present time, Formycon AG limits itself to announcing specific guidance forecasts with regard to the above key performance indicators for the current fiscal year only. Formycon holds a portfolio of partnered biosimilar candidates which, even after successful transfer to licensed or cooperation partnerships, generate revenue for Formycon from development work performed, advance payments, milestone payments and license payments. As the pipeline of development projects matures, Formycon expects the proportion of revenue from milestone payments and license payments from product sales to further increase.

Because future revenue depends to a significant extent upon the marketing performance of the respective commercialization partner(s) in each region, Formycon is able only forecast such revenue within approximate ranges, acknowledging that the operational management of these commercial activities – which are key factors influencing achieved sales volume and revenue – is the responsibility of

the respective marketing partner and subject to Formycon's direct influence to only a limited extent.

EBITDA – Earnings before Interest (meaning specifically finance income/expenses), Tax, Depreciation and Amortization – is a common measure of operating profitability which excludes non-cash depreciation of property, plant and equipment and amortization of intangible assets. Because EBITDA excludes certain expense items that are not directly related to current business operations, the Management Board believes that the indicator is suitable for measuring the Group's operating performance.

As already noted, Adjusted EBITDA additionally includes Formycon's participation in earnings from Bioeq AG, which is under joint control. Bioeq AG's earnings, in turn, result solely from its operating profit generated by our FYB201 product. Because this holding is under joint control and therefore necessarily accounted for at equity, earnings from this Formycon product are not included in operating income and therefore also excluded from EBITDA. Adjusted EBITDA, in contrast, includes these earnings from FYB201.

Through close attention to the Group's working capital, the Management Board is able to monitor liquidity needs and changes and to ensure that Formycon's financial soundness is maintained into the future. Working capital measures the extent to which current assets (trade and other receivables, contract assets, and cash and cash equivalents) exceed current liabilities, including shareholder loans and the current portion of conditional purchase price payment obligations. All else being equal, a higher level of working capital means a lower risk of liquidity shortfalls. Formycon's goal is to maintain

positive working capital on a consistent, long-term basis.

These financial performance indicators are planned and continuously monitored on a Group-wide basis. Formycon measures deviations between planned and actual financial performance, not only for Formycon Group as a whole but also for the Formycon AG parent entity. These key indicators are analyzed monthly as well as quarterly. The Management Board also regularly reviews the detailed business plan against these actual monthly and quarterly figures.

Moreover, the development plan for each of Formycon's product candidates is intensively examined and reviewed in considerable detail three times per year, including any impact on the financial plan. In managing the Group, the key financial performance indicators described above are supplemented by various non-financial management indicators (see "Other non-financial aspects" below).

# Report on business performance

## Macroeconomic framework conditions

During 2025, the global economy as a whole proved to be robust. The International Monetary Fund (IMF) estimates that global GDP growth for 2025 will come out at 3.3%, matching the prior-year increase (3.2%)<sup>48</sup>. Adverse factors such as geopolitical tensions, trade conflicts and higher tariffs were offset by continued technological investment, efficiency gains, and a high degree of structural adaptability among companies and institutions.<sup>49</sup>

Over this same year, however, the U.S. macroeconomic environment showed some signs of weakening. Real GDP growth slowed from 2.8% in the prior year to approx. 2.1%, with increasing uncertainty surrounding trade policy, high tariff levels and sluggish declines in the inflation rate serving as dampers on investment activity.<sup>50,51</sup> On the other hand, economic momentum over the course of the year was supported by stronger than expected economic data and continued high levels of investment within the technology sector. Somewhat stronger U.S. economic growth is projected for 2026, with real GDP growth of approximately 2.4% driven by fiscal policy and the gradually diminishing impact of higher trade barriers.<sup>52</sup>

In contrast, the Chinese economy continued to show solid growth, despite the U.S. tariffs. In 2025, the Chinese economy posted real GDP growth of approx. 5.0%, supported by robust exports and additional investment provided through state-owned

development banks. For 2026, another year of solid growth is projected at 4.5%, aided by a temporary halt to further tariff increases providing some help to trade with the U.S. along with continued economic stimulus.<sup>53</sup>

The outlook for the global economy in 2026 remains generally stable. Following global GDP growth of around 3.3% in 2025, growth of approximately 3.3% is expected again in 2026, based on stable economic performance in the major economies and slowing inflationary pressures.<sup>54</sup> Supported by declining energy prices and more relaxed supply chains, the macroeconomic environment should continue to stabilize, although geopolitical and trade risks persist.<sup>55</sup>

## Global pharmaceutical industry developments

In 2025, the world's pharmaceutical industry continued its growth trend. The pharmaceutical market reached approx. US\$ 1.16 trillion in global sales revenue and is projected to expand to roughly US\$ 1.20 trillion in 2026.<sup>56</sup> Two key growth drivers were the increasing demand for specialized therapies, specifically including biologics as well as personalized medicine, and the growing use of digital technologies to improve efficiencies in research, development and supply chains.<sup>57</sup>

Despite these positive market developments, the biopharmaceutical industry environment in 2025 was significantly impacted by structural and

<sup>48</sup> International Monetary Fund, Januar 2025 <https://www.imf.org/en/publications/weo/issues/2025/01/17/world-economic-outlook-update-january-2025>

<sup>49</sup> International Monetary Fund, January 2026: <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>50</sup> International Monetary Fund, January 2026: <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>51</sup> <https://www.wko.at/aussenwirtschaft/usa-wirtschaftslage>

<sup>52</sup> International Monetary Fund, January 2026: <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>53</sup> International Monetary Fund, January 2026: <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>54</sup> International Monetary Fund, January 2026: <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>55</sup> <https://desapublications.un.org/publications/world-economic-situation-and-prospects-2026>

<sup>56</sup> <https://www.globalgrowthinsights.com/market-reports/pharmaceuticals-market-103948>

<sup>57</sup> <https://www.globalgrowthinsights.com/market-reports/pharmaceuticals-market-103948>

external challenges. Uncertainties related to potential trade policy measures, U.S. government initiatives to regulate drug prices, and temporary disruptions to the predictability of regulatory processes at the U.S. Food and Drug Administration (FDA) adversely impacted the market environment. Personnel changes and restructuring within the FDA further exacerbated these challenges, leading to delays and increased uncertainty in approval processes in certain areas. As the year progressed, however, sentiment in the sector improved noticeably, driven by successful approvals, increasing investment activity, and a growing number of strategic partnerships between pharmaceutical and biotechnology companies.<sup>58,59</sup>

For 2026, the global pharmaceutical industry is expected to experience stable, moderate growth. Industry studies anticipate global pharmaceutical market in the low- to mid-single digits, with new products in the areas of biologics, oncology, immunology and rare diseases providing significant revenue impetus.<sup>60</sup>

### Economic situation in Germany

In 2025, the German economy once again posted modest growth of 0.2%, supported primarily by a continued recovery in private and public consumption. The country's domestic demand thus proved to be a key pillar of the economy, particularly in the final quarter, when private consumption and government spending served as stabilizing forces.<sup>61,62</sup>

Over the course of the year, production showed slight signs of recovery. Within the country's manufacturing sector, output showed several increases, with capital goods production, construction and energy generation providing notably positive impetus, and industrial production as a whole contributing to the modest growth. At the same time, however,

cyclical weaknesses remained apparent, especially in foreign trade. Against the backdrop of the weaker international environment and persistent geopolitical and trade policy uncertainties, export activity was sluggish and thus failed to make a significant contribution to growth, while investment activity likewise remained subdued overall.<sup>63</sup>

As of the beginning of 2026, leading indicators such as business and sentiment data continued to point to only moderate economic momentum. Overall, the German economy thus remained on a stable but moderate path of expansion, supported by domestic demand, but with growth constrained by structural challenges and an uncertain global environment.<sup>64,65</sup>

### Developments in the biosimilar market – *Global perspective*

The global market for biosimilars remains on a dynamic growth trajectory and will, over the coming years, significantly shape the world market for biological therapies. According to forecasts, the global market volume is expected to grow from approx. US\$ 33 billion in 2025 to roughly US\$ 74 billion by 2030, making biosimilars the fastest-growing segment within the overall pharmaceutical market.<sup>66</sup> Growth in the U.S. market has been strikingly robust, particularly over the years from 2015 to 2021. Although less rapid growth is expected over subsequent years, the U.S. and Europe are anticipated to maintain their leading roles in the global biosimilar markets.<sup>67</sup>

Within the U.S. pharmaceutical market, a distinction must be drawn between the growth of the biosimilars market as a whole and the growth rates of individual market segments. While the overall U.S. market continues to grow strongly and constitutes a

<sup>58</sup> BioPharma Dive, January 12, 2026: "5 questions facing biopharma in 2026", [https://www.biopharmadive.com/news/biotech-pharma-outlook-2026-trump-rfk-china-fda/808670/?utm\\_source=chatgpt.com](https://www.biopharmadive.com/news/biotech-pharma-outlook-2026-trump-rfk-china-fda/808670/?utm_source=chatgpt.com)

<sup>59</sup> <https://www.deloitte.com/us/en/insights/industry/health-care/life-sciences-and-health-care-industry-outlooks/2026-life-sciences-executive-outlook.html>

<sup>60</sup> <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-global-use-of-medicines-outlook-through-2029>

<sup>61</sup> International Monetary Fund, January 2026: <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>62</sup> <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2026/20260115-die-wirtschaftliche-lage-in-deutschland-im-januar-2026.html>

<sup>63</sup> <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2026/20260115-die-wirtschaftliche-lage-in-deutschland-im-januar-2026.html>

<sup>64</sup> <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2026/20260115-die-wirtschaftliche-lage-in-deutschland-im-januar-2026.html>

<sup>65</sup> <https://bga.de/im-fokus/artikel/wirtschaftsdynamik-weiterhin-fehlanzeige/>

<sup>66</sup> Fokus-biosimilars/newsletter-fokus-biosimilars-ausgabe-10

<sup>67</sup> Grand View Research, "Biosimilars Market Size And Share | Industry Report, 2033" <https://www.grandviewresearch.com/industry-analysis/biosimilars-market>

significant share of the global biosimilar market, the pharmacy benefit segment is experiencing slower than expected adoption of biosimilars due to segment-specific dynamics, in particular the control and reimbursement practices of pharmacy benefit managers (PBMs), whose rebate and formulary strategies determining covered drugs have thus far limited the adoption of biosimilars within the pharmacy benefit sector. Such policies of PBMs and other payers are proving to be a barrier to the broader use of prescription biosimilars, despite their price advantages.<sup>68</sup>

In parallel with the growth of the market in terms of aggregate revenue, the number of approved biosimilars has likewise increased significantly. As of July of 2025, a total of 119 biosimilars were approved in Europe and 72 in the U.S.<sup>69</sup>

At the same time, certain emerging and growth markets, particularly in Latin America, Africa and Asia, are increasingly gaining in commercial importance. Supported by rising demand, the expansion of local production capacities, and regulatory frameworks that are more closely aligned with international standards, these regions are increasingly contributing to global growth in the biosimilars market.<sup>70</sup>

This strong growth momentum in the biosimilar market is expected to see a further boost from regulatory initiatives aimed at streamlining the biosimilar approval process. Regulatory authorities including the European Medicines Agency (EMA)<sup>71</sup> and the U.S. Food and Drug Administration (FDA)<sup>72</sup> have updated or published key guidelines for consultation on biosimilars that place greater emphasis on analytical, functional and PK<sup>73</sup> comparative data. For biosimilar candidates that meet the prerequisites, and for which a high degree of structural and functional similarity can be convincingly

demonstrated, this could eliminate the future need for large-scale comparative phase III efficacy studies.

For Formycon, this already marks a striking and significant success. Following consultation with the FDA, the company is one of the first developers of a pembrolizumab biosimilar being allowed to dispense with a phase III clinical trial of its candidate FYB206. This greenlighting significantly reduces both development time and costs, with estimated savings in the tens of millions of dollars.

Despite this more accommodating regulatory environment for biosimilars, there are no signs yet of the broad boost in development activities that one might expect. For approx. 90% of biologics with patent expirations by 2034, there are no biosimilars currently known to be in development (the so-called "biosimilar void"). This gap is particularly pronounced for niche ("orphan") biologics, for which biosimilar development has traditionally been considered economically unattractive due to the small market size. However, changing regulatory frameworks are increasingly acknowledging the practical economic hurdles of biosimilar development without compromising the rigorous scientific requirements for structural and functional biosimilarity: While large-scale and costly efficacy studies with limited incremental benefit are being deemphasized, the approval process continues to require analytically demonstrated comparability, pharmacokinetic studies and immunogenicity assessments. The new regulations are thus tightening the focus on what is scientifically appropriate and technically feasible. In addition to their impact on the biosimilars market at large, these changes are expected to extend the development of new biosimilar products into these previously overlooked but important niches.<sup>74</sup>

<sup>68</sup> <https://www.bcg.com/publications/2024/rising-tide-lifts-us-biosimilars-market?>

<sup>69</sup> <https://alirahealth.com/education-hub/2025-global-biosimilars-report/>

<sup>70</sup> [https://www.imaregroup.com/biotechnology-industry?utm\\_source](https://www.imaregroup.com/biotechnology-industry?utm_source)

<sup>71</sup> <https://www.ema.europa.eu/en/reflection-paper-tailored-clinical-approach-biosimilar-development>

<sup>72</sup> <https://www.fda.gov/regulatory-information/search-fda-guidance-documents/scientific-considerations-demonstrating-biosimilarity-reference-product-updated-recommendations>

<sup>73</sup> PK: pharmacokinetic; PD: pharmacodynamic

<sup>74</sup> IQVIA Institute for Human Data Science (2025). Assessing the Biosimilar Void in the U.S.: Achieving Sustainable Levels of Biosimilar Competition

### *Biosimilars in Germany*

The biosimilars market in Germany is projected to reach approx. US\$ 2.25 billion in revenue by 2025, representing further steady growth compared to 2024 (approx. US\$ 2.02 billion).<sup>75</sup> The German biosimilar market accounts for roughly 18.4% of the European biosimilar market, making it one of the strongest regions in Europe.<sup>76</sup> Driven by rising demand and increasing acceptance of biosimilars, the German biosimilar market is expected to experience significant future expansion. Based on market data, the German biosimilars market is projected to grow to approx. US\$ 4.1 billion by 2030.<sup>77</sup>

Biosimilars are making a substantial contribution to cost containment in the country's healthcare system. In 2024, savings to German statutory health insurance funds (Krankenkasse) amounted to nearly € 2 billion, primarily the result of discount models along with intense price competition.<sup>78</sup>

With planned expansions to biosimilar substitution in Germany, the interchangeability of these biotechnology-based drugs has also gained in visibility and importance to policymakers. In 2025, the German legislature and the Federal Joint Committee, Germany's highest decision-making body representing physicians, hospitals and health insurance funds, initiated a formal consultation process on expanding biosimilar substitution which could potentially lead to requirements for pharmacies to automatically substitute originator biologics prescribed to patients in the statutory system with a particular biosimilar. It is estimated that potential annual savings to the country's statutory health insurers through these measures could be as much as € 2.33 billion.<sup>79</sup>

At the same time, biosimilar manufacturers are acknowledging that such mandatory automatic substitution could entail various risks, including

significant price and margin pressure, the displacement of suppliers through exclusive discount models which increase concentration, and resulting reductions in competition and security of supply. Furthermore, the reduced predictability of market shares and future revenues could have a lasting negative impact on investment incentives for complex and capital-intensive biosimilar development, especially in specialized or smaller markets.<sup>80</sup>

### *European Union*

Within Europe as a whole, the biosimilar segment has established itself as an important force for economic stabilization within the vast overall pharmaceutical market. The growth of biosimilars reflects their high clinical acceptance, their broad market penetration, and the regulatory and health policy frameworks that have been developed in Europe over many years. According to IQVIA, a provider of advanced analytics, technology solutions and clinical research services to the life sciences industry, biosimilars have already, through intense price competition and increasing use, enabled savings in the high tens of billions of euros across Europe, while simultaneously significantly expanding patient access to biological therapies. In more than 20 European markets, biosimilars are now an integral part of patient care. The number of approved products is continuously increasing, and further biosimilars to other active ingredients are nearing market entry. Despite regionally varying levels of use, the significant competitive pressure which they are exerting on reference products is having a long-term price-dampening effect throughout Europe.<sup>81</sup>

Over the coming years, IQVIA expects this trend to continue. Further patent expirations of high-priced biologics and the increasing acceptance of biosimilars are likely to lead to further market growth in

<sup>75</sup> <https://www.mmrstatistics.com/statistics/957289/germany-biosimilars-market-revenue-2024-32>

<sup>76</sup> <https://www.mmrstatistics.com/statistics/874775/europe-biosimilars-market-share-country-2025>

<sup>77</sup> <https://www.mmrstatistics.com/statistics/957289/germany-biosimilars-market-revenue-2024-32>

<sup>78</sup> [https://probiosimilars.de/wp-content/uploads/2025/06/Biosimilars-in-Zahlen\\_Kalenderjahr-2024.pdf](https://probiosimilars.de/wp-content/uploads/2025/06/Biosimilars-in-Zahlen_Kalenderjahr-2024.pdf)

<sup>79</sup> <https://www.aok.de/pp/bv/wido-pm/ensparpotenziale-bei-biosimilars/>

<sup>80</sup> [https://probiosimilars.de/wp-content/uploads/2025/09/2025-09-11-Factsheet-Biosimilarmodell\\_Substitution.pdf](https://probiosimilars.de/wp-content/uploads/2025/09/2025-09-11-Factsheet-Biosimilarmodell_Substitution.pdf)

<sup>81</sup> <https://www.iqvia.com/library/white-papers/the-impact-of-biosimilar-competition-in-europe-2025?>

parallel with additional savings to Europe's healthcare systems.<sup>82</sup>

### Summary statement of Management Board on business performance and economic environment

During fiscal year 2025, Formycon Group held its own in a market environment which continued to be challenging and highly volatile. Despite difficult conditions, particularly in the U.S. biosimilars market, Formycon achieved significant operational, regulatory and strategic progress. These advances attest to the consistent implementation of a clearly defined strategic direction and form a solid foundation for the Group's medium- to long-term growth.

A key focus during the fiscal year was on the further building and strengthening of the product pipeline across all development stages. On the regulatory approval front, a particularly significant strategic milestone was attained with FYB206, Formycon's candidate biosimilar to Keytruda®. Following positive feedback from the U.S. Food and Drug Administration (FDA), development has been allowed to proceed without the need for a comparative efficacy study (phase III clinical trials). This pioneering regulatory breakthrough serves not only to considerably reduce the total investment requirement but also to significantly shorten the development timeframe. In parallel, the recruitment of study participants for the clinical pharmacokinetics study was completed as planned, thus further raising the project's visibility and significantly enhancing its attractiveness to commercialization partners, a notable example being the strikingly successful partnership deal at the end of 2025 for FYB206 in the North American and MENA regions.

Substantial progress was also made on other pipeline projects. Technical Proof of Similarity (TPoS) was attained for FYB208, Formycon's candidate biosimilar to Dupixent®. This milestone clears the way to move the project into the next phase, including

concrete preparations and planning for clinical development and commercial-scale manufacturing.

Formycon's early-stage biosimilar projects, and the development advances which these are already yielding, are strengthening the strategic breadth of the Company's pipeline and thus its future prospects. These advances also underscore the Group's technological expertise, proven regulatory competencies and operational excellence.

Alongside the progress in the early-stage pipeline, the fiscal year also saw significant progress developments in Formycon's projects in more advanced stages.

Over the course of 2025, the temporary suspension of U.S. marketing of FYB201/Cimerli® led to a significant decline in U.S. sales and associated license revenues, which had a dampening effect on Formycon's share of Bioeq AG earnings. In other international markets, including Europe and the MENA region, marketing of FYB201 continued unchanged. In addition, the introduction of the technologically innovative pre-filled syringe in several European countries strengthened FYB201's competitive position. As of the beginning of January 2026, Cimerli® is once again available in the U.S. market.

The additional approval of Nufymco® in the United States represents a true first in the industry, enabling the complementary marketing of a second biosimilar product to emerge from the FYB201 program and laying the foundation for an expanded commercial presence in the world's largest biosimilar market. The resulting partnership with Zydus and the associated advance payment to Bioeq AG positively impacted the at-equity share of earnings, which was € 1.2 million for full-year 2025 (2024: € 12.1 million).

During the fiscal year, FYB202, Formycon's biosimilar to Stelara®, received additional approvals in Canada and the UK. However, market penetration of the ustekinumab biosimilar, particularly in the

<sup>82</sup> <https://www.iqvia.com/library/white-papers/the-impact-of-biosimilar-competition-in-europe-2025?>

U.S. market, was slower than initially anticipated. Even prior to the market launch, which was able to take place ahead of plan thanks to the settlement agreement reached with Johnson & Johnson, intense market competition with significantly greater price pressure on biosimilars became increasingly apparent in the course of commercial negotiations between marketing partner Fresenius Kabi and the relevant U.S. partners. The fact that most of the major pharmacy benefit managers (PBM) in the U.S. have so far chosen to remain with the reference product has also served to slow U.S. market penetration for these biosimilars. Consequently, royalties for FYB202 remained relatively low in the first few months following market launch. While revenue contributions from FYB202/Otulfli® increased significantly in the fourth quarter of 2025 due to the exclusive U.S. distribution agreement concluded by Fresenius Kabi with CivicaScript, the product is still in the early phase of commercialization and did not ramp up as quickly as expected. For this reason, further adjustments to the valuation model and accounting treatment were necessary.

Nevertheless, the Management Board remains convinced of the medium- to long-term international potential of this product. The underlying market opportunities remain unchanged, even if the timing of individual revenue contributions has shifted. The current efforts of the Trump administration to dismantle the opaque discount mechanisms of the PBMs and pave the way for greater biosimilar penetration support this assessment.

In parallel with Formycon's operational and regulatory progress, significant steps were taken in the areas of partnerships and commercialization. Regional out-licensing agreements were secured for FYB206 in North America and the MENA region. Following the closing date, an additional partnership was announced for key countries in the APAC region, the closing of which, along with the associated revenue-generating upfront payments, had been originally planned for fiscal year 2025.

A patent agreement has been reached with the reference drug manufacturer for FYB203/Ahzantive®, enabling market entry in the U.S. in the fourth quarter of 2026.

Furthermore, FYB203 (reference product: Eylea®) has been approved in both the EU and the UK. Regional marketing partnerships for FYB203 have been established between Klinge Biopharma and other renowned partner companies such as Teva (Europe), Valorum Biologics (U.S./Canada), Lotus Pharmaceuticals (APAC), Megalabs (LATAM), Actor (Australia), Horus (selected European countries), and NTC (Italy). For the first time, Formycon is assuming full responsibility for organizing the supply chain and market distribution for FYB203, further strengthening its strategic position as an integrated partner for development and product supply.

The Group's consolidated full-year revenue for fiscal year 2025 was € 44.5 million (2024: € 69.7 million), below the lower end of the originally forecast range (€ 55.0 million to €65.0 million). The shortfall is largely attributable to longer negotiations to conclude further commercialization and development partnerships, for example for the Keytruda® biosimilar candidate FYB206, in order to optimize their financial terms. In addition, recognition of milestone events anticipated for Q4 shifted to the first quarter of 2026.

The projects and contractual agreements underlying the original forecast remain in place or have been established meaning that the milestone-related revenues do not represent permanently lost revenue but rather timing shifts to fiscal year 2026.

As of the close of the fiscal year, the Group's balance sheet and financial condition remained solid. A key component of Formycon's financing strategy during the year was the successful placement of the corporate bond issuance, which served to strengthen the liquidity base, increase planning certainty, and sustainably improve the Group's financial flexibility.

The Group's earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € -3.6 million (2024: € -13.7 million), largely reflecting research and development expenses, along with sales revenues, the associated cost of sales and general and administrative expenses. This key financial performance indicator therefore

ended the year clearly above the originally forecast range (€ -10 million to € -20 million).

Adjusted EBITDA of € -2.3 million (2024: € -1.6 million) additionally includes Formycon's earnings from FYB201, its ranibizumab biosimilar, which is primarily reported as an at-equity result below EBITDA through Formycon's 50% shareholding in Bioeq AG. This figure was also significantly above the originally forecast range of € -10 million to € -20 million, largely thanks to the upfront payment from marketing partner Zydus following the successful conclusion of a licensing agreement with Bioeq AG for FYB201/Nufymco®. A detailed explanation can be found in the segment report in the Notes to the Consolidated Financial Statements.

The equity ratio at the close of 2025 was approx. 54% (2024: 60%), while cash and cash equivalents closed the year at € 68.8 million (2024: € 41.8 million). Working capital was € 70.1 million (2024: € 55.1 million), above the projected range of € 55 million to € 65 million. This favorable result is primarily attributable to the proceeds of the bond issuance along with upfront payments from the licensing partnerships for Formycon's FYB206 biosimilar candidate.

Formycon consistently aligns its corporate strategy across its four strategic pillars: *geographic diversification*, an *intelligent portfolio strategy* with consistent execution, *scientific excellence and innovation* not only in development work but also in the regulatory approval process, and *operational excellence and lean development* with close attention to cost efficiency. These principles guide the Company's key decisions, particularly in the areas of project pipeline, partnerships and capital allocation. They proved their worth during fiscal year 2025 and form the basis for the sustainable further development of Formycon's business model.

Drawing upon its successful development and approval of three biosimilar products to date, the Company made a strategic decision to leverage the experience gained through these to consolidate resources and further optimize their allocation. Recent favorable regulatory developments, in particular simplifications to the biosimilar approval process

such as the waiving of separate clinical efficacy studies (phase III clinical trials) as a standard requirement, are serving to shorten development cycles and make them more efficient while more broadly enabling related improvements to organizational and cost structures. Moreover, the increasing use of digital technologies and artificial intelligence is providing new avenues to focus and streamline the biosimilar development processes.

In summary, the Management Board assesses the Group's business performance during fiscal year 2025 as fundamentally successful, both strategically and operationally. Despite challenges in the commercial market environment and a slower-than-expected sales growth trajectory, recent changes in the regulatory framework are creating a favorable environment for faster and more cost-efficient biosimilar development. Formycon's core scientific expertise will play a central role in taking full advantage of this. The operational and regulatory milestones achieved during the year underscore the steady progress of Formycon's pipeline and the value being created. Formycon's attainment in 2025 of the leading position among Keytruda® biosimilar developers is particularly noteworthy. The expanded development of Formycon products already on the market with additional targeted presentations and complementary semi-exclusive distribution partnerships, as well as the optimization of the Group's organizational structures and its solid financial foundation, are working together to sustainably strengthen Formycon's competitive position. Against this backdrop, the Group considers itself well-positioned to achieve further growth in the coming years and to transition to sustainable EBITDA profitability.

**Comparison of actual and forecast business performance**

in € million	2024 actual	Financial forecast for 2025 from the 2024 annual report	Half-year figures for 2025 and forecast on Aug. 13, 2025	Ad hoc with preliminary numbers for fiscal year 2025 on March 4, 2026	Ad hoc with preliminary numbers for fiscal year 2025 on April 15, 2026	Reason	2025 actual
<b>Revenue</b>	69.7	55,0 to 65,0	55,0 to 65,0	approx. 45.0	approx. 45.0	Longer negotiations regarding the conclusion of further commercialization and development partnerships, as well as postponement of anticipated milestone achievements and a weaker-than-expected contribution from licensing revenue derived from product sales for FYB202	<b>44.5</b>
<b>EBITDA</b>	-13.7	-20,0 to -10,0	-20,0 to -10,0	approx. -12.0	approx. -4.0	Intensive cost management, higher capitalized development costs and development costs to be incurred at a later point in time	<b>-3.6</b>
<b>Adjusted EBITDA</b>	-1.6	-20,0 to -10,0	-20,0 to -10,0	approx. -7.0	approx. -2.0	Upfront payments from partnerships with FYB201/Nufymco led to improved equity-method earnings	<b>-2.3</b>
<b>Working capital</b>	55.1	25,0 to 35,0	55,0 to 65,0	approx. 73.0	approx. 70.0	Proceeds of €70.0 million from a corporate bond, as well as advance payments under the first commercialization partnerships for FYB206	<b>70.1</b>

## *Financial condition and financial performance*

During fiscal year 2025, Formycon Group generated consolidated revenue of € 44,476 thousand compared to € 69,674 thousand in the preceding fiscal year. The change was largely due to the expected decline in development services from € 29,041 thousand in 2024 to € 9,741 thousand in 2025, particularly as a result of the conclusion of the FYB203 and FYB201 projects. Furthermore, the Group received lower revenue contributions from licensing (2025: € 2,410 thousand; 2024: € 7,104 thousand), primarily because of the temporary marketing pause in the U.S. of FYB201/Cimerli®. Additionally, licensing revenue from sales of FYB202/Otulfi® was below expectations. Partly offsetting these negative effects, revenue from milestones increased from € 24,028 thousand in 2024 to € 28,087 thousand in 2025. These were primarily characterized by the establishment of additional commercialization and development partnerships for the FYB206 and FYB202 projects.

Full-year EBITDA amounted to € -3,571 thousand (prior year: € -13,736 thousand), a considerable improvement over the prior year despite a significantly lower gross margin (2025: € 3,575 thousand; prior year: € 14,834 thousand). The improvement was largely attributable to roughly one-quarter decrease in research and development expenses. (2025: € 12,673 thousand, prior year: € 16,503 thousand). Adjusted EBITDA, which includes Formycon's at-equity earnings contributions from its shareholding in Bioeq AG in the amount of € 1,227 thousand (prior year: € 12,087 thousand), was € -2,344 thousand for the fiscal year, compared to € -1,649 thousand in the preceding year. The earnings contribution from Bioeq AG was likewise significantly impacted by the temporary U.S. marketing pause of FYB201.

The annual net loss was € -64,696 thousand (prior year: € -125,672 thousand) significantly impacted

by write-downs taken during 2025 on Formycon's investment participation in Bioeq AG and, to an even greater extent, on the intangible assets carried for FYB202. Both of these asset-side effects were offset by decreases in related liabilities, in particular in the fair value of contingent purchase price payments (earn-outs). In recognition of the unfavorable market environment and pricing developments, particularly in the United States, Formycon's planning for both projects was carefully reviewed and adjusted accordingly, in the current fiscal year as in the preceding year. As a result of these adjustments, the valuation of Formycon's shareholding in Bioeq AG was written down by € 17,890 thousand, which impacted the annual net loss accordingly, while the related liability carried for future conditional purchase price payments to ATHOS was reduced by € 12,223 thousand, partly offsetting the impact on the annual net loss. As to the intangible assets carried for FYB202, these were revalued and written down by € 59,597 thousand under the impairment testing for FYB202, with an offsetting decrease of € 13,592 thousand in the corresponding deferred tax liability and a decrease of € 5,123 thousand in the corresponding contingent purchase price liability.

In line with its business model, Formycon Group continued during 2025 to vigorously drive forward with the development of its biosimilar projects. As a result of the out-licensing of FYB201 at the end of 2013, of FYB203 in 2015, of FYB202 in 2023 and the partial out-licensing of FYB2026 in 2025, Formycon generated significant revenue, as in previous years, through ongoing contractual payments received for development services provided by Formycon on behalf of its licensees. In the case of FYB201 and FYB203, Formycon continued to pass on costs incurred for development work and clinical studies to the respective license partners. Newly in December of 2025, an agreement for the

commercialization of the FYB202 product was concluded with Zydus LifeSciences for North America and with MS Pharma for the MENA region. The agreement encompasses transfer of the product license, advance payments, success-related payments through to regulatory approval in the respective regions, and license payments from subsequent product sales. Under this agreement, revenue of € 15,000 thousand was recorded and cash in the amount of € 10,000 thousand received during the fiscal year. With the signing of the agreement, moreover, investments incurred from this date onward have been recorded as cost of sales and no longer capitalized as intangible assets.

The ongoing development work on Formycon's bisimilar candidates FYB208 and FYB210 resulted in a further increase in research and development expenditures, although in the case of FYB208, the impact on current expense and net income was somewhat mitigated by the successful achievement of TPoS in October 2025, triggering the capitalization of development outlays from this milestone onward. As reported in the previous fiscal year, the development expenditures for FYB206 were likewise capitalized, specifically including the costs of the phase I clinical trials.

As of December 31, 2025, the Group equity ratio was 54.0% (prior year: 59.8%). The Group's non-current assets are largely covered by equity and non-current liabilities for conditional purchase price and Nordic bond payment obligations, which is suggestive of a solid balance sheet structure. More than one half of current assets are in the form of cash and other liquid assets.

Current liabilities at year end included the current portion of the conditional purchase price payment obligations in the amount of € 12,083 thousand resulting from the 2022 share transaction with ATHOS for the reacquisition of FYB201 and FYB202 rights. As in the past, key liquidity indicators such as cash and cash equivalents and working capital remained adequate. Current assets of € 125,031 thousand were offset by current liabilities (excluding current portion of conditional purchase price) of € 41,477 thousand. In July of 2025, the Group placed an unsecured floating-rate bond

issuance in the amount of € 70,000 thousand with a term of four years and bearing interest at the three-month Euribor rate plus a margin of 7.0% p.a. The cash proceeds to the Company are being used to finance the further development and expansion of its biosimilar product portfolio within the framework of the Group's growth strategy. Following the successful bond financing, the previously existing shareholder credit line with zero outstanding balance was closed out in accordance with the contractual terms.

As of the fiscal year close, the Group held cash and other liquid assets totaling € 68,845 thousand (prior year: € 41,834 thousand) and net working capital (including cash and other liquid assets) in the amount of € 70,115 thousand (prior year: € 55,106 thousand). The increase compared to the prior year is the result of the proceeds of the bond issuance transaction along with the net cash flow effect of the Group's business performance during the fiscal year. Cash flow from (for) operating activities improved from € -23,221 thousand to € 10,783 thousand, in line with the change in annual earnings. Cash flow from (for) investing activities largely reflects the year's investments into the FYB202, FYB206 and FYB208 development projects, which were partly offset by the repayment by Bioeq AG of Formycon's shareholder loan in the amount of € 15,000 thousand, resulting in a sizable net increase in cash flow for investing activities from € -1,459 thousand to € -37,455 thousand. In addition to the inflows from the bond issuance in the amount of € 70,000 thousand, the Group again paid the current portion of its liabilities, resulting in net cash flow from financing activities in the amount of € 53,684 thousand (prior year: € 39,478 thousand).

In terms of reportable operating segments, the performance of the FYB201 segment during the fiscal year was largely in line with Formycon's expectations. Revenue within this segment, which consists primarily of license revenue determined on the basis of global product sales, totaled € 4,965 thousand during the fiscal year compared to € 17,293 thousand in the preceding year. In addition to Formycon's at-equity share of earnings from Bioeq AG, these amounts include revenue from the

pass-through of development costs. The decline in segment license revenue was primarily due to the decision of Formycon's commercialization partner to pause the marketing of FYB201 starting from the end of the first quarter of 2025. The decline was, however, offset by the successful conclusion of an additional partnership with Zydus Lifesciences for the marketing in North America, including an up-front payment. Formycon's total earnings from its investment participation in Bioeq AG in the amount of € 1,227 thousand, compared to € 12,087 thousand in the preceding year, was thus in line with expectations. Nevertheless, the impairment testing carried out identified an impairment loss in the amount of € 17,890 thousand in recognition of the continued diminished outlook which was recorded accordingly as a write-down.

The FYB202 segment faced a challenging market environment during the fiscal year. In addition to revenue recognized from the marketing activities of partner Fresenius Kabi, additional revenue was recognized during the fiscal year from the marketing partner for Germany and the MENA region. In addition, revenue was generated from product sales of inventory remaining from development activities, resulting in total revenue of € 11,992 thousand compared to € 34,683 thousand in the preceding fiscal year, with the decrease primarily due to significant non-recurring milestone revenue recognized in 2024. In recognition of the continued challenging outlook for future product sales, particularly in view of the persistently difficult market environment, an impairment test was performed for the

FYB202 cash-generating unit (CGU) as of December 31, 2025, resulting in an impairment write-down of € 46,005 thousand after tax. As of the fiscal year close, the book value of the CGU was € 247,137 thousand.

Within the FYB203 segment, revenues of € 10,077 thousand (prior year: € 17,676 thousand) were reported during the fiscal year, resulting largely from the pass-through of development costs incurred. These costs are expected to diminish as development activities reach completion. In addition, initial revenues were generated from the newly concluded agreement with Klinge Pharma covering the organization of the supply chain, including product manufacturing.

In the FYB206 segment, revenues were reported for the first time in fiscal year 2025 in the amount of € 17,211 thousand (prior year: € 0 thousand). These were primarily generated from the new partnerships with MS Pharma (MENA) and Zydus LifeSciences (North America) signed at the end of 2025, in particular the advance payments and initial milestone payments due under the terms of the agreement.

The remaining segments FYB208 and FYB209 developed as expected during the fiscal year and have not yet reached the stage at which they are expected to generate revenue and are presented in the segment reporting partially under the position remaining amount.

# *Financial management*

## **Principles and objectives**

The guiding principle and central objective of Formycon Group's financial management is to ensure that sufficient liquidity is available in order for its development projects to be carried out according to plan.

## **Liquidity management**

Toward this end, expected cash flows from the Group's individual projects are regularly analyzed and updated so that Formycon is at all times able to maintain an overview of expected future project spending needs. With its five-year planning horizon, the Group is well able to anticipate changing needs and to take measures as necessary, thereby proactively managing its liquidity. Liquidity is centrally monitored at the Group's headquarters in the Munich suburb of Martinsried/Planegg.

## **Overview of financial position**

The Group's cash and cash equivalents (working capital as described above), including the proceeds of the unsecured floating-rate bond issue placed in July 2025 in the amount of € 70.0 million, ensure Formycon's ability to finance its development projects.

## **Limiting of financial risks**

Formycon Group is not currently exposed to any significant financial risks. Payment obligations in foreign currencies (USD, GBP, CHF and JPY) are not material to the Group. Due to the relatively balanced natural hedge inherent to Formycon's business model and the moderate actual volatility, there has been no significant impact to date on the Group's assets, financial condition or earnings. Interest rate risks are generally not material. The sole such risk associated with the floating-rate corporate bond issue of 2025 is that of changes in the three-month Euribor rate.

## **Investment analysis**

Significant investments in long-term assets currently consist primarily of capitalized development costs for the FYB206 and FYB208 projects as well as the auto-injector for FYB202, which are also allocated to the respective segments. Significant investments in the completion of the development are likewise expected in future years. Substantial and necessary items of property, plant and equipment, primarily laboratory equipment, are typically financed through lease agreements.

## Financial performance of Formycon AG

In addition to the above review of the consolidated financial performance of Formycon Group, this section provides an overview of the financial performance specifically of the Formycon AG parent entity, the financial statements of which have been prepared for fiscal year 2025, as in prior years, in accordance with the German Commercial Code (Handelsgesetzbuch, HGB). The complete financial statements with related documents are published separately. As Formycon Group's parent company, Formycon AG determines the Group's overall strategic management, financial management, and communications with the capital markets and with shareholders. Formycon AG is an active operating company engaged in the business of biosimilars development at one location, which is its headquarters in the Munich suburb of Martinsried/Planegg, Germany. Formycon AG generates its revenue from the provision under so-called "FTE agreements"<sup>83</sup> of research and development services for biosimilar candidates initiated by Formycon and subsequently out-licensed or developed through partnerships, as well as from upfront and milestone payments and license payments generated from product sales by Formycon's partner companies. Formycon AG also supports its partners in managing the relevant supply chains to ensure the market supply of selected biosimilar products. In the current phase of Formycon's corporate development, its biosimilar products are marketed solely via commercialization partners.

### Profitability of Formycon AG in accordance with German statutory accounting (HGB)

During the reporting period, the Formycon AG generated revenue of € 40,597 thousand compared to € 33,906 thousand in the prior fiscal year. This was

the result of advance payments and milestone payments from the new FYB206 partnerships, as well as initial revenue shares from the FYB202 market launch. Additionally, internal cost allocations for the FYB201 and FYB203 projects continued to decline as planned.

Formycon AG's EBITDA amounted to € -65,019 thousand (prior year: € -59,753 thousand) while the annual net loss was € 53,669 thousand (prior year: annual net loss of € 129,019 thousand). The change in EBITDA was primarily due to an increase in costs for the FYB206 through FYB210 development projects, for which Formycon AG bore the full cost. In particular, the costs associated with the clinical development of FYB206 and the advancing maturity of the FYB208 development had a significant impact. Additionally, lower personnel costs, as well as increased consulting costs for financing projects and ongoing digitalization, including, in particular, the implementation of new ERP software, played a role.

Both operating costs and EBITDA met the Executive Board's expectations thanks to rigorous cost management. Revenue, however, fell slightly short of expectations, primarily due to a slower increase in revenue from FYB202 following the market launch at the end of Q1 2025, as well as a temporary suspension of marketing for FYB201 in the U.S. after the first quarter of 2025.

The change in annual net loss was largely attributable to the effects of the updated projections and planning for the FYB201 and FYB202 projects, resulting in write-downs of € 16,663 thousand on Formycon's investment participation in Bioeq AG and € 48,314 thousand on its shareholding in FYB202 Project GmbH. The accompanying reductions in the respective provisions for contingent purchase price obligations in the amount of € 88,923 thousand, however, had an offsetting impact on the annual net loss.

In line with its business model, Formycon AG steadily pushed forward during 2025 with the

<sup>83</sup> These agreements are commonly called as such because remuneration is based upon the full-time equivalent (FTE) method, a standardized measure of headcount.

development of its biosimilars pipeline. As a result of the out-licensing deals for FYB201 signed at the end of 2013, for FYB202 at the beginning of 2023, for FYB203 in 2015 and for FYB206 at the end of 2025, the Company generated significant revenue, as in previous fiscal years. For some of these projects, Formycon AG received ongoing remuneration for product development services provided on behalf of the licensees. In the case of the FYB201 and FYB203 projects, Formycon AG passed on its development expenses to its respective wholly-owned subsidiaries, Formycon Project 201 GmbH and Formycon Project 203 GmbH, which in turn charged these costs to the respective licensees.

Within the framework of the 2017 joint venture established with Aristo Pharma GmbH, Formycon assigned the rights to the FYB202 project to two project-specific entities, FYB202 GmbH & Co. KG and FYB202 Project GmbH. Since then, Formycon AG has been charging FYB202 Project GmbH for all development costs incurred for FYB202. Effective May 1, 2022, Formycon AG acquired 100% of the shares in FYB202 Project GmbH. Development costs for FYB202 continue to be charged to this subsidiary.

By court entry into the Company's commercial register on August 4, 2025, the previously fully consolidated Clinical Research GmbH was merged into Formycon AG retroactively to January 1, 2025, resulting in a merger-related loss of € 92 thousand. At the time of the merger consolidation, Clinical Research GmbH had no significant operational or other value-generating activities.

#### **Balance sheet structure of Formycon AG in accordance with German statutory accounting (HGB)**

As of Dec. 31, 2025, the equity capital ratio for the company was 43.3% compared to 48.9% at the close of the prior fiscal year. Non-current assets are more than fully covered by equity capital and the provision for the conditional purchase payments, which is suggestive of a solid balance sheet structure. The Group's current assets consist almost completely of cash, cash equivalents and marketable securities and thus involve negligible risks.

Financial assets declined from € 568,778 thousand to € 483,873 thousand compared to the prior-year close, largely due to the revaluations and unscheduled write-downs. Current assets rose from € 75,292 thousand to € 121,420 thousand, as a result of the cash proceeds from the successful bond placement transaction in July 2025. At the same time, receivables from affiliated companies declined by € 7,846 thousand to € 8,200 thousand.

In addition to these changes in balance sheet structure, other provisions also declined by € 79,790 thousand to € 233,805 thousand, largely due to the updated planning for the FYB201 and FYB202 projects and to the updated estimates of expected payments of Formycon's conditional purchase price obligations resulting from the Bioeq AG share acquisition transaction.

#### **Financial position of Formycon AG in accordance with German statutory accounting (HGB)**

The financial position of the Formycon AG remains balanced. As in the past, the key liquidity indicators cash and cash equivalents and working capital were adequate. Current assets of € 121,420 thousand are offset by current liabilities (including the current portion of the conditional purchase price payments) in the amount of € 53,132 thousand. The Company did not have any bank loans during the period. In July of 2025, Formycon announced the successful placement of a bond issue totaling € 70,000 thousand and maturing in July of 2029, thereby strengthening the Company's long-term liquidity. The previously existing credit line of up to € 48,000 thousand provided by Formycon shareholders over prior years was subsequently terminated with zero outstanding balance. As of the fiscal year end, the Group held cash and cash equivalents in the amount of € 66,874 thousand.

In line with the improvement in operating earnings compared to the prior year, net cash flow from (for) operating activities improved to € -51,933 thousand for fiscal year 2025 compared to € -83,432 thousand for 2024. Drivers for this improvement were higher trade payables along with lower prepayments and higher net finance income. Higher investments in intangible assets were partly offset by

the partial repayment of the € 15.000 thousand loan granted to Bioeq AG, leading to an increase in cash flow from investing activities from € 34 thousand to € 16,982 thousand. Cash flow from financing activities was significantly impacted by the placement during the fiscal year of the Nordic bond

issue in the amount of € 70,000 thousand, resulting in a net cash inflow of € 67,191 thousand compared to € 92,529 thousand in the prior year. Cash and cash equivalents at the parent-company level thus rose to € 66,874 thousand, compared to € 34,635 thousand as of Dec. 31, 2024.

## Other non-financial aspects

### Staff

The development of biosimilars is a research-intensive field of activity requiring the expertise of highly qualified and capable employees. For this reason, financial performance indicators alone cannot provide a complete picture of Formycon’s value creation potential, and therefore the Management Board, in managing the Group, also considers such other non-financial aspects. Above all, these include the critically important activities of the Group’s workforce, who contribute their knowledge, their skill and their passion for biosimilars development each and every day, thereby forming the basis for Formycon’s success.

The positive developments already described which have the effect of significantly easing the regulatory burden, notably the elimination of phase III clinical trials as a standard requirement, are paving the way to shorter and more cost-effective biosimilar development cycles, thereby allowing Formycon to strategically realign its organization and processes for greater efficiency. Furthermore, with the successful development and approval of three biosimilar products already behind it, the

Company is now able to better leverage its experience to strategically consolidate its resources, to further optimize resource allocation, and to significantly reduce costs. Finally, the increased use of digital technologies, in particular artificial intelligence, is increasingly providing new opportunities for the Company to make its development processes more focused and streamlined, and thus more competitive.

In view of these developments, and after careful consideration, the Company implemented appropriate staff reductions from December 1, 2025 and in accordance with its social responsibilities. As of December 31, 2025, Formycon Group employed a total headcount of 203 persons (Dec. 31, 2024: 250).

In the interest of increasing the informative value of the number of employees by function and taking into account the proportion of part-time employees, Formycon Group also reports the average number of full-time equivalents (FTEs) as of December 31, 2025, and the percentage change compared to December 31, 2025:

*Unaudited information*

**Average Formycon Group staffing during the period by function (in FTE, rounded, including Executive Board members)**

	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Research and development</b>	160.1	170.7	<b>-6.2%</b>
<b>Business operations</b>	13.4	12.9	<b>+3.9%</b>
<b>General and administrative</b>	38.9	33.4	<b>+16%</b>
<b>Total</b>	212.4	217.0	<b>-2.1%</b>

*Unaudited information*

**Educational level of Formycon staff – more than 80% with university degree**



- 36.5 % ■ Doctorate
- 21.2 % ■ Master's
- 15.7 % ■ Master's equiv. (Diplom)
- 6.9 % ■ Bachelor's
- 9.3 % ■ Vocational training (technical)
- 8.4 % ■ Vocational training (administrative)
- 2.0 % ■ Not (yet) completed or none

*Unaudited information*

**Diversity of Formycon staff**



- 60.6 % ■ Female
- 39.4 % ■ Male

84

**Formycon employs staff from a total of 27 different countries<sup>84</sup>**

<sup>84</sup> Unaudited information

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*Unaudited information*

**Division of second-level management by gender**

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*Unaudited information*

**Division of all management positions by gender**

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Staff expenses for Formycon AG for fiscal year 2025 rose slightly to € 25,959 thousand (prior year: € 24,959 thousand). The increased staff expenses, despite the carefully considered and socially responsible staff reductions as of December 1, 2025 described above, are mainly due to one-off payments related to this organizational streamlining.<sup>85</sup>

Formycon Group’s workforce is highly qualified, particularly in terms of educational level, and training is also a company priority. As of December 31, 2025, over 80% of the Group’s employees have completed a university degree, which in the case of

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<sup>85</sup> Unaudited information

37% is a doctoral degree.<sup>86</sup> Since 2022 Formycon has been cooperating with the regional chamber of commerce (IHK) in offering technical vocational training positions for young people, under which it currently employs three trainees as IT specialists for systems integration within the *Information and Business Technology* (IBT) department.<sup>87</sup> In addition, a qualified vocational training program in office management was initiated in September 2025, with one trainee already in the program.

As to gender diversity, some 60% of the Group's workforce is female. The employee average age as of December 31, 2025 was 43 years.<sup>88</sup> Formycon is proud of the diverse organization that it has developed over the years. The international diversity of Formycon's staff, from 27 different countries, reinforces its self-image as a truly global organization and biopharmaceutical company.<sup>89</sup>

### Research and development

Because Formycon has been, over the past fiscal year as in the preceding years, and remains today focused primarily on the development of its own biosimilar projects, out-licensed projects, and those under development through partnerships, the Group's activities are essentially limited to research and development activities. A large part of the Group's reported sales revenue results from the provision of staff services under so-called "FTE agreements" for development work on biosimilar candidates that have been previously licensed out or are under development through partnerships.

As of December 31, 2025, a total of 124.6 group employees were, on a full-time equivalent (FTE)

basis, working in research and development (Dec. 31, 2024: 174,2).<sup>90</sup> During the reporting period, research and development costs of € 54,630 thousand were capitalized. These costs relate, firstly, to the further development of the FYB206 project, which reached the TPoS development milestone in 2022; from that point on, it became mandatory to capitalize costs incurred after that milestone. Secondly, the FYB208 project reached the TPoS development milestone during the fiscal year. Upon reaching the TPoS, the Group also capitalizes all internal and external development costs prospectively in this case. Product development is progressing, so a successful development trajectory can still be expected. Together with the development costs capitalized in previous years for ongoing projects, this results in a carrying amount of work in progress of € 102,031 thousand as of December 31, 2025 (December 31, 2024: € 51,081 thousand). The costs of the FYB202 project recognized here in the prior year were classified as completed following the product's approval in the U.S. and Europe, and scheduled amortization began in October 2024.

The productivity of Formycon's research and development staff, measured in terms of hours directly allocable to development projects, remained at the similarly high level of previous years. During the reporting period, 79.3% (prior year: 83.9%) of all hours worked were project-related. Over this same period, 21.3% (prior year: 18.0%) of hours worked were performed by employees who are not assigned to the research and development area.<sup>91</sup>

<sup>86</sup> Unaudited information

<sup>87</sup> Unaudited information

<sup>88</sup> Unaudited information

<sup>89</sup> Unaudited information

<sup>90</sup> Unaudited information

<sup>91</sup> Unaudited information

# *Report on risks and opportunities*

## **Risk strategy and policies**

The effective management of risks and opportunities is an essential part of Formycon's corporate management, serving to ensure that the company is able not only to realize its currently existing potential as successfully as possible but also to maximize its future business and financial potential. Formycon understands risks as both internal and external events that could potentially have a negative impact on the achievement of its business objectives and forecasts. Working within the overall risk level which we consider justifiable and appropriate, the Management Board then decides which specific risks Formycon should accept in order to take best advantage of the available opportunities. Formycon's goal is to identify risks as early and proactively as possible, to assess them appropriately, and to mitigate or completely avoid them by taking suitable actions. The risk strategy, which encompasses Formycon's entire scope of activities, is regularly reviewed by the Management Board and further developed as necessary. The Management Board has approved Formycon's risk policy as a framework for all relevant risk management activities and actions within Formycon's enterprise risk management (ERM).

## **Risk management system**

Formycon, one of the few independent developers of biosimilars, operates in a dynamic global market with many different participants and influencers. Business success is determined by the identification of profit opportunities, along with an effective system for the best possible assessment of the many and varied risks associated with these. Regular reviews of this system further ensure that it is constantly improved and that, as circumstances change, changes are likewise made to the system promptly and in accordance with evolving needs.

Risk management is a cornerstone of Formycon Group's governance, ensuring compliance not only with legal and regulatory requirements but also with general principles of sound corporate governance. Regular bottom-up reporting from all departmental areas is utilized to identify and analyze risks to the company wherever these may exist along the value chain, and wherever possible to mitigate them, with the aim of preventing these risks from occurring in the first place or, if this is not possible, to proactively manage the consequences in the event that the risk nonetheless materializes. The focus is first and foremost upon those risks that could have a significant adverse impact on business activities or even jeopardize the Group's continued existence.

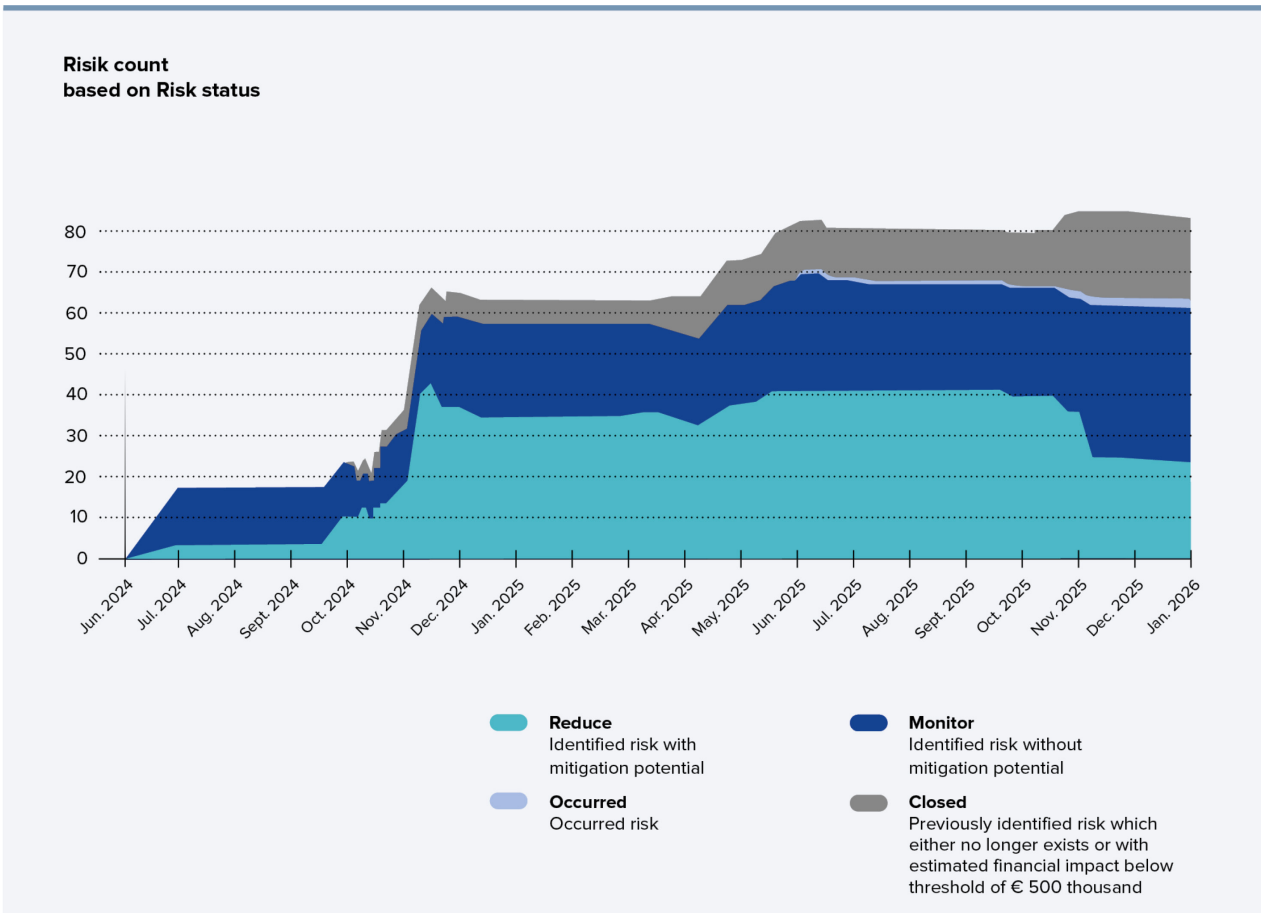
In 2024, Formycon established a new bottom-up risk reporting process to broaden and strengthen its system for the early detection of risks so that the company is able to gather risk-related information more rapidly and in a more structured manner.

On this basis, risk reports are prepared and presented twice each year to the Management Board, which examines identified risks and possible additional routes of action to mitigate them. The Management Board, in turn, reports its findings to the Supervisory Board.

In parallel with these ongoing risk monitoring processes, the Group may also identify and report special short-term risks that could require prompt action so that effective and timely countermeasures may be put in place as necessary.

The risk management system specifically encompasses the following risk areas, which are further described in the following sections: strategic risks, operational risks, project risks, patent and other IP

risks, regulatory and geopolitical risks, financial risks, industry, market and competitive risks, risks relating to environmental protection, health, and workplace safety, IT risks, ESG and climate risks, staff and process risks, and legal and compliance risks.



The overview presented in the accompanying figure reflects our assessment of significant risks that could negatively impact our business and financial performance, our financial condition, and our reputation over a multi-year planning horizon. The risk assessment in this overview is based upon the “net principle”, meaning that it takes into account the risk mitigation and hedging measures already in place.

# Risks

## Strategic risks

Compared to the development of an entirely new biopharmaceutical, the financial investment required for the development of a biosimilar drug is considerably less but nevertheless significant. The development of a biosimilar may cost in the range of US\$ 150 to 300 million per product, requiring cost-intensive analytical, preclinical and clinical studies to demonstrate its comparability to the reference product in terms of quality, safety and efficacy. Because of these complex requirements, the development of a biosimilar also requires a relatively long development timeframe of seven to ten years until application for regulatory approval in the world's highly regulated markets.

The prospects for the future commercial success of a biosimilar development project are largely determined by the selection of product candidates at the start of the process. With its FYB201 and FYB203 projects, Formycon is focusing on ophthalmic preparations, while its FYB202 project is targeted at immunological disorders and FYB206 at immuno-oncological disorders.

The future size and growth trajectory of these markets may be derived from existing sales statistics for the respective reference products. Declining sales of a reference product could result in a potential future market size for a biosimilar under development by Formycon which is significantly smaller than originally assumed. This could, in the worst case, lead to future product sales inadequate to make the biosimilar development effort profitable and thus termination of the project. In such case, the anticipated future income would not be realized. With its biosimilar candidates, Formycon is targeting established high-revenue biopharmaceutical products. Provided that their development reaches successful completion, the profitability of these

projects, as they stand right now, can be reasonably assumed.

Nevertheless, the possibility of a competitive situation cannot be ruled out in which the rate of market penetration, targeted volume of products sold and/or realizable product unit prices might be lower than anticipated, with correspondingly negative effects on revenue and earnings contributions.

## Operational and project risks associated with the development of biosimilars

The quality, comparability, efficacy and safety of a biosimilar medicine must be comprehensively demonstrated to the regulatory authorities through analytical and preclinical studies along with clinical trials. Both the planning and implementation of any individual stage of product development could potentially entail delays which are generally not predictable and which, in turn, would result in higher costs. There is, moreover, the risk that final regulatory approval of a biosimilar candidate might take longer than planned, or that the drug might not be approved at all.

In its biosimilar development work, Formycon relies in part upon external partners. Should an external partner fail to provide the required resources, or fail to provide them within the required timeframe, or should the timeframe in which such resources are made available be shifted for other reasons, this could lead to delays in the Group's development projects.

With this in mind, Formycon plans all steps of product development with the greatest possible care and, to the extent feasible, with reasonable time allowances – derived from our own experience – for delays that might arise. Preclinical and clinical studies as well as the extensive program of analytical

characterization take place in close consultation with the respective authorities and with assistance and expert advice from outside specialists. Notwithstanding this, the results or outcome of any such study cannot be completely predicted in advance.

It cannot be ruled out that particular stages of a product development program might need to be repeated, that one or more such studies might not reach successful conclusion, or that a development program might fail in its entirety. Within the scope of the Group's development activities, the production of active ingredients and finished products by third-party producers represents a substantial cost component. It should be specifically noted here, in the context of risks that might arise, that such production capacities must typically be planned and arranged with lead times of one to two years and that, for this reason, short-term changes to the project cycle could result in additional waiting periods along with substantial cancellation fees.

Another risk is that such outside partners might not be able to comply with the stringent regulatory requirements which apply to gaining regulatory approval of a biosimilar drug, such as inspections and audits. Should such an event arise, regulatory approval could be delayed or completely denied. In addition, difficulties arising in the recruitment of patients for clinical trials, or in the availability of production capacity, production components or precursors, and/or other necessary inputs could have an impact on development works or clinical trials, thereby also adversely affecting the timeline and/or profitability of a drug development project or even jeopardizing a project in its entirety.

**Operational and project risks relating to clinical trials and to the role of Clinical Research GmbH as clinical trial sponsor**

Clinical Research GmbH acted, as a 100% subsidiary of Formycon AG, as the designated sponsor for clinical trials, specifically for the FYB201, FYB202 and FYB203 development projects. These have since been successfully completed and the products have been approved accordingly. Clinical Research GmbH therefore no longer has any relevant function. For this reason, it was decided to merge Clinical Research GmbH into Formycon AG. With

the entry into the commercial register (*Handelsregister*) on August 4, 2025, the merger transaction was fully completed.

Formycon manages risks in clinical development and the conduct of clinical trials through an appropriate industry-standard monitoring and quality management system, using a risk-based approach in order to assess and ensure quality and safety through all phases of the clinical trial process. This includes but is not limited to ensuring the protection of clinical trial participants and the accuracy and reliability of the clinical trial results. Toward this end, predefined checks are regularly carried out along the entire clinical investigation process as part of the risk control system, with particular attention to relevant aspects of proper medical care, patient protection and data integrity. Any liability risks which may nonetheless arise are further managed through the insurance of participating patients within the framework of legal requirements. In the case of clinical trials involving biosimilars, however, it should be noted that the risk of harm to participating patients or other test subjects can generally be assessed as low because the proteins employed have been in regular clinical use by the originator for a number of years and have already become an established therapy for the respective indication.

Although the risk of a loss event occurring has increased due to a specific case, but it is still considered to be low or to have only a low potential for damage.

As clinical trial sponsor, Formycon AG is, moreover, obligated to comply with detailed and rigorous regulatory requirements for good clinical practice (GCP) when conducting clinical trials of medicinal products for human use (GCP Regulation) when conducting trials. ICH-GCP is an internationally recognized standard and has an impact on other countries. It serves to protect patients and ensure the integrity and accuracy of the data and findings generated in the studies. The clinical trial sponsor, participating study centers and other parties involved in the clinical trials process are regularly subject to GCP inspections by local health authorities to

ensure compliance with these GCP regulatory requirements.

### **Patent and other intellectual property (IP) risks**

Formycon Group's success, competitive position and future revenues depend upon its ability to navigate the complex intellectual property landscape as it develops its biosimilar candidates with the aim of approval and market launch, generally as promptly as possible upon patent expiry of the originator drug. This means that Formycon must not only establish legal protections for its own intellectual property and know-how but also ensure that it does not encroach upon the legitimate intellectual property rights of third parties, such as patents, trademarks and design rights. This may, under certain circumstances, also mean challenging the validity or scope of intellectual property rights claimed by third parties.

The possibility of patent infringements, even if only alleged, is an inherent risk in biosimilar development because of the large number of potentially relevant patents which must be considered. Disputes with competitors or other patent owners, or defense against lawsuits claiming patent infringement, may pose a considerable financial burden. Particularly in the U.S., such legal actions can be very expensive. Such disputes may extend over a long period of time and thus lead to a delayed market launch. In the worst case, such proceedings can result in restrictions on, or even the prohibition of, the marketing of one or more products within relevant markets, and/or the imposition of sizable fines. Such a legal action could also make it necessary to cease the development, launch or marketing of one or more products.

In order to avoid infringements upon the intellectual property rights of others, Formycon conducts exhaustive patent searches already at the time that project candidates are selected, then continues to closely monitor the relevant patent environment over the course of the development of its biosimilar candidates. Nevertheless, the possibility cannot be excluded that Formycon could be the subject of patent litigation, even if such litigation is unjustified. In the U.S. in particular, patent litigation between the

suppliers of reference products and biosimilar manufacturers is standard procedure.

### **Regulatory and political risks**

The requirements and conditions for the regulatory approval of drugs by the relevant authorities are subject to constant change. The risk cannot be excluded that these authorities might change the regulatory requirements in such a way as to impede, or even entirely preclude, the regulatory approval required for a biosimilar to reach market. Moreover, the political and public policy environment, particularly in the European Union and the United States, may have a significant influence on market opportunities for biosimilars as a whole or within specific areas of indication. For example, politically influenced changes to regulations governing biosimilars and their interchangeability with the original patent drugs may have an impact on competition or pricing and thus have a significant impact on sales revenue for the biosimilar market as a whole and on future Formycon-developed products in particular. Furthermore, the possibility cannot be ruled out, particularly in the U.S., that a partial or complete government shutdown could lead to delays in the regulatory approval process.

Specifically in the U.S., there is a risk that tariffs on biosimilars or on materials used to manufacture them could affect their economic viability in strategically important target markets. Such import tariffs could significantly reduce the price advantage over reference drugs or domestically produced biosimilars, thereby jeopardizing the company's international competitive position. If customs duties are passed on in full to consumers, this could lead to a decline in sales volumes, which could reduce the profitability of individual products. As a result, it could become necessary to postpone or cancel planned market launches, which could lead to declines in sales. Even if market launches proceed as planned, there is the related risk that the strategic investment in the development and approval of individual biosimilars might not pay off.

A final assessment of the economic and strategic consequences of any customs and import risks is not possible at this point in time, as both regulatory

developments and market reactions are not yet foreseeable. In particular, it is currently unclear whether and when import tariffs will be established, at what level they will be set, and what exactly they will apply to. With regard to this issue, the various license agreements with Formycon's distribution partners are structured in different ways. For these reasons, it remains unclear to what extent potential tariffs will affect planned market launches, sales trajectories, and the long-term profitability of individual development projects.

The military conflict between Russia and Ukraine and in Middle East, respectively, have resulted in price increases over the past years, especially in the energy markets. Until now, Formycon's operating processes have been only marginally affected. Nevertheless, the risk continues to exist that raw materials, preliminary products and/or services which are important to Formycon could become more expensive or potentially even scarce. Formycon strives to mitigate these risks through a long-term sourcing strategy based upon strategic partners and transparent pricing. However, the possibility cannot be ruled out that delays or interruptions in development projects could occur as a result of a potential scarcity of resources or rationing of energy, or that the development costs thereof could become significantly greater. The recruitment of patients for clinical studies or the conduct of such studies could also be significantly impacted by the conflict in Eastern Europe, which could have the effects of increasing competition for participating study patients, of delaying clinical studies, or of otherwise increasing costs.

The Middle East conflict has meanwhile escalated. It now affects the entire region between Israel and Iran, with repercussions extending into neighboring countries. A further continuation of the armed conflict could negatively impact the global economy through, among other consequences, rising oil prices and disruptions along transport routes. This could have an impact on all of the sales markets for Formycon's biosimilars.

There is significant uncertainty about the extent and duration of disruptions which could directly or indirectly arise as a result of these conflicts, as well as their ultimate impact on the global economy. There can therefore be no guarantee that the Group's projects will not experience delays or interruptions due, for example, to potential resource shortages, energy rationing, or other adverse impacts to Formycon's development projects and the costs thereof.

Overall, it must be recognized that cross-border business activities around the globe are facing increased risks due to an increasing number of armed conflicts, threats (e.g. Taiwan), and spreading nationalism in multiple regions, all of which pose risks to Formycon, not only in terms of the markets for its products but also its procurement needs.

### Industry, market and competitive risks

From the standpoint of Formycon, conditions in the healthcare sector remain favorable. As populations continue to age and people around the globe live longer, the need for intensive and costly medical treatments is growing relentlessly, regardless of economic cycles and consumer purchasing power.

Moreover, advances in medical technology have been enabling the treatment of diseases which a few decades or even years ago were regarded as untreatable or only poorly treatable. Biopharmaceuticals, in particular, have been a significant driver of these treatment advances. Of the world's best-selling drugs, most are biopharmaceuticals. Specifically within Germany, biopharmaceuticals comprised 36% of the total drug market in 2024, corresponding to some € 23 billion in sales revenue – and the trend is continuing upward.<sup>92 93</sup>

At the same time, however, the high cost of these powerful treatments, which in some cases may exceed € 100,000 per patient per year, is a major

<sup>92</sup> Unaudited information

<sup>93</sup> Source: IQVIA – <https://www.iqvia.com/de-de/locations/germany/library/publications/trends-und-entwicklungen-im-deutschen-biopharmazeutika-markt-q4-2024>

burden on healthcare system costs.<sup>94</sup> The political will to act as a result of these cost pressures could also, by increasing the pressure on biopharmaceutical prices, impact Formycon's business environment.

The prevailing overall economic situation is characterized by additional uncertainties (see "Regulatory and political risks") which could have a negative impact on the market situation.

The current aim of Formycon is to launch its products, through its respective partners either entirely or in part, upon expiry of patent protection on the reference product in the respective market. Due to Formycon's positioning as an independent player within the biosimilars market space, situations may arise in which a commercialization partner for one product, such as a partner company named in this report, is also a competitor for another product. In each market, Formycon must compete not only with the manufacturer of the reference drug, who might attempt to defend its market position and establish barriers to market entry (e.g. through life-cycle management), but also with other biosimilar producers. These include not only major pharmaceutical corporations such as Amgen, Biocon, Biogen, Fresenius Kabi, Pfizer, Samsung Bioepis, Sandoz and Teva but also smaller and highly specialized biosimilars companies such as Alvotech, Celltrion and Xbrane. The competition situation in each specific case is influenced by the pricing of the reference product, the number of competitors, their pricing strategy, and the market potential. It is, in addition, entirely possible that the manufacturer of the originator product might reduce its pricing upon the market entry of new and competing biosimilars, or seek to enter into discount agreements with health insurers or other major buyers over extended contractually binding periods, in order to retain market share. This would improve its defensive competitive position against a new biosimilar entry and make it more difficult for the biosimilar to take share.

Through the experience and expertise of its staff and its strategic partners, the strategic positioning of its product development portfolio, and its strong financial footing, Formycon strives to face these competitive challenges. Nevertheless, it cannot be excluded that competitors might, in an unexpected or unpredictable way, find themselves in an advantageous competitive position relative to, and to the detriment of, Formycon's products, thereby adversely impacting financial performance.

### **Financing, credit and liquidity risks**

Formycon's liquidity situation and equity capitalization is stable, and the Group's liquidity position is particularly satisfactory for a company which has not yet attained profitability and whose products are largely still in the development stage. Irrespective of this, conditions within the Group's operating business may change, giving rise to financial risks – for example, through slower market penetration, lower product sales volumes, suspension of sales in certain countries or lower product unit prices than expected, as well as delayed or lower proceeds from out-licensing. As some of the Group's early-stage products are drug candidates which have not yet obtained regulatory approval, it cannot be ruled out that one or more such approvals could come later than anticipated, or that the scope of approval could be different than planned, or that approval could be denied. Moreover, the required financial outlays for product development, regulatory approval and market launch could substantially exceed planned budgets. There is also the possibility that future license income, even subsequent to regulatory approval, could be less than anticipated. An increased number of change orders and uncertainties within ongoing projects have the effect of increasing not only costs but also risks.

In order to mitigate such financial risks in its ongoing operating business, Formycon undertakes highly detailed and long-term planning, drawing also on outside expertise. The financial risks of project development, which Formycon bears entirely by itself during the initial development phase, have been significantly reduced for projects FYB201 and

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<sup>94</sup> Unaudited information

FYB203 through partial or total out-licensing deals at an early stage.

The possibility cannot be entirely excluded, however, that such one or more development partnerships could be terminated for reasons not under Formycon's control. Such an event could have a material adverse impact on the Group's profit and loss accounts as well as on its financial planning. At the present time, Formycon assesses this risk as very low.

Formycon intends to add further biosimilar candidates to its development pipeline in the future with a view to transferring them, either in whole or in part, to promising partnerships.

At the end of June 2025, Formycon placed a four-year unsecured floating-rate bond in the amount of € 70 million with an interest rate of Euribor plus 7.0% p.a. Under the terms of the bond issue, Formycon is required to comply with certain financial covenants. Specifically, Formycon is required to maintain a cash balance of € 7.5 million for each reporting period ending on or before September 30, 2026. In addition, the EBITDA debt ratio as of December 31, 2026 and as of December 31 of each subsequent year may not exceed 4:1. A breach of these covenants could result in the acceleration of bond repayment or in a deterioration of the financing terms. Although the risk of non-compliance is currently considered low given Formycon's current liquidity situation and financial planning, there is an inherent risk in the event of any unexpected adverse developments (e.g. project delays, market disruptions, or regulatory changes).

With its strong financial footing, Formycon is well positioned to overcome future financial risks as these may arise. The Group's existing financial resources should be sufficient to largely cover its short- to medium-term capital needs. This, however, cannot be used to infer any sort of assurance as to the availability of medium- to long-term financial resources. There are, at present, no identifiable fundamental risks which would jeopardize the Group's near-term continued existence. The failure of current or future development projects to attain regulatory approval or failure of approved products to

generate the expected level of sales revenue could, however, result in fundamental risks, depending on the relevance of the respective project to Formycon Group as a whole.

### **Environmental protection and sustainability**

Formycon's business operations depend upon a stable energy supply, the availability of natural resources, and functioning global supply and value chains. Energy shortages, rising energy prices or climate-related extreme events could lead to increased production costs and operational disruptions at suppliers and service providers, potentially having an adverse impact on the Company's earnings and financial condition.

Moreover, the increasing scarcity of natural resources, along with environmental and sustainability requirements, could lead to supply bottlenecks and price increases for certain materials. Formycon also relies heavily on external partners such as CDMOs (Contract Development and Manufacturing Organizations), CROs (Contract Research Organizations) and licensing partners. Violations of legal, regulatory or ethical standards by these partners or their employees, including corrupt or unethical behavior, could result in regulatory sanctions, financial penalties, reputational damage and/or operational restrictions. These could, in turn, lead to additional costs, such as those which might be incurred through necessary measures to secure Formycon's supply chains. Discussion of other ESG-related risks may be found in the sections on operational risks, regulatory and political risks, and staff risks and have been considered accordingly in the respective risk classifications.

### **Health and workplace safety**

Workplace safety and health, as well as the protection of employees, is a top priority for Formycon. Formycon therefore places great importance not only on the fulfillment of statutory and regulatory requirements but also on the regular training and further qualification of all of its staff in the relevant aspects of workplace safety. Comprehensive procedures have been established for this purpose. In addition to compliance with laws, measures to

ensure the health and safety of staff also serve to mitigate the risks and consequences of employee absences, which may affect not only production or business functions but also employee perception and thus the potential to impact employee satisfaction or turnover. In addition to the company's biological safety officer, designated project manager as required under the German Genetic Engineering Act (*Gentechnikgesetz*) and trained safety specialist, Formycon has designated several other experienced employees with specific responsibilities in the area of workplace safety and protection. A company doctor regularly conducts preventive examinations and advises employees as well as the Management Board on medical matters. Formycon holds all permits and approvals required for its operations. Compliance with all regulatory requirements regarded safety and the protection of employees and the environment is monitored internally on an ongoing basis. Moreover, the Group constantly seeks out new opportunities to further protect the health and safety of its staff. As an example, Formycon recently obtained certification of its company health management system.

### Information and technology risks

Formycon's operating activities depend upon the proper functioning of its laboratories and IT infrastructure. Various risks can be identified which might impair or interrupt the availability of these critical resources, temporarily or even over an extended period. To the extent possible, the financial risks which might result from such events are insured. In addition, Formycon employs modern technologies and established processes to eliminate or mitigate the risks cyberattacks or other potential data loss. The Group also regularly conducts maintenance and inspections of its critical equipment by trained personnel or specialized service providers, making changes to equipment as necessary to ensure that it remains at the state of the art.

Rigorous compliance with laws and regulations relating to information security and data protection serves not only to protect operational activities but also to preclude legal penalties. These risks are closely monitored by Formycon.

### Staff and process risks

The expertise and many years of experience of its employees are key pillars of Formycon's success. In particular, the development of a biosimilar drug, from early-stage analysis through to regulatory approval, requires highly qualified specialists. In recent years, Formycon has been able to further strengthen and develop its team of highly qualified scientists and managers. Despite the previously described staff reductions during the reporting period, overall staff turnover remains relatively low, underscoring Formycon's attractiveness as an employer and the generally high level of employee satisfaction. The loss of key staff, particularly with critical knowledge and expertise, would constitute a significant risk. To keep this risk as low as possible, the Group has implemented a number of staff motivation and retention initiatives, along with talent planning to ensure that future succession is in place. In addition, the risk of staff absences due to illness must be recognized. Formycon has, for this reason, established a health management system that aims to reduce such absences, in particular through prevention.

### Legal and compliance risks

Formycon does business in a competitive international environment and in highly regulated markets. There is thus the possibility that Formycon could be drawn into legal disputes which might even be unjustified or frivolous, which could, for example, be based upon patent law, competitive or antitrust law, tax law or environmental law, or arising from agreements or other contractual claims. Moreover, the possibility cannot be excluded that such legal actions might, whether through court judgements, binding arbitration or regulatory or other official decisions, result in financial burdens which are, for example, not covered by insurance or only partially insured.

The uplisting of Formycon AG in 2024 had the effect of increasing regulatory obligations, along with the potential for penalties or other legal consequences in the event of failure to comply with these obligations.

Additional risks arise from the Group's other compliance obligations. Actions or inactions by the Group could, for example, be legally contested, inadequate, misleading or untimely financial communications could result in fines, or improperly conducted shareholder meetings or shareholder resolutions could be disputed. With these risks in mind, Formycon assesses and monitors all of its relevant processes, procedures and decisions from a legal standpoint, using in house and/or outside expertise as necessary. The Group has, in addition, introduced a compliance management system that

takes into account applicable legal and regulatory requirements, which are also incorporated into the Group's Code of Conduct as well as other Group policies and standard operating procedures. The specific legal and regulatory requirements specifications are regularly reviewed and adjusted as necessary. The Group's internal training system, random validation checks and case-by-case review of specific individual situations that may arise further serve to ensure proper compliance with all applicable requirements.

## Opportunities

Formycon's core business is the development of high-quality biosimilar medicines for the world's most stringently regulated markets. In this global market, Formycon seeks growth through the expansion of its product portfolio, not only in terms of the number of biosimilar candidates under development but also, and at least as importantly, through their quality and the market opportunity which they represent. Possible strategic collaborations may significantly contribute toward maximizing these opportunities.

Biosimilar medicines have the advantage over their reference products of more cost-effective development because of procedures which are already scientifically proven and development processes which are largely well established. Because the similarity and comparability of a biosimilar to its reference product must already be demonstrated analytically, the likelihood that the development of the biosimilar will fail in one of the subsequent clinical phases is generally far lower than in the case of innovative biopharmaceuticals.

The agreement with the FDA to waive a Phase III clinical trial for FYB206 not only represents significant financial and time savings for this biosimilar candidate but also opens up the opportunity to implement an optimized clinical strategy without Phase III trials for other Formycon biosimilar candidates. This would significantly reduce development times and project costs. More broadly, there are indications that the regulatory authorities are fundamentally reevaluating the need for Phase III efficacy trials for the approval of biosimilars. Shorter development timelines and lower development costs could result in more biosimilar candidates being brought to market in less time.

Due to the comparatively high barriers to market entry, in particular the complexity of producing biopharmaceuticals and the specialized expertise

required, the level of competition in the area of biosimilar development is, with few exceptions, generally modest compared to the market for generic drugs. Formycon is able to overcome these considerable barriers through the long and proven experience of its staff, the innovative concepts and the reliability of the scientific processes which Formycon applies for its biosimilar development projects, the stringent selection of strong and reliable partners, the Group's high degree of integration along with its agility, and finally the quality and scientific expertise of the service providers and advisors on which Formycon additionally relies.

The increasing reach of the availability of biosimilars to previously underserved populations, particularly in emerging and developing countries, opens up additional market potential and could, in the Company's view, contribute to sustainable revenue and earnings growth. At the same time, rising cost pressures on public healthcare systems in established markets are driving increased demand for cost-effective treatment alternatives, creating further market opportunities for biosimilars and thus specifically for Formycon.

In addition, Formycon's corporate culture – which is based on trust, innovation, operational excellence, performance orientation, and diversity, along with the availability of highly qualified, specialized and motivated employees – represents a significant source of competitive advantage. This culture, and the competitive advantages which it brings, should serve to facilitate the efficient implementation of development and marketing projects and the timely attainment of results which meet the highest quality standards.

Within this core business area and market, Formycon sees no change in its favorable future outlook.

Demographic trends, particularly in Western countries, point to a continued increase in the proportion of the population over 55 years of age<sup>95</sup>. This demographic segment has a higher incidence of requiring intensive medical treatment. In addition, the life expectancy is increasing around the world, meaning that long-term treatments, in particular recurring drug administrations, are often possible or even medically necessary over longer remaining lifespans.

Formycon established its position in the highly promising market for biosimilars development at an early stage and, with its comprehensive expertise, is able to exploit the potential of this fast-growing market. Formycon’s business model is scalable. The continued promising development of both the market environment and Formycon’s own business and organization shows that Formycon Group is on the right path with its corporate strategy.

**Overall risk assessment by Management Board**

Compared to the prior-year period, the risks described above remain stable. With regard to the various risks broadly associated with the development and commercialization of biosimilars as described in the various sections above, the Management Board has reviewed its risk assessment. Geopolitical turmoil and potential adverse changes in the U.S. economic and business environment (tariff and pricing policy), as well as product sales volumes and product unit prices below expectations, could have a significant negative impact on Formycon's financial performance.

In view of the fact that certain regulatory authorities have, in the past, expressed reservations arising from audits of production facilities of individual contract development and manufacturing organizations (CDMOs), as well as of certain competitors of Formycon, the Management Board has confirmed that the risk continues to be classified as “relatively high” according to the criteria of the risk matrix.

**Summary risk matrix**

Risk	Risk type	Assessed risk level	Change
Operational and project risks associated with the development of biosimilars	Strategic	high	→
Operational and project risks relating to clinical trials and to the role of Clinical Research GmbH as clinical trial sponsor	Strategic	Low	→
Patent and other intellectual property (IP) risks	Strategic / Commercial	Relatively low	→
Regulatory and political risks	Strategic / Commercial	Relatively high	→
Industry, market and competitive risks	Commercial	Relatively high	→
Financing, credit and liquidity risks	Financing	Relatively high	→
Environmental protection and sustainability	Operating	Relatively low	(new)
Health and workplace safety	Operating	Relatively high	→
Information and technology risks	Operating	high	→
Staff and process risks	Operating	Relatively high	→
Legal and compliance risks	Operating	Relatively high	→

<sup>95</sup> Unaudited information

**Determination of risk level based upon estimated probability of occurrence and estimated financial impact in the event of occurrence**

Estimated financial impact	Probability of occurrence (PoO)			
	< 20 % low	20 – 50 % (relatively low)	50 – 80 % (relatively high)	> 80 % high
> € 5,000 thousand	Relatively high	high	high	high
€ 2,000K - € 5,000 thousand	Relatively low	Relatively high	high	high
€ 500K - € 2,000 thousand	low	Relatively low	Relatively high	high
< € 500 thousand	low	low	Relatively low	Relatively high

The assessment categories “Financial impact” and “Probability of occurrence” have changed compared to the previous year. However, this does not

result in any change from the previous year (see table Summary Risk Matrix).

## *Report on risks relating to the use of financial instruments*

The financial instruments currently used by Formycon to any significant extent are trade receivables, trade liabilities, shareholder loans, conditional purchase price payment obligations, and bank balances. Liabilities are settled within the stipulated period. Potential currency risks, which could have a negative effect on the Group's asset situation, financial position and profitability, are mitigated by avoiding the accumulation of significant foreign-currency positions.

The Group's most significant foreign-currency exposure arises from purchases of third-party

services in Swiss francs (CHF) and U.S. dollars (US\$), which are paid promptly in order to minimize currency risks.

Formycon's risk management policy is fundamentally to protect against financial risks of all kinds.

In managing its financial position, the Group follows a conservative risk policy. To the extent that payment default or other credit risks are identifiable with regard to financial assets, these risks are reflected through value adjustments.

## Report on outlook for Formycon Group

The information provided within this section includes forward-looking statements based upon our current expectations and certain assumptions. Identified and unidentified risks, inherent uncertainties and other factors may lead to significant deviations between the expectations outlined herein and actual future results. Such future deviations from these expectations could affect the Group's future financial situation and overall development as well as the future sales of its current or potential products. With regard to its pipeline projects, Formycon makes no representations, warranties or other guarantees of any kind that these will receive the necessary regulatory approvals or that these will be commercially viable and/or successful.

### Business and financial outlook for Formycon Group for fiscal year 2026

The development of biosimilars remains the strategic focus of Formycon Group and the fundamental basis for its sustainable long-term business growth.

In terms of its product development activities, Formycon expects to achieve significant operating milestones in fiscal year 2026, laying the foundation for its further short- to medium-term transformation from successful biosimilars developer to commercially successful and profitable business. Building on its two products, FYB201 and FYB 202, already established on various markets, the relaunch of FYB201/Cimerli® in the U.S. starting from January of 2026, and the planned launch of FYB203 in key markets this year, Formycon is now aiming for short- to medium-term EBITDA profitability and for cash flow profitability within the medium term. Until

then and beyond, we will continue to invest in our pipeline projects.

The global market for biosimilars is expected to continue its dynamic growth, with IQVIA expecting combined sales of US\$ 74 billion by the year 2030.<sup>1</sup> However, prevailing conditions, especially in the United States, continue to dampen Formycon's near-term outlook. In particular, certain market segments are now expected to open more slowly and price discounts to be significantly deeper than originally anticipated. The recent performance of our projects confirms this more difficult market environment but also points to associated opportunities.

In the case of FYB201, our U.S. partner Sandoz responded to increasing market price erosion in the first quarter of 2025 by temporarily suspending efforts and adjusting its marketing strategy for FYB201/Cimerli®. The aim of the new plan was specifically to commercially reposition the product following a temporary pause in U.S. marketing activities and, following the product's relaunch, to extend its reach into new customer segments.

In January of 2026, Sandoz reintroduced FYB201 in the United States under the new pricing strategy, thereby reopening new commercial opportunities for Formycon. Marketing in Europe and other territories outside the U.S. was unaffected by this tactical marketing measure, and this remains the case.

In addition to the resumption of U.S. revenue from Cimerli®, significant additional U.S. revenue potential now exists following the second FDA approval of FYB201 at the end of 2025 and its market introduction under the parallel brand name Nufymco®. At the end of 2025, Formycon signed a licensing

<sup>1</sup> <https://www.iqvia.com/-/media/iqvia/pdfs/germany/publications/fokus-biosimilars/newsletter-fokus-biosimilars-ausgabe-10.pdf>

deal for this second and separate FYB201 product with U.S. partner Zydus, and the new brand is expected to generate revenue starting from the second half of 2026.

FYB202, Formycon's second biosimilar product, entered the commercial market in 2025. At the end of February 2025, commercialization partner Fresenius Kabi was able to launch the product in the United States. Within Europe, FYB202/Otulf® was successively launched in various countries starting from the beginning of March 2025.

Within the context of this ongoing market introduction, it has become apparent that the market opportunity for biosimilars within the U.S. pharmaceutical benefit segment continues to gradually open, but more slowly than had been assumed. Taking this recent experience into account, Formycon expects sales revenue to increase measurably but more slowly than originally planned.

Government-led changes in the U.S. could have positive effects for Formycon, particularly for products such as FYB202 that depend upon the pharmacy benefit manager (PBM) market segment. The current U.S. administration is increasingly signaling publicly that it intends to restructure this area within the medium term, with the changes expected to favor biosimilars. This suggests that competitive conditions for biosimilars in the U.S. should improve.

Following the successful approvals of its Eylea® biosimilar FYB203 in the U.S. and Europe, Formycon was engaged during 2025, as in the preceding year, in various patent-related negotiations aimed at establishing a potential market launch date. These successful efforts have led to Formycon finally reaching an agreement with the manufacturer of the reference drug, thus enabling the market launch by our U.S. license partner in the fourth quarter of 2026 and by our partners in Europe and other territories starting in May of 2026. This breakthrough will now allow the product to be launched in these two key regions without further delay, with moderate initial license revenue expected already in the current fiscal year.

Teva Pharmaceuticals International will serve as the semi-exclusive marketing partner for large parts of Europe and Israel, with Lotus Pharmaceutical as marketing partner for the Asia-Pacific region and Valorum Biologics for the United States. Additional partners, including Actor, Horus, NTC, Megalabs, and MS Pharma, will cover further regions spanning the globe.

In the case of FYB206, initial licensing and marketing partnerships were successfully signed in late 2025 and early 2026 with MS Pharma, Zydus and Lotus for the MENA region, North America and parts of the APAC region, thereby generating revenue from upfront payments as well as payments from initial milestone. In the next phase, as development progresses toward regulatory approval, further development milestones are expected to be achieved, generating significant additional revenue to Formycon over time. Furthermore, additional partnerships for other regions are being pursued, which should result in further upfront payments under these licensing deals.

Formycon's biosimilar candidates FYB208, FYB209 and most recently FYB210, a project initiated in 2024, are in different stages of development. During the second half of 2025, FYB208 was able, with the attainment of the Technical Proof of Similarity (TPoS) milestone, to enter the clinical development phase. During 2026, the necessary preparatory work will be done to commence clinical trials and develop commercial-scale production.

Biosimilars have already demonstrated in the past, through numerous product examples, that they can achieve a sustainable long-term market position and profitable business model. Formycon's strategy remains focused on securing a leading position, together with its partners, in this dynamically growing global market.

## Revenue

Based on Sandoz's relaunch of FYB201 in the U.S. market starting in early 2026 along with the new parallel U.S. marketing partnership with Zydus, we anticipate slightly growing FYB201 sales revenue in fiscal year 2026. The new Zydus launch could start generating revenue in the second half of the year.

According to feedback from our marketing partners, FYB202 is likewise expected to perform positively in 2026. Despite the positive political signals mentioned above, the expectation remains that the pharmacy benefit manager (PBM) market segment in the U.S. will only open gradually. Furthermore, the highly competitive market environment persists, particularly in the U.S., making it difficult to predict how quickly and under what pricing conditions further market penetration can be achieved. Nevertheless, Formycon anticipates a significant growth in revenue contribution from FYB202, driven by various markets around the world, but with the U.S. and Europe remaining the most important markets. In addition, a development milestone in the low single-digit millions is expected to be achieved in early 2026. Overall, the company expects that FYB202 will be Formycon's largest revenue generator in 2026, delivering on the strong performance of its marketing partner Fresenius Kabi.

Following the successful completion of development of Formycon's new pre-filled syringes for its ophthalmic biosimilars FYB201 and FYB203, with the FYB201 product already being launched in selected markets, revenues from development services provided by Formycon will decrease significantly.

For FYB203, revenue from royalties will not yet make a significant contribution, as marketing of the product in the key U.S. market will not begin until Q4 2026. Nevertheless, FYB203 will contribute moderately to overall revenue performance through service agreements and the supply chain organization that Formycon is taking over.

With the pharmacokinetic (PK) study of FYB206 having reached its successful conclusion in early 2026, Formycon is pushing forward with intensive

work to fulfill all of the requirements for submitting applications for the necessary approvals, in particular from the U.S. Food and Drug Administration and European Medicines Agency. Along with the signing of new licensing partnerships, progress toward these approvals creates the potential for revenue generation from the attainment of contractually defined milestones in the development process, and additional partnerships could trigger additional upfront and milestone payments. Putting these revenue opportunities together, FYB206 is expected to become one of Formycon's key revenue drivers in 2026, even before the product reaches market launch.

In total, Formycon expects consolidated revenue to increase significantly over the prior year, ending fiscal year 2026 in the range of € 60 million to € 70 million.

## EBITDA

Formycon's value creation is fundamentally based upon its diversified development pipeline. The Group will therefore continue to invest significantly into its advancing product pipeline, including the FYB208, FYB209 and FYB210 projects, and to initiate development work on further product candidates.

Because the development expenditures for the FYB206 and FYB208 projects are partly capitalized to the extent not externally borne by partners, these do not flow through the financial statements.

Considering these effects, EBITDA for full-year 2026 is expected to be in the range of zero to € 10 million, reflecting the growth of sales revenue in 2026 but also significant non-capitalized development investments along with other ongoing company expenses. Formycon thus expects to be able to report a positive EBITDA in the current fiscal year, followed by further and sustainable EBITDA growth in subsequent years.

**Key financial performance indicators  
in accordance with IFRS in € million**

	2024 actual	Outlook for 2025 per Annual Report 2024	Updated guidance for 2025 per Half Year Report 2025	2025 actual	Change	2025 variance analysis	2026 forecast
<b>Revenue</b>	69.7	55.0 to 65.0	55.0 to 65.0	<b>44.5</b>	↘	Longer negotiations regarding the conclusion of further commercialization and development partnerships, as well as postponement of anticipated milestone achievements and a weaker-than-expected contribution from licensing revenue derived from product sales for FYB202	60.0 to 70.0
<b>EBITDA</b>	-13.7	-20.0 to -10.0	-20.0 to -10.0	<b>-3.6</b>	↗	Intensive cost management, higher capitalized development costs and development costs to be incurred at a later point in time	0.0 to 10.0
<b>Adjusted EBITDA</b>	-1.6	-20.0 to -10.0	-20.0 to -10.0	<b>-2.3</b>	↗	Upfront payments from partnerships with FYB201/Nufymco led to improved equity-method earnings	5.0 to 15.0
<b>Working capital</b>	55.1	25.0 to 35.0	55.0 to 65.0	<b>70.1</b>	↗	Proceeds of €70.0 million from a corporate bond, as well as advance payments under the first commercialization partnerships for FYB206	20.0 to 30.0

**Adjusted EBITDA**

Adjusted EBITDA additionally includes Formycon’s at-equity participation in earnings from the Bioeq AG joint venture.

Bioeq AG generates earnings from the operational success of our FYB201 product, taking into account the amortization of the PPA. Because of the change in marketing strategy and relaunch of U.S. marketing efforts as well as the addition of the second U.S. marketing partner under the parallel brand, the investment participation is expected to generate a

positive earnings contribution for the fiscal year. Earnings resulting from sales of the FYB201 product are not included in Formycon Group’s operating income because Bioeq AG is under joint control and therefore necessarily accounted for at equity. By additionally including these earnings, Adjusted EBITDA provides a broader measure of income and thus a more meaningful reflection of operating performance. For fiscal year 2026, Formycon anticipates consolidated Adjusted EBITDA in the range of € 5 million to € 15 million, higher than EBITDA.

### Working Capital

Beyond the working capital effects of normal operations and earnings, Formycon anticipates a reduction in consolidated working capital due to its investments into the FYB206 and FYB208 projects. The Group's liquidity reserves should be ample to cover these outflows. On this basis, working capital is expected to end the year in the range of € 20 million to € 30 million. Financing measures such as in 2025 are not anticipated.

### Medium-term outlook

Formycon Group continues to strive for sustainable and EBITDA-profitable growth over the short to medium term. Management currently assumes that a positive EBITDA result will be achieved in fiscal year 2026.

Four factors in particular are expected to contribute significantly to Formycon's success and the achievement of this goal over the short to medium term:

**FYB201:** U.S. market relaunch in January 2026 following last year's temporary pause, with FYB201

revenue further boosted by the U.S. market launch of the parallel brand in the second half of the fiscal year by Formycon's second U.S. partner. In addition, FYB201 penetration in already established markets should be deepened through the launch of the new pre-filled syringe product version, along with the development of other new markets such as Latin America.

**FYB202:** Further growth and strengthening of market position in key markets, including the United States, Europe, Canada and other territories.

**FYB203:** Market launch by our commercialization partner in the United States (fourth quarter of 2026) as well as in Europe and other territories (starting from second quarter of 2026).

**FYB206:** Signing of additional local or regional partnership deals, including upfront and milestone payments to Formycon, as well as the revenue from further milestone payments from existing partnerships.

## 2026 financial outlook for Formycon AG

### 2026 outlook

#### Key financial performance indicators for Formycon AG

Revenue	Medium increase
EBITDA	Medium decrease
Working capital	Slight decrease

#### Revenue

Unconsolidated revenue generated by the Formycon AG parent entity from the recharging of development project costs is expected to end the year below the prior-year level. On the other hand, new revenue is to be generated from the FYB206 partnership, and thus overall a moderate increase in revenue is expected.

#### EBITDA

Full-year EBITDA is expected to be above the prior-year level. Projects FYB201, FYB202 and FYB203 are expected to be roughly EBITDA-neutral to the unconsolidated parent company, as expenses incurred are passed on internally within the Group. EBITDA will continue to be impacted by ongoing investments in other product development efforts, particularly into Formycon's own projects FYB207, FYB208, FYB209 and FYB210. Operating earnings from the FYB201 project are received through the profit transfer agreement with Formycon Project 201 GmbH and thus fall outside the scope of EBITDA. Operating earnings from the FYB202 project are reported as investment income from FYB202 Project GmbH and are thus likewise excluded from parent-level EBITDA.

#### Working capital

In addition to the working capital effects of normal operations and earnings, a decrease is expected

due to investment activities in advanced-stage product development.

#### Summary statement by Management Board on expected future development

Formycon is not planning any significant changes to its corporate goals or strategy. We aim to continue expanding our position as a global biopharmaceutical company with an exclusive focus on biosimilars while maintaining our high standards of performance and quality. To achieve this goal, Formycon will continue to invest heavily into the expansion and development of our own pipeline and in-house capacities so that we will be able to develop and commercialize new biosimilar products on a regular basis.

In parallel with this strategic thrust, Formycon is pursuing an organizational growth strategy so that we have the resources to compete as a leading and sustainably profitable company within the biosimilars market. In order to achieve this strategic vision, the Executive Board is open to considering future strategic cooperation arrangements and integration in selected areas of the manufacturing process as well as to potentially building Formycon's own commercialization capabilities in certain geographies. Over both the short and long term, our management focus will continue to be on operational excellence and on the generation of stable cash flows.

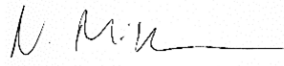
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**Martinsried - Planegg, April 15, 2026**

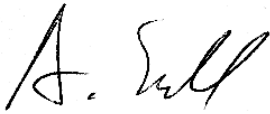
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Dr. Stefan Glombitza



Nicola Mikulcik



Dr. Andreas Seidl



Enno Spillner

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## *Takeover-related disclosures (in accordance with Sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch)) and explanatory report*

### **I. Composition of the subscribed capital**

As of December 31, 2025, the Company's share capital held by the shareholders amounted to EUR 17,672,927.00, divided into 17,672,927 ordinary bearer shares with no-par value, each with a notional value in the share capital of EUR 1.00. The shares are fully paid up. All shares carry the same rights and obligations. The rights and obligations of shareholders are based on the provisions of the German Stock Corporation Act ("AktG") and the Company's articles of association ("Articles of Association").

### **II. Restrictions affecting voting rights or the transfer of shares**

Each share grants one vote at the General Meeting and is decisive for the shareholders' share in the Company's profit. This does not apply to treasury shares held by the Company, which do not entitle the Company to any rights. As of December 31, 2025, the Company did not hold any treasury shares. In the cases of Section 136 AktG, voting rights from the shares concerned are excluded by law.

### **III. Direct or indirect shareholdings exceeding 10 percent of the voting rights**

As of December 31, 2025, the following shareholders held direct or indirect stakes exceeding 10% of the voting rights, according to the voting rights

notifications we received under the German Securities Trading Act (WpHG):

On November 11, 2024, Thomas Peter Maier informed the Company that he indirectly holds 24.03% of the Company's voting rights through Santo Holding (Deutschland) GmbH, Munich, Germany.

On November 11, 2024, Peter Wendeln informed the Company that he holds 13.25% of the Company's voting rights, partially directly and partially indirectly through Wpart GmbH and Wen.Co.Invest GmbH, both based in Garrel, Germany.

### **IV. Holders of shares with special rights granting control powers**

There are no shares with special rights that grant control powers.

### **V. Type of voting right control if employees participate in the capital**

Employees who hold shares in the Company exercise their control rights from shares directly in the same way as other shareholders in accordance with the statutory provisions and the Articles of Association.

### **VI. Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Management Board and amendments to the Articles of Association**

Members of the Management Board are appointed and dismissed by the Supervisory Board in accordance with Sections 84 and 85 AktG. Pursuant to Section 5 para. 1 of the Articles of Association, the Management Board consists of one or more members. Furthermore, the Supervisory Board determines the number of Management Board members.

Amendments to the Articles of Association are made in accordance with Sections 119 para. 1 no. 6, 179 in conjunction with Section 133 AktG, unless otherwise stipulated in the Articles of Association. The authority to make amendments that only affect the wording is transferred to the Supervisory Board in accordance with Section 8 para. 2 of the

Articles of Association. In addition, the Supervisory Board is authorized by the Articles of Association to amend Section 4 of the Articles of Association to reflect the respective utilization of the authorized and conditional capitals and upon the expiration of the respective authorization and utilization periods.

The General Meeting passes its resolutions in accordance with Section 14 para. 2 of the Articles of Association with a simple majority of the votes cast, unless the law mandatorily requires otherwise. If the law prescribes a capital majority in addition to a majority of votes for resolutions of the General Meeting, a simple majority of the share capital represented at the time the resolution is passed is sufficient, insofar as legally permissible. Resolutions of the General Meeting to amend the Articles of Association require therefore a simple majority of the votes cast and a simple majority of the share capital represented when the resolution is passed, unless the law mandatorily requires a resolution with a majority of at least three-quarters of the represented share capital.

#### **VII. Authorization of the Management Board to issue or repurchase shares**

The Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions by a total of up to EUR 8,828,451.00 in the period up to June 11, 2029 by issuing new no-par value bearer shares in exchange for cash and/or non-cash contributions (**Authorized Capital 2024/I**).

The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights for one or more capital increases within the scope of the Authorized Capital 2024/I in accordance with the resolution of the General Meeting on 12 June 2024. The Authorized Capital 2024/I has not been utilized so far.

Furthermore, the Company's share capital is conditionally increased by up to EUR 724,000.00 (**Conditional Capital 2020**). This conditional capital increase will only be carried out to the extent that subscription rights have been issued according to the Stock Option Program 2020, in accordance with the authorization of the General Meeting of

December 10, 2020, and the holders of the subscription rights exercise their rights, and the Company does not grant treasury shares to fulfill these rights. In the fiscal year 2025, no stock options from the Stock Option Program 2020 were exercised.

In addition, the Company's share capital is conditionally increased by up to EUR 8,832,213.00 (**Conditional Capital 2025/I**). The conditional capital increase will only be implemented to the extent that holders or creditors of convertible bonds, bonds with warrants, profit participation rights, and/or profit bonds issued or guaranteed by the Company or a group company of the Company within the meaning of Section 18 AktG until June 17, 2030, based on the authorization resolved by the Annual General Meeting on June 18, 2025, exercise their option or conversion rights or fulfill conversion or option obligations arising from such bonds, or if the Company grants shares in the Company instead of paying the amount due, and if the conversion or option rights or conversion or option obligations are not serviced by treasury shares, shares from authorized capital, or other benefits. To date, no capital increase has been carried out from Conditional Capital 2025/I.

Furthermore, the Company's share capital is conditionally increased by up to EUR 216,950.00 through the issuance of up to 216,950 bearer shares (**Conditional Capital 2015**). This conditional capital increase will only be implemented to the extent that, within the framework of the Stock Option Program 2015, under the authorization of the General Meeting on June 30, 2015, stock options have been issued up to and including June 29, 2020, to members of the Management Board and employees of the Company, as well as to members of the management and employees of companies affiliated with the Company. Holders of the subscription rights exercised their rights, and the Company did not grant treasury shares to fulfill these rights. In the fiscal year 2025, 8,500 stock options from the Stock Option Program 2015 were exercised, and the Company's share capital was thus increased by EUR 8,500 through the issuance of 8,500 new shares from the Conditional Capital 2015.

The Annual General Meeting on June 12, 2024, authorized the Management Board, with the consent of the Supervisory Board, to acquire up to 10% of the share capital existing at the time of the resolution or, if lower, at the time of exercising the authorization, while adhering to the principle of equal treatment until June 11, 2029 (inclusive). The shares acquired under this authorization, together with other treasury shares acquired and held by the Company, or attributable to the Company under Section 71a et seq. AktG, may not exceed 10% of the respective share capital at any time. The acquisition may be made through the stock exchange, a public purchase offer to all shareholders, or a public invitation to submit sales offers. The Management Board is authorized, with the Supervisory Board's approval, to use the shares acquired under this authorization for any legitimate purpose, including (i) retiring them without any further resolution by the General Meeting, (ii) conducting a scrip dividend, (iii) offering, promising, and transferring them to individuals who are or have been employees of the Company or an affiliated company under Section 15 AktG, or to corporate officers under employee share plans or other share-based programs, (iv) servicing stock options issued under the Stock Option Program 2020, (v) offering them to third parties in exchange for non-cash contributions, (vi) selling them to third parties in exchange for cash if the price is not significantly below the stock market price, and (vii) fulfilling acquisition obligations or rights from convertible bonds, option bonds, profit-sharing rights, and/or income bonds (or combinations of these instruments) with conversion or option rights or obligations. The Company did not acquire any treasury shares in the fiscal year 2025.

**VIII. Significant agreements of the Company subject to a change of control due to a takeover offer and compensation agreements concluded with members of the Management Board or employees in the event of a takeover offer**

The distribution and license agreement entered into between FYB202 Project GmbH and Formycon AG as contracting companies on the one side and ratiopharm GmbH as distribution partner on the other side, regarding FYB202, provides that each party shall have the right to terminate the

agreement, inter alia, in the event of the direct or indirect control of either party by a competitor with respect to FYB202.

The Management Board members have a special right of termination if a third party acquires more than 30% of the voting rights in the Company within the meaning of Section 29, 35 para. 1 sentence 1 of the German Securities Acquisition and Takeover Act (WpÜG) through the acquisition of shares or otherwise or if the Company enters into a domination agreement with another company (so-called change of control). In such cases, each Management Board member can terminate its service contract with a notice period of six months to the end of a calendar month and will receive as severance:

- the fixed remuneration for the remaining term of the service contract and the (where applicable, pro rata) short-term variable remuneration that would have been payable until the regular end of the service contract,
- up to a maximum of two years' remuneration excluding variable remuneration or fringe benefits and no more than would be payable on the basis of the service contract for the remaining term of the employment contract.

The remuneration shall become due in a single amount upon exercise of this special right of termination and shall be inheritable. The short-term variable remuneration shall be calculated on the basis of the average amount of the bonus paid to date or, if no bonus has been paid to date, the bonus expected to be paid in the current financial year.

In the event of special termination, the Management Board member also has the right to demand the settlement of allocated stock options and receive their equivalent value in cash from the Company. Should a third party acquire at least 50% of the voting rights in the Company through the purchase of shares or otherwise gain controlling influence, each Management Board member or any other holder of stock options has the right to exercise their allocated stock options early.

If a third party acquires, through the purchase of shares or otherwise, directly and/or indirectly at least 50% of the voting rights in the Company, or if a comparable event or occurrence arises in the view of the Supervisory Board, the Long-Term Incentive Plan for the Management Board 2024 (LTI Plan) ends, and the allocated (virtual) Performance Share Units (PSUs), proportionately reduced based on whole calendar months within the respective vesting period, are immediately paid out with a performance factor of 100%.

Other than this, the Company does not maintain any significant agreements that are subject to a change of control due to a takeover offer, nor any compensation agreements made with members of executive management or employees in the event of a takeover offer.

## Corporate governance statement pursuant to Sections 289f, 315d of the German Commercial Code (Handelsgesetzbuch)<sup>97</sup>

The Management Board and the Supervisory Board of Formycon AG (also referred to as “**Company**” and together with its consolidated subsidiaries, “**Group**” or “**Formycon**”) report in this statement on the Company’s corporate governance for the fiscal year from January 1, 2025, to December 31, 2025, pursuant to Sections 289f, 315d of the German Commercial Code (Handelsgesetzbuch – “**HGB**”) and Principle 23 of the German Corporate Governance Code (Deutscher Corporate Governance Kodex) as amended on April 28, 2022 (“**GCGC**”).

At Formycon, corporate governance signifies responsible company management and supervision aimed at sustainable value creation, encompassing all areas of the Group. Key pillars of this corporate culture include transparent reporting and corporate communication, management aligned with the interests of all stakeholders, trustful collaboration between the Management Board, the Supervisory Board, and employees, and adherence to applicable laws. The Company and its governing bodies are always aware of the Company’s role in society and its social responsibility in their actions.

### 1. General information

As a stock corporation under German law, the Company has three governing bodies: the Management Board, the Supervisory Board, and the General Meeting. Their tasks and powers are primarily determined by the German Stock Corporation Act

(*Aktiengesetz* – “**AktG**”), the Company’s articles of association (“**Articles of Association**”), and the rules of procedure. As a publicly listed company, the Company’s corporate governance also follows the recommendations of the German Corporate Governance Code as amended from time to time.

### 2. Declaration of Conformity with the German Corporate Governance Code (GCGC)

On March 19, 2026, the Company’s Management Board and the Supervisory Board issued the following declaration pursuant to Section 161 para. 1 sentence 1 AktG:

**“Declaration of the Management Board and the Supervisory Board of Formycon AG on the recommendations of the “Government Commission on the German Corporate Governance Code” pursuant to Section 161 of the German Stock Corporation Act (AktG)**

The management board and the supervisory board of Formycon AG (“**Company**”) declare pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz* – *AktG*) that, since the last declaration of conformity was issued on March 21, 2025, the Company has complied with and will continue to comply in the future with all recommendations of the “Government Commission on the German Corporate Governance Code” in the version dated April 28, 2022, published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022 (“**GCGC**”), with the following exceptions:

#### Recommendation A.3 of the GCGC:

Pursuant to recommendation A.3 of the GCGC, the internal control system and the risk management system shall also cover sustainability-related objectives, unless required by law anyway; this shall include processes and systems for collecting and processing sustainability-related data. With its internal control system and risk management system, the Company strictly follows the requirements of

<sup>97</sup> Unaudited information

the German Stock Corporation Act. Sustainability-related targets that go beyond these requirements were first taken into account in the Company's internal control system and risk management system during the fiscal year 2025. Due to the large number of conversion and adjustment processes resulting from the uplisting to the regulated market of the Frankfurt Stock Exchange, it was not possible to take such sustainability-related targets into account at an earlier stage. Recommendation A.3 of the GCGC has been fully complied with since then and will be fully complied with in the future.

#### **Recommendation C.10 of the GCGC:**

Pursuant to recommendation C.10 of the GCGC, the chairperson of the supervisory board shall be independent from the company and the management board. As a precautionary measure, a deviation is declared from this recommendation with respect to Wolfgang Essler, the current chairman of the supervisory board of the Company ("**Supervisory Board**"). Members of the supervisory board are to be considered independent from the company and its management board if they have no personal or business relationship with the company or its management board that may cause a substantial and not merely temporary conflict of interest. Mr. Essler is managing director of Santo Holding (Deutschland) GmbH, which holds 24.03% of the shares of the Company and, therefore, is the Company's largest shareholder. There are business relations between Santo Holding (Deutschland) GmbH or its affiliates and the Company. These circumstances did not or do not constitute a conflict of interest, nor did they or do they impair the performance of the duties of Mr. Essler as chairman of the Supervisory Board. However, in certain cases, the Company may pursue interests that conflict with the interests of Santo Holding (Deutschland) GmbH.

In all other respects, in particular regarding the chairperson of the Audit Committee, the recommendation C.10 of the GCGC has been and will be complied with.

#### **Recommendation F.2 of the GCGC:**

In accordance with Recommendation F.2 of the GCGC, the consolidated financial statements and the consolidated management report should be made publicly available within 90 days of the end of the fiscal year.

The consolidated financial statements and the combined management report for the company and the Group for the fiscal year 2025 cannot be published within the recommended 90-day period. A key reason is the introduction of a new internal financial planning system, which was implemented across the Group during the reporting period. Furthermore, during the final stages of preparing the financial statements, there has been an increased workload relating to reconciliation and validation, which requires more time and documentation than originally anticipated. Against this background, not all documents have been finalized yet and necessary audit procedures could not be completed in time. The publication of the consolidated financial statements and the combined management report for the company and the Group for the fiscal year 2025 is scheduled for April 2026 and thus remains within the statutory and stock exchange deadlines.

Furthermore, it is intended to comply with Recommendation F.2 of the GCGC again in future.

#### **Recommendations G.1 and G.2 of the GCGC:**

Recommendations G.1 and G.2 of the GCGC contain requirements that the Supervisory Board shall take into account when establishing the remuneration system for the members of the management board of the Company ("**Management Board**") in accordance with Section 87a para. 1 AktG and when determining the specific remuneration for the Management Board members based on this remuneration system. The Supervisory Board decided on a remuneration system for the Management Board members in accordance with Section 87a para. 1 AktG and recommendation G.1 of the GCGC for the first time on April 29, 2025 and proposed it for approval to the annual general meeting of the Company in June 2025. Based on this

remuneration system, the Supervisory Board determined the specific remuneration for the Management Board members in accordance with recommendation G.2 of the GCGC. Recommendations G.1 and G.2 of the GCGC have been fully complied with since the remuneration system for the Management Board members was established and since the specific remuneration for the Management Board members was determined based on this remuneration system, and will continue to be fully complied with in the future.

#### **Recommendation G.7 of the GCGC:**

According to recommendation G.7 sentence 1 of the GCGC, the Supervisory Board shall determine the performance criteria for all variable remuneration components for each Management Board member for the upcoming fiscal year. In September 2025, the Management Board members were allocated (virtual) performance share units (“PSUs”). The PSUs have a performance period from July 1, 2025 to June 30, 2029. The performance criteria for the PSUs could also only be determined in September 2025 and therefore not “for the upcoming fiscal year”.

In all other respects, recommendation G.7 of the GCGC has been and will be complied with.

#### **Recommendations G.9, G.10 and G.12 of the GCGC:**

According to recommendation G.9 of the GCGC, after the end of every fiscal year, the Supervisory Board shall determine the amount of the individual remuneration components to be granted for this year depending on the achievement of targets, whereby the achievement of targets shall be comprehensible in terms of reason and amount. According to recommendation G.10 sentence 2 of the GCGC, the Management Board member shall only have access to the granted long-term variable remuneration components after four years. Finally, recommendation G.12 of the GCGC stipulates that in the event of the termination of a Management Board service contract, the payment of outstanding variable remuneration components attributable to

the period up to the termination of the contract shall be made in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the contract.

The long-term incentive plan developed in the fiscal year 2024 (“LTI Plan 2024”) provides in the event of a change of control (i.e. the direct and/or indirect holding of at least 50% of the voting rights in the Company through the acquisition of shares or in any other way by a third party, the conclusion of a domination agreement between the Company as the controlled company and another company as the controlling company or a comparable event), for the LTI Plan 2024 to end and the number of PSUs granted to be paid out on a *pro rata temporis* basis with a performance factor of 100% regardless of the specific target achievement upon termination of the LTI Plan 2024.

In all other respects, recommendations G.9, G.10 and G.12 of the GCGC have been and will be complied with.

Planegg-Martinsried, March, 2026

*The Management Board      The Supervisory Board*

The declaration of conformity is available on the Company’s website at <https://www.formycon.com/en/investor-relations/governance/>.

### 3. Remuneration system and remuneration report

On the Company's website at <https://www.formycon.com/en/investor-relations/annual-general-meeting-2025/>, the applicable remuneration system for the Management Board members pursuant to Section 87a AktG, which was approved by the Company's Annual General Meeting on June 18, 2025, as well as the most recent resolution of the Company's Annual General Meeting of June 18, 2025 pursuant to Section 113 para. 3 AktG on the remuneration of the Supervisory Board members (together with the applicable remuneration system for the Supervisory Board members), are publicly available.

The remuneration report for the fiscal year 2025 and the auditor's note pursuant to Section 162 AktG are publicly accessible on the Company's website at <https://www.formycon.com/en/investor-relations/governance/>.

### 4. Management Board

The Management Board manages the Company on its own responsibility with the aim of sustainable value creation and in the interest of the Company, taking into account the concerns of shareholders, employees, and other groups associated with the company (stakeholders).

#### Overview

Pursuant to Section 5 para. 1 sentence 1 of the Articles of Association, the Management Board consists of one or more members. The Supervisory Board appoints the Management Board members and determines their number. As of December 31, 2025, the Management Board was comprised of four members. There are no committees of the Management Board.

The Management Board develops the Company's strategic direction, aligns it with the Supervisory Board, and ensures its implementation. It ensures compliance with legal provisions and internal guidelines and works towards their adherence throughout the Group (compliance). In addition, it is

responsible for an internal control system, risk management system, and internal audit system that are appropriate and effective given the Company's scope of business activities and the risk situation. The internal control system and the risk management system also include a compliance management system tailored to the Company's risk situation. The key characteristics of the entire internal control system and the risk management system are described in the management report, which also assesses the adequacy and effectiveness of these systems.

The Management Board members are solely committed to the Company's interests. In their decisions, they may neither pursue personal interests nor exploit business opportunities of the Company or other companies of the Formycon Group for themselves, any related natural or legal person or for any other institution or association in which or for which they are active. Undertaking secondary activities, in particular board positions at companies outside the Group, requires prior approval from the Supervisory Board. Each Management Board member must promptly disclose any existing or potential conflicts of interest to the Supervisory Board and inform the other members about the nature of such conflicts and that the conflict has been disclosed to the Supervisory Board. No conflicts of interest were reported in the fiscal year 2025. The Management Board members are also subject to a comprehensive non-compete obligation during their membership on the board and for the duration of their service contract.

## Composition

In the fiscal year 2025, the Management Board consisted of the following members:

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### Dr. Stefan Glombitza

- Born 1965
- Chair of the Management Board and Chief Executive Officer/Chief Operations Officer
- First appointment with effect from October 1, 2016
- Appointed until December 31, 2027
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025): none

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### Nicola Mikulcik

- Born 1971
- Member of the Management Board and Chief Business Officer
- First appointment with effect from June 1, 2022
- Appointed until May 31, 2027
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025): Member of the Board of Directors of Bioeq AG, Zug, Switzerland

### Dr. Andreas Seidl

- Born 1969
- Member of the Management Board and Chief Scientific Officer
- First appointment with effect from July 1, 2022
- Appointed until June 30, 2027
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025): none

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### Enno Spillner

- Born 1970
- Member of the Management Board and Chief Financial Officer
- First appointment with effect from April 1, 2023
- Appointed until March 31, 2029
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025): Member of the Supervisory Board of NANOBOTIX SA à directoire (s.a.i.), Paris, France

The curricula vitae of the current Management Board members are published and regularly updated on the Company's website at <https://www.formycon.com/en/company/management-board/>. Information on the remuneration of the Management Board members can be found in the remuneration report.

### **Target quotas for women on the Management Board and at the management level below the Management Board**

The Supervisory Board has set the target quota for the proportion of women on the Management Board at a minimum of 25% (equivalent to one woman on a four-member board), in accordance with Section 111 para. 5 AktG. It has been determined that this target for the women's quota should be achieved by February 26, 2030.

In the fiscal year 2025, the established target quota for women on the Management Board was achieved.

For the proportion of women at the management level below the Management Board, the Management Board set a target quota of at least 35% in accordance with Section 76 para. 4 AktG, with the objective of reaching this target by February 26, 2030. This target quota was achieved in the fiscal year 2025. The management level under the Management Board consists of employees of Formycon AG who hold the titles of Vice President, Senior Director, Director or Associate Director. As of December 31, 2025, this management level comprised 37 employees, of whom 15 were women (representing a proportion of around 40.5%). Due to the Company's small number of employees and flat management structure, there is only one management level below the Management Board, and therefore a target quota for women was set exclusively for this level.

### **Diversity concept for the Management Board**

The composition of the Management Board is based on the professional qualifications of its members for their respective areas of responsibility, proven management experience and demonstrated performance and expertise. In addition to these criteria, the Supervisory Board also considers diversity when appointing new members to the Management Board.

The Management Board members should meet the following profile:

- The Supervisory Board strives for sufficient diversity in terms of personality, gender, internationality, professional background, expertise and experience as well as age distribution. In evaluating potential candidates for Management Board positions, diversity should be adequately considered early in the selection process. Together with the objectives for composition and the competence profile, this ensures that the Management Board is constituted to ensure qualified company management.
- The Company's business operations involve a wide range of cross-border activities. Therefore, a reasonable number of Management Board members should have gained experience in internationally active companies through their education or professional activities.

The decision on filling a specific position on the Management Board is always driven by the Company's interest, considering all circumstances of the individual case. The Supervisory Board takes into account the goals for composition and the requirements outlined in the diversity concept during the selection process and appointment of Management Board members.

All mentioned criteria are fulfilled or observed. The Management Board is composed in accordance with the requirements of the diversity concept for the Management Board.

As a rule, only individuals who have not yet reached the age of 65 at the time of appointment should be appointed as Management Board members (see recommendation B.5 of the GCGC).

### **Long-term succession planning**

Together with the Management Board, the Supervisory Board ensures long-term succession planning. This planning is based on discussions with the Management Board members and senior executives. In this manner, the Supervisory Board gains a clear understanding of potential successors within the Group.

## Working methods

The Supervisory Board has established rules of procedure for the Management Board which include a distribution of responsibilities plan outlining the division of areas among the individual board members.

In the fiscal year 2025, the responsibilities of the Management Board members were as follows:

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### Dr. Stefan Glombitza

Chair of the Executive Board

*Chief Executive Officer (CEO) & Chief Operations Officer (COO)*

- Corporate strategy and product development
- Analytics and Drug Substance
- Regulatory Affairs and Quality Management
- Quality Assurance and Operations
- Program Management and Operational Excellence

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### Nicola Mikulcik

*Chief Business Officer (CBO)*

- Business development and Licensing
  - Supply Chain and Logistic
  - Intellectual Property and Litigation
  - Procurement
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### Dr. Andreas Seidl

*Chief Scientific Officer (CSO)*

- Clinical Development and Operations
- Preclinics, Bioanalytics and Scientific Affairs
- Intellectual Property
- Drug Product
- Occupational Safety

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### Enno Spillner

*Chief Financial Officer (CFO)*

- Investor Relations and Corporate Communications
- Finance
- Human Resources
- Facility, Environment
- Information and Business Technology
- Legal and Compliance

The Management Board conducts the business of the Company with the due care of a prudent and conscientious manager in accordance with the applicable laws, the Companies Articles of Association, the Rules of Procedure for the Management Board and the respective service agreements. It works closely and in a relationship of trust with the Supervisory Board and the employees in the best interests of the Company and the Group.

The Management Board members share overall responsibility for managing the Company's affairs. The rules of procedure for the Management Board specify certain matters of particular importance and significance that require a decision by the entire Management Board. Notwithstanding the overall responsibility, each member independently manages the business area assigned to them according to the rules of procedure. The management of all business areas is uniformly oriented towards the objectives established by the Management Board's resolutions. Each Management Board member must always subordinate their area-specific interests to the success and well-being of the Company and the Group.

The Management Board members work collegially, continuously informing each other and particularly the Chair of the Management Board about significant actions, events, intentions, and any special risks or impending losses. Any Management Board member can request information about specific business matters from another member at any time, concerning the relevant member's area. The Chair of the Management Board coordinates the content of the business areas and is responsible for the internal oversight of each area, ensuring that the management aligns with the Management Board's goals and plans.

The Management Board typically meets every two weeks. Meetings must be held if the Company's interest requires it or if a Management Board member requests a meeting, specifying the topic for discussion. The Chair of the Management Board convenes and chairs the meetings unless regular meetings are scheduled. If the Chair and, if appointed, its deputy cannot attend, the meeting is chaired by

a member appointed by the Chair, or otherwise by the most senior member present.

Board resolutions are typically adopted during meetings. However, upon request by a Management Board member, meetings can also be conducted via telephone conference or other electronic communication means (in particular video conferencing), allowing individual Board members to join by phone or other electronic means if no member promptly objects to this approach. In such cases, resolutions can be made via telephone conference or through other electronic communication methods. Resolutions can also be adopted outside of meeting – in written, verbal, telephonic, email, or other electronic formats, or any combination thereof – as well as in combination with meetings, provided a member requests it and no other member promptly objects to this procedure. Any Management Board member who did not participate in such a decision-making process should be promptly informed about the resolutions made. Minutes of the Management Board's resolutions and meetings should be recorded and signed by the chair of the respective meeting or, for resolutions outside of meetings, by the Chair of the Management Board.

The Management Board has a quorum if all members have been properly invited and at least half of its members participate in the resolution. Resolutions should ideally be unanimous. If unanimity cannot be achieved, resolutions are passed by a simple majority of the participating members, unless the law specifies otherwise.

Any Management Board member may propose that non-members be included in discussions on specific matters, provided there is no objection from the entire Management Board.

## Cooperation with the Supervisory Board

The Management Board and the Supervisory Board work closely and trustingly together for the benefit of the Company. The Supervisory Board monitors and advises the Management Board on the management of the Company. In decisions of fundamental importance, the Supervisory Board is directly involved.

The Management Board reports to the Supervisory Board regularly, promptly, comprehensively, and usually in text form, about all matters relevant to the Company or the Group, in particular regarding strategy, planning, business development, risk situation, risk management, finance, and compliance. The Management Board must address deviations in business performance from the agreed objectives outlined in the established plans, stating the reasons for such deviations.

For management measures of fundamental importance, the Supervisory Board has established in the Management Board's rules of procedure that certain actions require its prior approval. In addition, the Supervisory Board can decide to subject additional transactions or measures, not listed in the Management Board's rules of procedure, to its approval.

## Corporate governance practices

### Compliance and comprehensive Code of Conduct

For the Company, business integrity is of utmost priority. Therefore, the Group understands compliance not only as adherence to applicable national and international laws and regulations but also as a commitment to ethical and moral values. To this end, the Company has implemented certain compliance measures tailored to the Company's risk situation, which supports employees and executives in meeting these standards.

The Legal & Compliance department reports directly to the Chief Financial Officer and oversees the compliance. The Management Board is

responsible for ensuring compliance with relevant measures and processes, legal requirements, and internal company policies. Within the Supervisory Board, the audit committee primarily deals with compliance issues regularly, ensuring a reporting line to the Supervisory Board.

The Group-wide whistleblower system allows employees to anonymously and securely report legal violations within the company. The whistleblower system is available at <https://formycon.integrityline.com/?lang=en>. This system is also available to third parties. The Company has adopted a "Whistleblower Policy" related to the whistleblower system, which is published on its website at <https://www.formycon.com/en/sustainability/reports-downloads/>.

The Company has issued a Supplier Code of Conduct ("Supplier CoC"). These principles shall form the basis for all deliveries of goods and services. The Supplier CoC is published on the Company's website at <https://www.formycon.com/en/sustainability/reports-downloads/>.

The Code of Conduct summarizes Formycon's compliance requirements, which are binding for the Company, management, and every individual employee. The Code of Conduct is available on the Company's website at <https://www.formycon.com/en/sustainability/reports-downloads/>.

The Code of Conduct regulates in particular:

- the protection of Formycon's competitive advantage and third-party intellectual property rights,
- cooperation with authorities,
- fairness in competition and strict compliance with antitrust law,
- integrity in business life,
- separation of business and private interests,

- equal opportunities in securities trading and reporting,
- data protection and data security,
- environment, health and safety protection, and
- compliance for data processing and financial reporting.

The Code of Conduct is available to employees in both German and English.

Employees can contact the Company's Compliance Officer or submit an anonymous report via the whistleblower system at any time regarding questions or suspicions of violations of the Code of Conduct.

Other compliance-related matters, such as the handling of inside information, are governed by Group-wide binding policies. In the event of changes to the legal framework, information is updated, and the affected employees are informed through training sessions.

### Sustainability

The Management Board ensures that the risks and opportunities associated with social and environmental factors for the Company, as well as the ecological and social impacts of business activities, are systematically identified and assessed. In the corporate strategy, ecological and social goals are given appropriate consideration alongside long-term economic objectives. Corporate planning includes not only corresponding financial goals but also relevant sustainability-related targets. For the fiscal year 2025, the Company published a voluntary sustainability report in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME-Standard), thereby issuing such a report for the first time and presenting its sustainability-related activities and key performance indicators in a structured and transparent manner. Comprehensive information on sustainability can be found on the Company's website at <https://www.formycon.com/en/sustainability/responsibility/>.

### Risk management system and internal control system

The Company maintains an integrated risk management system. The objective of central risk management is to identify risks and opportunities at an early stage, mitigate financial, environmental, and strategic damages, optimize the risk profile, and ensure compliance with key corporate principles. Accordingly, risk management is an important component of corporate governance. The internal control system is regularly reviewed by the Management Board for adequacy and effectiveness.

An integral part of the ICS and RMS, including the Compliance Management System (CMS), is regular monitoring aimed at addressing identified weaknesses. Based on such findings, we implement improvements to our ICS and RMS, including the CMS. With the exception of these weaknesses, the Management Board currently has no indication that the RMS, the ICS, or the CMS of Formycon AG are inadequate or ineffective.

Further information can be found in the risk and opportunity report.

## 5. Supervisory Board

The Supervisory Board has the task of monitoring and advising the Management Board on the management of the Company.

### Overview

Pursuant to Section 6 para. 1 sentence 1 of the Articles of Association, the Supervisory Board consists of six members. The Supervisory Board members are elected by the General Meeting with a simple majority. Elections for the Supervisory Board are generally conducted as individual votes.

The Supervisory Board appoints the Management Board members and determines their compensation. It can revoke the appointment of a Management Board member for a significant reason. The Supervisory Board monitors and advises the Management Board in the management of the

Company. This monitoring and advisory function also specifically includes sustainability issues. The Supervisory Board is involved in decisions of fundamental importance for Formycon. At regular intervals, the Supervisory Board discusses matters of strategy, planning, business development, risk situation, risk management, compliance, and other significant events important for assessing the situation, development, and management of the Company and the Group. It reviews the annual and consolidated financial statements, the combined management report of the Company and the Group, and the Management Board's proposal for the appropriation of net income. It adopts the Company's annual financial statements and approves the consolidated financial statements, based on the preliminary review results by the Audit Committee and considering the auditors' reports. The Supervisory Board decides on the proposal for the appropriation of net income and the Supervisory Board report to the General Meeting. It also addresses the Company's sustainability reporting.

The Supervisory Board members are committed solely to the Company's interests. They must not pursue personal interests in their decisions or exploit business opportunities available to the Company or any other Group companies for themselves, a closely related natural or legal person, or any other institution or association with which they are associated. Each Supervisory Board member must immediately disclose any existing or potential conflict of interest to the Chair of the Supervisory Board, particularly those arising from advisory or board positions at customers, suppliers, lenders to the Company, or other third parties.

Information regarding conflicts of interest and their handling is included in the Supervisory Board report. The Chair of the Supervisory Board, Wolfgang Essler, is managing director of Santo Holding (Deutschland) GmbH, a 100 % subsidiary of ATHOS KG. Due to a potential conflict of interest arising from this function, Wolfgang Essler did not participate in the resolution regarding the conclusion of a service agreement between the Company and Klinge Pharma GmbH, nor in the resolution concerning the conclusion of a service agreement between the Company and Aristo Pharma GmbH;

Klinge Pharma GmbH and Aristo Pharma GmbH are indirect wholly-owned subsidiaries of ATHOS KG. Wolfgang Essler disclosed the potential conflict of interest to the other members of the Supervisory Board. Wolfgang Essler agreed to the resolution being passed by the other members of the Supervisory Board. Otherwise, no conflicts of interest were reported in the fiscal year 2025.

In cases of significant and non-temporary conflicts of interest involving a Supervisory Board member, the member should resign from its position.

New Supervisory Board members participate in an onboarding program that includes an introduction to corporate governance regulations, the Company's business activities, and strategic orientation, along with preparatory discussions with Management Board members.

Supervisory Board members ensure they have sufficient time to fulfill their mandate. If a Supervisory Board member also serves on the Management Board of a publicly listed company, they should not hold more than two Supervisory Board mandates in external listed companies or comparable roles, nor serve as the chair of a Supervisory Board in an external listed company. A member who does not serve on a Management Board should not hold more than five Supervisory Board mandates at external listed companies or comparable roles in total, with a chair position counting double.

## Composition

In the fiscal year 2025, the Supervisory Board comprised the following members:

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### Wolfgang Essler

- Born: 1972
- Chair of the Supervisory Board
- Member since July 25, 2023

- Elected until the end of the Annual General Meeting 2027
- Main position: Chief Representative of ATHOS KG and Managing Director of Santo Holding (Deutschland) GmbH
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025):
- Vanguard AG, Deputy Chairman of the Supervisory Board;
- Mega Pharma Holding Uruguay S.A., Montevideo, Uruguay, member of the non-executive Board of Directors;

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**Colin Bond**

- Born: 1960
- Deputy Chairman since October 1, 2024
- Member since October 1, 2024
- Elected until the end of the Annual General Meeting 2028
- Main position: Member of the Board of Directors at various companies
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025):
- BioPharma Credit Plc, Leeds, United Kingdom, member of the Board of Directors;
- Agomab Therapeutics NV, Antwerp, Belgium, member of the Board of Directors;

- Oxford Biomedica PLC, Oxford, United Kingdom, member of the Board of Directors;
- OneSource Specialty Pharma Ltd, Bangalore, India, member of the Board of Directors;
- Medichem, S.A., Barcelona, Spain, member of the Board of Directors
- Faron Pharmaceuticals Ltd., member of the Board of Directors.

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— **Dr. Bodo Coldewey**

- Born: 1971
- Member since June 12, 2024
- Elected until the end of the Annual General Meeting 2027
- Main position: Managing Director of the family office WEGA Invest GmbH
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025): none

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**Graham Keith Dixon (since July 30, 2025)**

- Born: 1961
- Member since July 30, 2025
- Elected until the end of the Annual General Meeting 2029
- Main position: Chief Executive Officer (CEO) of Estetra SRL, Liège, Belgium, and of Hirundo Biosciences SA (formerly B.C.I. Pharma), Liège, Belgium

- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025): none

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**Nicholas Haggar**

- Born: 1965
- Deputy Chairman from June 12, 2024 to September 30, 2024
- Member since June 12, 2024
- Elected until the end of the Annual General Meeting 2028
- Main position: Chief Executive Officer of HealthQube Ltd
- Memberships of statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2025):
- Biocon Limited, Bangalore, India, independent member of the Board of Directors;
- Polpharma Group B.V., non-executive Chairman. Biocon Limited, Bangalore, India, independent member of the Board of Directors;

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**Klaus Röhrig**

- Born: 1977
- Member since December 10, 2020
- Elected until the end of the Annual General Meeting 2029

- Main position: Founding Partner and Co-Chief Investment Officer of Active Ownership Group, Luxembourg

- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):

- Gerresheimer AG, Düsseldorf, Germany, member of the Supervisory Board;
- H2APEX Group SCA, Grevenmacher, Luxembourg, member of the Supervisory Board;
- Agfa-Gevaert N.V., Belgium, member of the Board of Directors (non-executive member);
- Fagron NV, Belgium, member of the Board of Directors (non-executive member);
- MAM Baby AG, Wollerau, Switzerland, member of the Board of Directors.

The curricula vitae of the current Supervisory Board members are published and annually updated on Formycon's website at <https://www.formycon.com/en/company/supervisory-board-of-formycon-ag/>. Details regarding the compensation of the Supervisory Board members can be found in the remuneration report.

Except for Wolfgang Essler, all Supervisory Board members (i.e., as of December 31, 2025, Colin Bond, Dr. Bodo Coldewey, Graham Keith Dixon, Nicholas Haggar and Klaus Röhrig) are considered independent according to the GCGC.

Colin Bond has special knowledge and experience in the application of accounting principles and internal control and risk management systems as well as knowledge and experience in sustainability reporting. Dr. Bodo Coldewey has special knowledge and experience in auditing financial statements, including the audit of sustainability reporting.

**Appointment objectives and competence profile**

The Supervisory Board members must collectively possess the knowledge, skills, and professional experience required for the proper performance of their duties and be familiar with the sector in which the Company operates.

The Supervisory Board uses a competency profile and a qualifications matrix as a guideline for board appointments, detailing the requirements in the areas of (1) Independence, (2) Diversity, and (3) Professional Competencies. This competence profile also takes into account Formycon's specific corporate situation, its international structure, and the future development of markets and the product portfolio.

- **Independence:** The Supervisory Board bases its definition of independence on the German Corporate Governance Code.
- **Diversity:** The Supervisory Board strives for sufficient diversity in terms of personality, gender, internationality, professional background, expertise and experience as well as age distribution.
- **Professional Competencies:** To responsibly perform its mandate, the Supervisory Board has defined a variety of competencies necessary for evaluating the diverse topics on its agenda. Overall, the Supervisory Board should possess competencies deemed essential in light of the Company's activities. These include, in particular, in-depth experience and knowledge in
  - management of an (international) company,
  - the healthcare and life sciences industry,
  - Research & Development and commercialization,
  - key markets in which Formycon operates,
  - Accounting,
  - Auditing,

- Controlling and risk management,
- Legal matters, governance, and compliance,
- Sustainability (environment and social aspects).

In addition, at least one Supervisory Board member must have expertise in accounting, and at least one other member must have expertise in auditing (two Financial Experts).

Furthermore, the Supervisory Board has established the following additional guidelines regarding its composition:

- In general, only individuals who have not yet reached the age of 70 at the time of election should be elected to the Supervisory Board.
- The Company's business activities involve numerous cross-border operations. Therefore, an appropriate number of Supervisory Board members should have gathered experience in internationally active companies due to their education or professional activities.
- Supervisory Board members should not hold positions on the governing bodies of significant competitors of the Group.

All of the above criteria are met or observed.

The competence profile of the Supervisory Board is continuously developed, and the implementation status is disclosed below in the form of the qualification matrix:

**Qualification matrix for the Supervisory Board**

		<b>Wolfgang Essler</b>	<b>Colin Bond</b>	<b>Dr. Bodo Coldewey</b>	<b>Graham Dixon</b>	<b>Nicholas Hagggar</b>	<b>Klaus Röhrig</b>
<b>Term of office</b>	Elected until the end of the Annual General Meeting in	2027	2028	2027	2029	2028	2029
<b>Function</b>	Supervisory Board	Chair	Deputy Chair	Member	Member	Member	Member
	Audit Committee		Chair	Deputy Chair		Member	
	Nomination and Remuneration Committee	Deputy Chair	Member			Chair	
<b>Independence</b>	Independence in accordance with GCGC	No	Yes	Yes	Yes	Yes	Yes
<b>Diversity</b>	Gender	Male	Male	Male	Male	Male	Male
	Age cluster	46 - 55	56 - 65	46 - 55	56 - 65	56 - 65	46 - 55
	Nationality	German	British/ Swiss	German	British	British	Austrian
	International experience	✓	✓	✓	✓	✓	✓
	Educational background	Business Administration	Pharmacy and Business Administration	Industrial Engineering	Biology and Biochemistry	Business Administration	Business Administration
<b>Professional Competencies, i.e. in-depth experience and knowledge in</b>	management of an (international) company	✓	✓	✓	✓	✓	✓
	the healthcare and life sciences industry	✓	✓		✓	✓	
	Research & development and commercialization	✓			✓	✓	
	the key markets in which Formycon operates	✓	✓		✓	✓	✓
	Accounting	✓	✓	✓		✓	✓
	Auditing	✓	✓	✓		✓	✓
	Controlling and risk management	✓	✓	✓		✓	✓
	Legal, governance and compliance	✓	✓	✓	✓	✓	✓
	Sustainability (environmental and social)	✓	✓		✓	✓	✓

The Supervisory Board believes that it collectively fulfills the competence profile appropriately. Moreover, for each of the defined competencies, there is at least one expert represented on the Supervisory Board.

### **Target figure for the proportion of women on the Supervisory Board**

The Supervisory Board has set a target for the proportion of women on the Supervisory Board in accordance with Section 111 para. 5 AktG at a minimum of 0.00%, with this target to be achieved by February 26, 2030.

The target of “zero” corresponds to the status quo at the Company, which has a Supervisory Board composed solely of men. The Company’s Annual General Meeting on June 18, 2025 re-elected Klaus Röhrig as a member of the Supervisory Board and elected Graham Keith Dixon as a new member (to the Supervisory Board, which has been expanded to six members). The search and selection process for the persons proposed for election to the Supervisory Board was carried out with a particular focus on filling positions with women. Ultimately, the Supervisory Board decided to propose Klaus Röhrig and Graham Keith Dixon, two highly qualified individuals, for election to the Supervisory Board. Both will contribute significantly to the further professionalization and internationalization of the Supervisory Board’s activities.

In addition, the Supervisory Board expressly welcomes the continuity in the Supervisory Board associated with the re-election of Klaus Röhrig. The Company is a dynamic growth enterprise that has only recently, in November 2024, completed its up-listing to the regulated market of the Frankfurt Stock Exchange. In this phase of the Company’s development, the Supervisory Board considers stability in its composition to be crucial for continued progress. Therefore, the intent is to maintain this composition in the coming years.

The aforementioned target was achieved in the fiscal year 2025.

### **Information on the diversity concept for the Supervisory Board**

The diversity concept for the Supervisory Board aims to ensure that its members have the personal qualifications needed, such as the necessary knowledge, skills, and professional experience, to properly fulfill their duties. It consists of the following components

- the targets set for the composition of the Supervisory Board;
- the competence profile for the Supervisory Board;
- the target figure for the proportion of women on the Supervisory Board of at least 0.00%.

The diversity concept is implemented during the election of Supervisory Board members and is taken into account during the search for candidates for the Supervisory Board. In the case of new appointments, there is also an evaluation of which competencies might be strengthened within the Supervisory Board.

All the stated criteria were fulfilled or observed in the fiscal year 2025. The Supervisory Board was composed in accordance with the stipulations of the diversity concept during the fiscal year 2025. Proposals for the election of Supervisory Board members at the Annual General Meeting are made in compliance with legal regulations and the guidelines of the diversity concept.

### **Working methods**

The Supervisory Board has adopted rules of procedure. The rules of procedure for the Supervisory Board are publicly accessible on the Company’s website at <https://www.formycon.com/en/investor-relations/governance/>.

The Supervisory Board holds as many meetings as required by law or the Company’s business needs; it meets at least twice per calendar half-year. The main topics of the meetings held in the past fiscal

year are summarized in the Supervisory Board's report. The Chair of the Supervisory Board coordinates its work, convenes meetings, and presides over them.

Decisions of the Supervisory Board are generally made in meetings. Upon the Chair's instruction or with the consent of all Supervisory Board members, meetings can also be conducted in the form of a teleconference or via other electronic communication methods (particularly video conference), and individual Supervisory Board members can be connected by phone or other electronic means; in these cases, decisions can be made via teleconference or other electronic communication methods. Members who participate via phone or electronic means are considered present. Absent members, or those not participating via phone or other electronic means, can still partake in decision-making by submitting written votes through another Supervisory Board member. Furthermore, they may cast their votes orally, by phone, email, or other electronic means before, during, or after the meeting within a reasonable period determined by the Chair. There is no right to object to the form of decision-making ordered by the Chair.

Decisions can also be made without convening a meeting, in writing, by phone, email, video conference, or other electronic means, if the Chair orders it and participating members can communicate with each other and discuss the matter at hand, or if no member objects to the procedure.

The Supervisory Board has a quorum if at least half of its members participate in the decision-making. In any case, at least three members must participate. Supervisory Board decisions require a majority of the votes cast unless otherwise stipulated by law or the Articles of Association. Abstentions are not considered as votes cast. In case of a tie, the Chair's vote, or that of the Deputy if the Chair does not participate, is decisive (casting vote).

Minutes must be taken of the meetings and decisions made outside of meetings. The Chair of the Supervisory Board must sign the minutes.

The Supervisory Board also regularly meets without the Management Board. Experts and informants may be consulted for advice on specific matters.

### **Committees and their working methods**

The Supervisory Board has formed two committees, an Audit Committee and a Nomination and Remuneration Committee.

#### **Audit Committee**

The Audit Committee deals primarily with the review of financial reporting, monitoring the accounting process, the effectiveness of the internal control system, the risk management system, and internal audit system, as well as external audit, particularly the selection and independence of the auditor, the quality of the audit, and the additional services provided by the auditor, compliance, and the audit of the Company's sustainability reporting. The Audit Committee may make recommendations or proposals to ensure the integrity of the accounting process. It presents a recommendation to the Supervisory Board for the appointment of the auditor, which, in the case of a tender, includes at least two proposals and a preference. It prepares the Supervisory Board's proposal to the Annual General Meeting for the election of the auditor.

The Chair of the Audit Committee regularly exchanges information with the auditor regarding the progress of the audit and reports back to the Audit Committee. The committee discusses with the auditor the assessment of audit risk, audit strategy, focus, materiality, and planning, as well as the audit results. It also regularly meets with the auditor without the Management Board present.

As of December 31, 2025, the Audit Committee was composed of:

- Colin Bond (Chair),
- Dr. Bodo Coldewey (Deputy Chair) and
- Nicholas Haggard.

Colin Bond and Dr. Bodo Coldewey have the necessary expertise in the areas of auditing and accounting (as previously mentioned under section 2).

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee prepares the Supervisory Board's proposals to the Annual General Meeting for the election of Supervisory Board members and nominates suitable candidates to the Supervisory Board.

The Nomination and Remuneration Committee is also responsible for preparing the Supervisory Board's decisions on the selection, appointment, dismissal, and remuneration of Management Board members, as well as the conclusion, amendment, and termination of their service contracts.

As of December 31, 2025, the Nomination and Compensation Remuneration was composed of:

- Nicholas Haggar (Chair),
- Wolfgang Essler (Deputy Chair) and
- Colin Bond.

### **Working methods**

The rules of procedure for the Supervisory Board contain provisions on the procedure of the committees. In all other respects, the provisions of the rules of procedure relating to the working methods of the Supervisory Board apply accordingly to the committees, unless the Supervisory Board decided otherwise for a specific committee.

### **Self-assessment of the Supervisory Board**

The Supervisory Board regularly evaluates its efficiency and that of its committees through a self-assessment process. For this purpose, a questionnaire was distributed to the members of the Supervisory Board during the fiscal year 2025, allowing them to provide feedback on the effectiveness of the Supervisory Board and its committees, and to suggest potential improvements.

The results of the self-assessment were discussed at the first regular meeting of the Supervisory Board following the completion of the assessment, and possible improvements were considered.

## **6. Share transactions by members of the Executive Board and the Supervisory Board**

Pursuant to Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and Council of April 16, 2014, on market abuse (Market Abuse Regulation), members of the Management Board and the Supervisory Board are legally required to disclose transactions with shares of the Company or related derivatives or other financial instruments if the total amount of transactions by the member or a person closely associated with them reaches or exceeds EUR 20,000.00 (as of January 1, 2026: EUR 50,000.00) within a calendar year. Transactions reported to the Company in the fiscal year 2025 were duly published and are available on the Company's website at <https://www.formycon.com/en/investor-relations/directors-dealings/>.

## **7. Transparency and communication**

To ensure maximum transparency and equality of information, the Company is committed to comprehensive, equal, and timely communication with its shareholders and the public. The schedule for regular financial reporting and other significant events, such as the Annual General Meeting, can be found in the financial calendar. All annual and quarterly reports, ad-hoc announcements, press releases, and notifiable changes in voting rights are available on the Company's website in both German and English. Additionally, the website offers information on the Articles of Association, the members of the Management Board and the Supervisory Board, as well as upcoming and previous Annual General Meetings.

For the publication of the annual financial statements, the Company holds an analyst and investor conference. Following the publication of quarterly results, the Company conducts regular earnings

calls, which are also available as recordings on the Company's website.

## 8. Accounting

The Management Board prepared the Company's consolidated financial statements as of December 31, 2025, based on the International Financial Reporting Standards (IFRS) as applicable in the European Union, and additional German legal requirements under Section 315e para. 1 HGB, as well as the Company's unconsolidated financial statements as of December 31, 2025, in accordance with the provisions of the HGB. The consolidated financial statements and management reports are published within 90 days after the end of the fiscal year. Mandatory interim financial information (half-year financial reports and quarterly statements) is generally published within 45 days after the end of each quarter or half-year.

The annual financial statements and the consolidated financial statements, both as of December 31, 2025, were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, the auditor elected by the Annual General Meeting 2025. Before the audit assignment, the auditor confirmed its independence and objectivity to the Supervisory Board. Following preparation by the Audit Committee, the annual financial statements and the consolidated financial statements were discussed, examined and adopted or approved by the Supervisory Board.

## 9. Annual General Meeting

The Company's shareholders exercise their control and participation rights at the General Meeting. The General Meeting decides in particular on the appropriation of retained earnings, the discharge of the Management Board and Supervisory Board members, the appointment of the auditor, the remuneration report, the remuneration system, the remuneration for Supervisory Board members, amendments to the Articles of Association, and certain capital measures, and elects shareholder representatives to the Supervisory Board.

In addition, in the case of significant changes, but at least every four years, the remuneration system for the Management Board is submitted to the General Meeting for approval.

Shareholders may exercise their voting rights at the General Meeting either personally, by proxy, or through a proxy representative appointed by the Company. The Management Board is authorized to allow shareholders to submit their votes in writing or via electronic communication without attending the meeting themselves or by proxy (postal vote) and to participate in the meeting and exercise all or some of their rights entirely or partially through electronic communication (online participation). The Management Board is also authorized to hold the General Meeting without the physical presence of shareholders or their representatives at the meeting venue (virtual meeting), provided legal requirements are met. This authorization is valid for virtual meetings until August 31, 2026.

The Annual General Meeting on June 18, 2025, was held as an in-person meeting.

Planegg-Martinsried, April, 2026

*The Executive Board      The Supervisory Board*

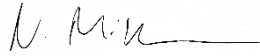
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**Planegg - Martinsried, Germany,  
April 15, 2026**

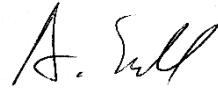
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Dr. Stefan Glombitza



Nicola Mikulcik



Dr. Andreas Seidl



Enno Spillner

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**Consolidated Financial Statements  
of Formycon Group for  
the period from January 1, 2025  
to December 31, 2025**

<b>Consolidated Statement of Financial Position as of December 31, 2025 in € thousand</b>			
	<b>Explanatory note</b>	<b>Dec. 31, 2025</b>	<b>Dec. 31, 2024</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Other intangible assets	18	414,028	444,116
Right-of-use (ROU) assets	17, 27	9,912	10,749
Property, plant and equipment	17	3,752	3,821
Investment accounted for using the equity method	19	135,207	151,870
Financial assets	19	51,597	66,134
<b>Total non-current assets</b>		<b>614,496</b>	<b>676,691</b>
<b>Current assets</b>			
Inventories		2,054	262
Trade and other receivables	26	19,156	23,693
Contract assets	8	12,860	7,016
Other financial assets		1	6
Prepayments and other assets	26	21,867	22,123
Income tax receivables	15	249	91
Cash and cash equivalents		68,845	41,834
<b>Total current assets</b>		<b>125,031</b>	<b>95,024</b>
<b>Total assets</b>		<b>739,527</b>	<b>771,715</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Subscribed capital	20	17,673	17,664
Capital reserve	20	498,002	496,021
Accumulated profit/loss carryforward	20	-51,843	73,829
Period income (loss)	20	-64,696	-125,672
<b>Total equity capital</b>		<b>399,136</b>	<b>461,843</b>
<b>Non-current liabilities</b>			
Non-current lease obligations	27	8,082	9,097
Other non-current liabilities	23	202,551	164,726
Deferred tax liabilities	15	76,198	102,156
<b>Total non-current liabilities</b>		<b>286,831</b>	<b>275,979</b>
<b>Current liabilities</b>			
Current lease obligations	27	1,478	1,496
Other current liabilities	22	24,033	12,932
Trade payables	24	25,839	17,437
Current income tax liabilities	15	2,210	2,028
<b>Total current liabilities</b>		<b>53,560</b>	<b>33,893</b>
<b>Total liabilities</b>		<b>340,391</b>	<b>309,872</b>
<b>Total equity and liabilities</b>		<b>739,527</b>	<b>771,715</b>

<b>Consolidated Statement of Comprehensive Income for the period from January 1, 2025 to December 31, 2025 in € thousand</b>			
	<b>Explanatory note</b>	<b>Jan. 1 – Dec. 31, 2025</b>	<b>Jan. 1 – Dec. 31, 2024</b>
Revenue	8	44,476	69,674
Cost of sales	9	-40,900	-54,840
Research and development expenses	10	-12,673	-16,503
Selling expenses	11	-1,316	-1,302
Administrative expenses	11	-18,995	-20,085
Other expenses	11	-1,686	-567
Other income	11	593	78
<b>Operating profit/loss (EBIT)</b>		<b>-30,500</b>	<b>-23,543</b>
Income from investments accounted for using the equity method	12, 19	-16,663	-15,174
Finance income	12	19,522	24,777
Finance expense	12	-3,297	-1,137
Change in Impairments based on the expected credit loss model	12	40	78
Net finance income		-398	8,543
Impairments on Goodwill and Other intangible assets	18	-59,597	-129,253
<b>Profit before tax</b>		<b>-90,495</b>	<b>-144,253</b>
Income tax expense	15	25,799	18,582
<b>Profit (loss) / Comprehensive income (loss) for the period</b>		<b>-64,696</b>	<b>-125,672</b>
Basic (undiluted) earnings per share (in €)	13	-3.66 €	-7.18 €
Average number of shares outstanding (undiluted)		17,666,810	17,491,811
Diluted earnings per share (in €)	13	-3.66 €	-7.18 €
Average number of shares outstanding (diluted)		17,832,377	17,633,367

<b>Consolidated Statement of Changes in Equity for the period from January 1, 2025 to December 31, 2025 in € thousand</b>						
	<b>Explana- tory note</b>	<b>Sub- scribed capital</b>	<b>Capital reserve</b>	<b>Accumu- lated loss carry- forward</b>	<b>Period income (loss)</b>	<b>Total equity</b>
<b>Balance at Jan. 1, 2024</b>		<b>16,053</b>	<b>412,871</b>	<b>-1,968</b>	<b>75,796</b>	<b>502,752</b>
Appropriation of prior-year in- come (loss)	20	-	-	75,796	-75,796	<b>0</b>
Capital increase against cash contributions	20	1,604	81,240	-	-	<b>82,843</b>
Effect of stock options granted	14	-	1,675	-	-	<b>1,675</b>
Shares issued through exercise of stock options	20	8	235	-	-	<b>243</b>
Period income (loss)		-	-	-	-125,672	<b>-125,672</b>
<b>Balance at Dec. 31, 2024/Jan. 1, 2025</b>		<b>17,664</b>	<b>496,021</b>	<b>73,829</b>	<b>-125,672</b>	<b>461,844</b>
Appropriation of prior-year in- come (loss)	20	-	-	-125,672	125,672	<b>0</b>
Effect of stock options granted	14	-	1,813	-	-	<b>1,813</b>
Shares issued through exercise of stock options	20	9	167	-	-	<b>176</b>
Period income (loss)		-	-	-	-64,696	<b>-64,696</b>
<b>Balance at Dec. 31, 2025</b>		<b>17,673</b>	<b>498,002</b>	<b>-51,843</b>	<b>-64,696</b>	<b>399,136</b>

<b>Consolidated Statement of Cash Flows for the period from January 1, 2025 to December 31, 2025 in € thousand</b>			
	<b>Explanatory note</b>	<b>Jan. 1 – Dec. 31, 2025</b>	<b>Jan. 1 – Dec. 31, 2024</b>
Profit (loss) for the period		-64,696	-125,672
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization	17, 18	86,487	139,065
Net finance income	12	399	-8,543
Effect of stock options	14	1,813	1,675
Net loss (gain) arising from disposals of non-current assets	17, 18	87	163
Other non-cash transactions		-636	495
Income tax expense	15	-25,799	-18,582
<b>Changes in operating assets and liabilities:</b>			
Decrease (increase) in inventories		-1,792	206
Decrease (increase) in trade and other receivables	26	4,537	-12,275
Decrease (increase) in contract assets	8	-5,843	9,544
Decrease (increase) in other financial assets		5	-
Decrease (increase) in prepayments and other assets	26	256	-10,788
Increase (decrease) in contract liabilities	8	6,960	-
Increase (decrease) in other liabilities	22, 23	738	762
Increase (decrease) in trade payables	22	8,402	1,118
Increase (decrease) in current provisions		-	-387
Income taxes paid	15	-136	-4
<b>Net cash used for operating activities</b>		<b>10,783</b>	<b>-23,221</b>
Investments in intangible assets	18	-54,153	-28,395
Investments in property, plant and equipment	17	-737	-1,545
Investments in financial assets	19	-	-2,419
Proceeds from sale of non-current assets	17, 18	7	5
Repayments from loans granted	19	15,000	27,300
Interest received	12	2,428	3,595
<b>Net cash used for investing activities</b>		<b>-37,455</b>	<b>-1,459</b>
Proceeds from issuance of shares	20	176	83,086
Inflows from the assumption of financial liabilities	23, 26	70,000	-
Transaction costs related to loans and borrowings	23, 26	-2,265	-
Payment of lease liabilities	27	-1,291	-1,404
Outflows for the repayment of financial liabilities	22, 23	-11,249	-41,292
Interest paid	12	-1,687	-913
<b>Net cash from financing activities</b>		<b>53,684</b>	<b>39,478</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>27,012</b>	<b>14,798</b>
<b>Cash and cash equivalents as of Jan, 1</b>		<b>41,834</b>	<b>27,035</b>
<b>Cash and cash equivalents as of Dec, 31</b>		<b>68,845</b>	<b>41,834</b>



# *Notes to the Consolidated Financial Statements of Formycon Group for the period from January 1, 2025 to December 31, 2025*

## **1. Reporting entity**

FORMYCON AG (hereinafter also the “Company”), together with the subsidiaries within its scope of consolidation (hereinafter “Group” or together “Formycon”), is a leading independent developer of high-quality biosimilar drugs, meaning follow-on products to biopharmaceuticals already on the market. Formycon has long specialized in the development of biosimilars and is able to cover all technical stages of the biopharmaceutical development chain from analysis and cell line development to preclinical studies and clinical trials, all the way through to the creation and submission of regulatory approval application documents. In addition to its decades of experience in protein chemistry, analysis and immunology, Formycon also has extensive expertise in the successful transfer of antibodies and antibody-based therapies into the clinical development stage.

FORMYCON AG has its registered offices in Martinsried-Planegg, Germany, and is entered into the commercial register (Handelsregister) of the District Court of Munich under number HRB 200801. The Company’s shares are listed in the Frankfurt Stock Exchange’s Prime Standard (Deutsche Börse: German securities identifier (WKN): A1EWVY, ticker symbol: FYB, ISIN: DE000A1EWVY8).

## **2. Basis of accounting**

These Consolidated Financial Statements (hereinafter also the “Financial Statements”), presented here in translation from the German original, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed within the European Union. The provisions of sec. 315e of the German Commercial Code (Handelsgesetzbuch,

HGB) were taken into account as applicable. These Financial Statements were released for publication by the Company’s Management Board (Vorstand) on April 15, 2026.

During the fiscal year, the following standards and interpretations were mandatorily applied for the first time:

- Amendments to IAS 21 – Lack of Exchangeability: The amendments concern the determination of the exchange rate in the event of a long-term lack of convertibility, an issue which has until now not been addressed by IAS 21. With these amendments, IAS 21 additionally includes:
  - Requirements for assessing whether a currency can be converted to another currency,
  - Statements on determining the exchange rate if such conversion is not possible, and
  - Additional disclosure requirements relating thereto.

There have been no material effects on the Financial Statements.

Formycon does not plan early application of the following new or amended standards and interpretations, which will only become mandatory in subsequent fiscal years. Unless otherwise stated, the effects of these changes on the Financial Statements are currently under review.

Already endorsed by the European Union:

- Annual Improvements to IFRS Accounting Standards – Volume 11: The annual improvements process is limited to changes that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards. It contains the following main adjustments:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter
- IFRS 7 Financial Instruments: Disclosures: Profit or loss from derecognition; disclosure of differences between fair value and transaction price; credit risk disclosures
- IFRS 9 Financial Instruments: Derecognition of lease liabilities; transaction price
- IFRS 10 Consolidated Financial Statements: Determining a “de facto agent”
- IAS 7 Statement of Cash Flows: Cost method.

The amended standard is to be applied to reporting periods beginning on or after January 1, 2026. Early application of the changes is permitted. The Group currently assumes that there will be no material impact on its consolidated financial statements.

- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity: Contracts referencing nature-dependent electricity are often structured as so-called power purchase agreements (PPA). The purchase based on these contracts can fluctuate due to unforeseen events such as weather conditions. Applying the current accounting regulations may lead to effects on net income that do not

necessarily adequately reflect the influence of these contracts on the performance of the reporting company. The following changes have been made to better reflect these contracts in companies' financial statements:

- Clarification of the application of the own use exemption to these contracts.
- Adjustment of the rules for hedge accounting with the option of using contracts referencing nature-dependent renewable energy sources as a hedging instrument if certain conditions are met.
- Introduction of additional disclosure requirements regarding the impact of these contracts on the financial performance and future cash flow of a company.

The amended standard is to be applied to reporting periods beginning on or after January 1, 2026. Early application of the changes is permitted. The Group currently assumes that there will be no material impact on its consolidated financial statements.

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments: The amendments clarify the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics. The amendments clarify how the contractual cash flows of such instruments are to be assessed in terms of subsequent measurement, i.e. amortized cost accounting or fair value accounting. The amendments also address the settlement of liabilities through electronic payment systems. The amendments clarify, when a financial asset or financial liability is derecognized. In addition, an option has been introduced that allows an entity to derecognize a financial liability before delivering cash on the settlement date, provided that certain criteria are met. The amendments also introduced additional disclosure requirements with regard to investments in equity instruments measured at

fair value through other comprehensive income and financial instruments with conditional features (e.g. ESG targets). The amendments are effective for reporting periods beginning on or after January 1, 2026, subject to EU endorsement. Earlier application of the amendments is permitted, but is subject to EU endorsement. The Group currently assumes that there will be no material impact on the consolidated financial statements.

The amended standard is to be applied to reporting periods beginning on or after January 1, 2026. Early application of the changes is permitted. The Group currently assumes that there will be no material impact on its consolidated financial statements.

Pending endorsement by the European Union:

- IFRS 18 – Presentation and Disclosure in Financial Statements: IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
  - Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
  - Enhances guidance is provided on how to group information in the financial statements.
  - In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of
- IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, subject to its adoption into EU law. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements. A subsidiary may choose to apply the new standard provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards. A subsidiary generally has public accountability if it is listed on a public market or holds assets in a fiduciary capacity as one of its primary businesses.
 

IFRS 19 applies for annual reporting periods beginning on or after January 1, 2027, subject to its adoption into EU law. Earlier application is permitted, but is subject to EU endorsement. The group does not meet the application requirements, thus IFRS 19 will not be applied and there will be no impact.

cash flows when presenting operating cash flows under the indirect method.

### **3. Functional currency and presentation currency**

These Financial Statements are presented in euros, the Company's functional currency. Unless otherwise stated, all amounts in euros presented herein have been rounded to the nearest thousand euros (€ thousand).

### **4. Use of judgements and estimates**

In preparing these Financial Statements, the Management Board has made judgements and

estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

### Judgements

Judgements exercised by the Management Board have an impact on the following specific issues presented herein:

- Lease term: Determination of whether the exercise of lease extension options is reasonably certain (see Note 27)
- Internally generated intangible assets: Point in time at which the criteria of IAS 38 (“Intangible Assets”) are met, thereby resulting in an obligation to capitalize the asset (see Note 18)
- Identification of multiple performance obligations under the development partnerships for purposes of revenue recognition (see Note 8) and separation thereof between development services and granting of license

### Assumptions and estimate uncertainties

Significant assumptions and estimates which could result in the risk of necessary adjustments in subsequent periods to the amounts recognized herein have been made in the following specific cases:

- Recognition of deferred tax assets: Availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used (see Note 15)
- Impairment test of intangible assets and goodwill: Key assumptions underlying the calculation of the recoverable amounts (see Note 18)
- Valuations under IFRS 2 (including phantom shares): The determination of the fair value of sharebased payment arrangements is based, among other factors, upon future share price

volatility and future staff turnover, both of which may have a significant influence on the valuation of the options at the time of issuance. The correctness of these estimates depends upon actual future staff turnover and, in the case of the phantom stock program, on the actual development of the share price, both of which may deviate from the original estimates used in preparing these Financial Statements and may thus lead to significant corrections in future periods (see Note 14).

- Determination of book value of investment participations in jointly controlled companies: Key assumptions for impairment testing in accordance with IAS 28 (see Note 19)

### Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assumptions have been made in measuring fair values in the following cases:

- Valuation of conditional purchase price payments in determining and allocating the purchase price (see Note 26),
- Valuation of obligations arising from share settled as well as cash-settled share-based compensation arrangements (see Note 14),
- Impairment testing of unfinished internally generated intangible assets and Goodwill (see Note 18), and
- Impairment testing of financial assets (see Note 19).

## 5. Group structure

As of December 31, 2025 the Formycon Group comprises Formycon AG, which, as the ultimate parent company, constitutes both the largest and smallest scope of consolidation, and the following fully consolidated companies. All companies are 100% owned subsidiaries of Formycon AG:

- Formycon Project 201 GmbH  
(Martinsried-Planegg, Germany)
- FYB202 Project GmbH  
(Martinsried-Planegg, Germany)
- Formycon Project 203 GmbH  
(Martinsried-Planegg, Germany)

Clinical Research GmbH, Holzkirchen, was merged with Formycon AG in fiscal year 2025.

Furthermore, Bioeq AG (Zug, Switzerland), which is under joint control, is included in the Financial Statements of Formycon AG using the equity method.

## 6. Accounting and valuation methods

### Basis of valuations

These Financial Statements have been prepared based on the principle of historical cost. Exceptions to this are the valuations of the contingent consideration component of the Athos transaction, the valuation of derivatives and of obligations arising from cash-settled share-based compensation arrangements, which have both been carried out at fair value. Equity-settled share-based payment arrangements granted to employees are likewise measured at fair value as of the grant date.

In their preparation, and for all periods therein, the Group has, unless otherwise stated, consistently applied the following accounting policies.

### Consolidation principles

#### Subsidiaries

Subsidiaries are companies under the Group's control. The Group controls an entity when it is exposed, 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. The financial statements of subsidiaries are consolidated into these Financial Statements from the date control begins until the date such control ends.

#### Loss of control

If the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary from its consolidated statement of financial position (balance sheet), along with any related non-controlling interests or other equity components. Any resulting gain or loss is recognized in profit or loss. If an interest in the former subsidiary is retained, it is measured at fair value as of the date control over the subsidiary is lost.

#### Financial assets accounted for using the equity method

The Group's financial assets (investments) accounted for using the equity method include a shareholding in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Shares in joint ventures, which are accounted for using the equity method, are initially recognized at acquisition cost, including transaction costs. Subsequent to this initial recognition, these Financial Statements include the Group's share of the comprehensive income of the financial assets accounted for using the equity method until the date upon which such significant influence or joint control ends.

### **Consolidation of intragroup transactions**

In preparing these Financial Statements, balances and transactions between the Company and consolidated subsidiaries thereof, as well as any unrealized intercompany income and expenses (other than income and expenses arising from foreign currency transactions), have been eliminated. In the case of companies accounted for using the equity method (associates and joint ventures), any unrealized gains on transactions have been offset against the investment asset, but not by more than the Group's investment in the respective company. Unrealized losses have been analogously offset (i.e. added to the investment asset), but only where there is no indication of impairment.

### **Transactions in foreign currencies**

Business transactions in foreign currencies are converted into the functional currency of the respective Group company at the spot rate on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency as of the reporting date are translated into the functional currency at the closing rate for the period. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the exchange rate in effect at the time the fair value was measured. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate prevailing on the transaction date. Currency translation differences are recognized in period profit and loss and included within finance income and finance cost.

### **Revenue from contracts with customers**

The Group generates revenue by granting licenses for the marketing of products once development

has been completed. Depending on the contractual design, these licenses may include marketing rights for certain regions, sublicensing rights for certain regions, and/or rights to develop, manufacture and register the products. In some cases, the Group may retain certain rights. The Group subsequently receives license revenue for the granted rights based upon product sales within the licensed territories. If the amount can be reliably determined, the Group recognizes the revenue at the time the license is granted. As a rule, however, such license revenues depend upon actual product sales and thus the amount generated thereby can only be reliably determined over time. The corresponding license revenue is allocated as variable consideration to the separate performance obligation of granting a license.

These license agreements may also include upfront payments, which are likewise allocated to the relevant license grant performance obligation. Revenue from such upfront payments is recognized at the time the license is granted.

In addition the company generates revenues from the provision of development and other services to assist with the completion of product development through to market approval. These other services may include, for example, the organization of clinical studies and the preparation of approval documents. The customer agreement may provide for ongoing reimbursement of costs or defined milestones. Services rendered but not yet been invoiced are reported as contract assets. In the case of ongoing reimbursements, the regular payments are recognized against contract assets as received, whereas milestone payments are only recognized against contract assets provided that the relevant milestones have been achieved. Revenue is recorded over the development period using the cost-to-cost method. Associated costs are recognized in profit or loss as they are incurred.

In some cases, a single customer contract may combine different kinds of performance obligations, such as both the granting of a license and the provision of development services.

The transaction price of the contract is allocated to the respective individual performance obligations based upon their individual values. Development services are valued using cost plus an appropriate margin as well as residual value considerations. The license is granted on the basis of the residual value considerations if the individual values are not observable.

Specific conditions may be attached to Milestones and Upfront payments. The assessment of the fulfillment of such conditions has an impact on the revenue recognized. Currently the fulfillment of such conditions is assessed to be highly probable. Once product sales are generated, license revenues become due and payable to the Group with relatively short payment terms.

In addition, the group generates revenues from the sale of products and materials from the development process for further use by the respective licence holder and from the sale of finished products to marketing partners. Revenues are recognized at the time of the transfer of risk to the respective customer.

All payments are to be made by the customer within current payment terms.

## Employee benefits

### Short-term employee benefits

Short-term employee benefit obligations are expensed as the employee performs the related work services. In cases where the Group has an obligation to pay a future amount as a result of service rendered by the employee, whether legally binding or constructive, and where the obligation can be reliably estimated, a liability is recognized for the amount expected to be paid.

### Equity-settled share-based compensation

Share-based compensation payments to employees settled by the physical delivery of shares are recognized as an expense in the amount of their fair value upon the grant date, with a corresponding increase in equity, over the vesting period of

the awards. The amount recognized as an expense is adjusted to reflect the number of granted shares for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of granted shares that meet the related service and non-market performance conditions at the vesting date. In the case of share-based payments with non-vesting conditions, the fair value of the share-based payment as of the grant date is measured to reflect such conditions, but with no subsequent true-up for differences between expected and actual outcomes. If a share-based payment involves equity-settled compensation, the vesting conditions are market-independent and the valuation is updated at each reporting date. Further explanation may be found under Note 14.

### Cash-settled share-based compensation

The fair value of amounts payable to employees under cash-settled stock appreciation rights (SARs) is recognized as an expense with a corresponding increase in liabilities, beginning with the period during which the respective employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at the settlement (payout) date based upon the fair value of the SARs. Any changes in the liability are recognized in profit or loss. Further explanation may be found under Note 14.

### Defined contribution plans

Obligations to make contributions to defined contribution plans are expensed as the employee performs the related work services. Prepaid contributions are recognized as an asset to the extent that there is a right to a refund of, or reduction in, future payments.

### Government grants

Government grants to fund the future purchase of assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and that the Group will meet the conditions attached to the grant. Once such government grant is actually used to fund the

acquisition of the asset, the deferred income is then amortized over the period of the asset's useful life and recognized in profit and loss as other income. Grants which compensate the Group for expenses incurred are recognized as a reduction in expense in the period(s) in which the relevant expenses are recognized, unless the grant conditions are not met until after the related expenses have been recognized. In this case, the grant is recognized in the period during which the entitlement arises.

The Group is currently receiving grants to cover research and development expenditures incurred in connection with the development of the FYB207 project. Accordingly, the grants are recorded as a reduction in research and development expenses, and are reflected in the same way as the expenses and presented in the Consolidated Statement of Cash Flows under cash flows from operating activities.

### **Finance income and finance expense**

The Group's finance income and finance expenses include:

- interest income,
- interest expense,
- gains and losses of investments accounted for using the equity method,
- write-downs of financial assets valued at equity,
- foreign currency gains and losses on financial assets and financial liabilities, and
- gains and losses arising from the measurement of fair value of contingent consideration classified as a financial liability.

Interest income and expenses are recognized in profit or loss using the effective interest method.

The effective interest rate is the interest rate that exactly discounts the estimated future payments or

receipts over the expected life of the financial instrument to the net book value of the financial asset, or in the case of a financial liability to the remaining amount thereof.

In calculating interest income and expense, the effective interest rate is applied to the gross book value of the asset, provided that the asset is not credit impaired, or in the case of a financial liability to the remaining amount thereof. In the case of financial assets which have become credit-impaired subsequent to initial recognition, interest income is, however, instead calculated by applying the effective interest rate to the amortized cost of the financial asset. Should the asset no longer be credit-impaired, the calculation of interest income reverts to the gross basis.

### **Income tax expense**

Income tax expense consists of current tax expense and deferred tax expense. Both are recognized in profit or loss, except to the extent that they relate to a business combination or to an item recognized directly in equity or other comprehensive income (OCI). The Group has determined that interest and penalties on income taxes, as well as uncertain tax items, do not meet the definition of income tax expense, and therefore accounts for these in accordance with IAS 37.

### **Current taxes**

Current tax expense is the expected tax liability or tax receivable on taxable income or tax loss for the year, based on tax rates enacted or certain to be soon enacted as of the reporting date, along with any adjustments to tax liability for prior years. The amount of the expected tax liability or tax receivable is the best estimate of the tax amount expected to be paid or received, but also reflecting any tax uncertainties. Current tax receivables and liabilities are only offset (netted) under certain specific conditions.

### **Deferred taxes**

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of

assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- temporary differences upon initial recognition of assets or liabilities in a transaction which is not a business combination and which affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures where the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising upon initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities resulting from the application of IFRS 16 “Leases” are offset (netted). All other deferred tax assets and deferred tax liabilities are only offset under certain specific conditions.

## **Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out (FIFO) method of allocation. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## Property, plant and equipment

### Recognition and measurement

Property, plant and equipment are measured at cost, including any capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. Should significant components thereof have different useful lives, these are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

### Subsequent costs of acquisition or production

Subsequent expenditures are only capitalized if it is probable that the Group will derive additional future economic benefits resulting from the expenditure.

### Depreciation

Depreciation is calculated to fully depreciate the cost of an item of property, plant and equipment less its estimated residual value on a straight-line basis over its estimated useful life. Depreciation is generally recognized in profit or loss.

The estimated useful lives of significant items of property, plant and equipment, for both the current period and prior-year period, are:

- Leasehold improvements: The useful life specific to the asset, not to exceed the remaining term of the underlying lease at the time of the leasehold improvement: 5-10 years
- Laboratory furnishings and equipment: 7-15 years
- Office furnishings and equipment: 5-10 years

Depreciation methods, useful lives and residual values are reviewed on each reporting date and adjusted as necessary.

### Goodwill and other intangible assets

## Recognition and measurement

### Goodwill

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses.

### Research and development

Research expenditures are recognized in profit or loss as incurred. Development expenditures are only capitalized provided that the expenditure can be measured reliably, that the product or process is technically and commercially feasible, that future economic benefits are probable, and that the Group both intends and has sufficient resources to complete development and to utilize or sell the asset. Any development expenditures not meeting these criteria are recognized in profit or loss as incurred. Capitalized development expenses are valued at acquisition or production cost less accumulated amortization and any accumulated impairment losses.

Formycon develops biopharmaceuticals, in particular biosimilars, with the aim of converting biosimilar candidates into development and marketing partnerships upon attainment of certain defined milestones. Formycon currently has seven projects under active development. For each individual development project, an assessment is made as to whether the criteria for recognition of an internally generated intangible asset have been met.

While innovative drug development projects in phase 3 clinical trials often suffer failures or significant setbacks, the probability of success of a biosimilar candidate in phase 3 clinical comparability trials is significantly higher. Because the efficacy of the originator (reference) biopharmaceutical has already been scientifically proven and recognized by the authorities, and because biosimilar development focuses on various tests and studies to demonstrate biological similarity to the reference drug already prior to phase 3 clinical testing, one may reasonably conclude, predicated on this already demonstrated similarity, that the likelihood of successfully completing the remaining development of a biosimilar that will bring future economic benefits is very high. It should be noted that more

than 95% of biosimilar candidates entering phase 3 clinical trials are, upon completion thereof, proved similar to the reference drug. It is also notable that 78% of biosimilars entering phase 1 clinical trials are ultimately licensed upon completion of development work.

The main activities which Formycon undertakes to develop a biosimilar candidate may be broadly divided into the following six stages:

- Market research: assessment of market situation, identification of possible drug targets and project planning
- Initial analysis: development of the analytical method panel, characterization of reference molecule, definition of quality target, commencement of cell line development
- Development phase: cell line development, biosimilar manufacturing process development
- Preclinical testing: in vivo studies generally not necessary, but comprehensive physiochemical and bioanalytical testing leading to technical proof of similarity (TPoS)
- Clinical development: Recent regulatory initiatives by the FDA and EMA provide for the possibility of clinical trial Phase III efficacy studies for biosimilars under clearly defined conditions. Given the high degree of analytical comparability, established development standards, and the prognostic significance of clinical parameters, safety and tolerability data can be collected in certain cases as part of pharmacokinetic studies.)

TPoS is generally the point following completion of pre-clinical testing at which Formycon is able to demonstrate, based on the results thereof, that the asset resulting from the development fulfills the criteria of IAS 38.57 and thus that all subsequent development expenditures may be deemed part of the cost of generating the asset and capitalized accordingly. Each project is, however, individually assessed as to whether the criteria have been met.

The costs to be allocated are determined as costs directly attributable to development; because the assets are qualifying assets within the meaning of IAS 23, these costs also include related borrowing costs. The capitalization of development expenditures is terminated upon regulatory approval, except for subsequent development expenditures which generate an additional economic benefit with respect to the related asset.

#### **Other intangible assets**

Other intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

#### **Subsequent expenditures**

Subsequent expenditures relating to goodwill and intangible assets are capitalized only to the extent that they generate an additional economic benefit with respect to the related asset. All other expenditures, including expenses for internally generated goodwill and brand names, are recognized in profit or loss as incurred.

#### **Amortization**

Intangible assets are amortized on a straight-line basis over the respective estimated useful life. The amortization begins from the day the respective assets are first used, or in the case of development projects, from the day of initial regulatory approval of the drug in question. The amortization is generally recognized in profit or loss. Other than through impairment, goodwill is not amortized.

The estimated useful lives are:

- Patents and trademarks: based on the term of the corresponding legal protection: 5-10 years
- Capitalized development costs both acquired and internally developed: up to 18 years

Amortization methods, useful lives and residual values are reviewed on each reporting date and adjusted as necessary.

## Financial instruments

### Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized from the date they arise or are issued. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual terms of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL (i.e. fair value with changes in value through profit or loss), transaction costs directly attributable to its acquisition or issue. Trade receivables without a significant financing component are initially recognized at the transaction price.

### Classification and subsequent measurement

#### Financial assets

Upon initial recognition, a financial asset is classified and measured as:

- an instrument at amortized cost
- an FVOCI debt instrument (investment in a debt instrument measured at fair value with changes through other comprehensive income)
- an FVOCI equity investment (equity investment measured at fair value with changes through other comprehensive income)
- an FVTPL instrument (at fair value with changes through profit or loss)

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as an FVTPL instrument:

- It is held within a business model whose objective is to hold financial 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 on the principal amount outstanding.

A debt investment is classified as an FVOCI instrument if it meets both of the following conditions and is not designated as an FVTPL instrument:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value of the investment in OCI. This election is made individually for each investment.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. Upon initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as an FVTPL instrument if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets:

##### Business model assessment

The Group makes its assessment of the objective of the business model in which a financial asset is held through an assessment of each individual portfolio. The information considered includes:

- the stated objectives for the investment, including whether management's strategy focuses on

earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows, or realizing cash flows through the sale of the assets;

- how performance results are evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods and expectations about future sales activity.

#### **Financial liabilities: Classification, subsequent measurement, and gains and losses**

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, is a derivative, or is designated as such upon initial recognition.

Financial liabilities at FVTPL are measured at fair value, with net gains and/or losses, including interest expense, recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign currency translation differences are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in profit or loss.

With the exception of the obligation to pay contingent consideration under the Athos transaction and the separable embedded derivative from the issued bond, all of the Group's financial liabilities are measured at amortized cost.

## **Derecognition**

### **Financial assets**

The Group derecognizes a financial asset when its contractual right to receive cash flows from the financial asset expires, or when it transfers its right to receive contractual cash flows in a transaction in which either the Group transfers substantially all of the risks and rewards associated with ownership of the financial asset are transferred, or when the Group, although neither transferring nor retaining substantially all the risks and rewards of ownership, does not retain control of the financial asset.

### **Financial liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its contractual terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

### **Subscribed capital**

Costs directly attributable to the issuance of common shares are recorded as a deduction from equity. Income tax effects relating to the transaction costs of an equity measure are recognized directly in equity in accordance with IAS 12.

## **Asset impairment**

### **Financial assets (excluding derivatives)**

#### **Financial instruments and contract assets**

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost, and

- contract assets.

The Group also recognizes loss allowances for ECLs on other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

In the case of trade receivables and contract assets, valuation allowances reflect the amount of the expected credit loss over the term.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Group considers reasonable and reliable information which is both relevant and available, including quantitative as well as qualitative information. In addition to well-founded estimates based on analysis, including forward-looking assessments, the Group also considers its own past experience. Should a financial asset be overdue by more than 30 days, the Group assumes that its credit risk has increased significantly. Due to the company's customer structure and contractually agreed payment terms, there have to date been no such delays.

Due to the small number of contract counterparties, the Group assesses each of these with whom there is significant contract exposure through an assessment of each individual portfolio. In each existing case, the Group has assessed the risk of default as extremely low. Thus, subject to materiality considerations, no value adjustments are currently recognized.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 180 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Group considers this to be an S&P rating of BBB or higher. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### Non-financial assets

The book value of the Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. Should this be the case, an estimate is made of the asset's recoverable amount. Goodwill and intangible assets with an indefinite useful life as well as unfinished internally generated intangible assets (capitalized development costs) are tested annually for impairment.

In testing for impairment, assets are grouped into the smallest groupings of assets that generate cash inflows from continued use that are as independent as possible of cash inflows from other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to the CGU(s), or group(s) of CGUs, expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less disposal costs. In assessing value in use, the estimated future cash flows are discounted to their

present value using a pre-tax discount rate which reflects current market assessments of the time value of money and of the risks specific to the asset or CGU.

Should the book value of an asset or CGU exceed this recoverable amount, an impairment loss is recognized.

Impairment losses are included in profit or loss. Impairment losses recognized in respect of CGUs are first allocated to any goodwill allocated to the CGU, then allocated to the book values of the other assets of the CGU (or group of CGUs) on a pro rata basis. Each development project generally corresponds to its own CGU.

Any impairment of goodwill, once recognized, is not reversed. In the case of other (non-goodwill) assets, an impairment loss may only be reversed to the extent that the book value of the asset does not exceed the book value, net of depreciation and amortization, which would exist had no impairment loss been recognized.

### Leases

The Group enters into lease contracts solely as a lessee. Upon entry into a contract, the Group first assesses whether the contract constitutes a lease or contains a lease component. This is deemed to be the case when the contract entitles the holder to control the use of an identified asset for a period of time in exchange for payment of a fee.

Upon commencement of a lease (or contract containing a lease component), or when a lease (or contract containing a lease component) is modified, the Group allocates the contractual consideration pro rata based on the stand-alone selling prices of the leased assets.

Upon commencement of the lease, the Group recognizes a right-of-use (RoU) asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus

any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term, or unless the cost of the right-of-use asset suggests that the Group will exercise a purchase option. In either of these cases, the right-of-use asset is instead depreciated over the useful life of the underlying asset, which is determined on the same basis as in the case of comparable owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. If the lease includes extension options and it is likely that these will be used, these are assumed in the lease term.

The lease liability is initially measured at the present value of the lease payments that are not already paid as of the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate (which is, in fact, the relevant discount rate usually used by the Group).

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes adjustments as necessary to reflect the individual lease term and type of asset leased.

Lease payments included in the measurement of the lease liability may include:

- fixed payments, including de facto fixed payments;
- variable lease payments that depend upon a benchmark index or rate, initially set according to the index or rate on the commencement date;

- amounts expected to be payable under a residual value guarantee; and/or
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional lease extension period if the Group is reasonably certain to exercise the lease extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; if the Group changes its assessment of whether it will exercise a purchase, extension or termination option; or if there is a change in the amount of a de facto fixed lease payment.

Should the lease liability be remeasured in this way, a corresponding adjustment is made to the book value of the right-of-use asset, or if the book value of the right-of-use asset has been reduced to zero, it is recognized in profit or loss.

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognize right-of-use assets and corresponding lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Operating profit/loss (EBIT)**

Operating profit/loss is net income generated from the Group's continuing sales-generating primary activities plus other income and expenses from operating activities, but excluding finance income and finance costs, participations in the profits and losses of companies accounted for using the equity method, impairments and income taxes.

#### **Measurement of fair value**

Fair value is the price at which an asset would, as of the measurement date, be sold, or a liability transferred, in an orderly transaction on the relevant principal market or, if none exists, in the most advantageous market to which the Group has access at that time. The fair value of a liability reflects the risk of non-performance (credit risk).

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Where a quoted price in an active market is available, the Group determines the fair value of a financial instrument on the basis thereof. A market is considered active when transactions for the relevant asset or liability occur and are reported with sufficient frequency and volume to provide market price information on an ongoing basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all factors which market participants would normally consider when pricing the asset or liability.

<b>Segments 2025 in € thousand</b>			
	<b>FYB201</b>	<b>FYB202</b>	<b>FYB203</b>
External revenue	4,965	11,992	10,077
<b>Segment revenue</b>	<b>4,965</b>	<b>11,992</b>	<b>10,077</b>
Segment profit (loss)	-3,010	-74,889	4,241
Finance income	12,291	6,002	-
Finance expense	-	-	-
Impairments	-17,890	-59,597	-
Income from investment participations at equity	1,227	-	-
Allocated costs (cost of sales, research and development expenses, administrative expenses)	-3,455	-8,007	-5,596
Other expenses (selling expenses, miscellaneous)	-	-	-
Depreciation and amortization	-148	-25,279	-239
Income taxes	-	-	-
<b>Assets</b>			
Investment accounted for using the equity method	135,207	-	-
Additions to non-current assets	1,227	5,014	-

<b>Segments 2024 in € thousand</b>			
	<b>FYB201</b>	<b>FYB202</b>	<b>FYB203</b>
External revenue	17,293	34,683	17,676
<b>Segment revenue</b>	<b>17,293</b>	<b>34,683</b>	<b>17,676</b>
Segment profit (loss)	-5,245	-109,093	-3,237
Finance income	5,062	16,026	-
Finance expense	-	-	-
Impairments	-27,261	-129,253	-
Income from investment participations at equity	12,087	-	-
Allocated costs (cost of sales, research and development expenses, administrative expenses)	-12,098	-22,191	-20,372
Other expenses (selling expenses, miscellaneous)	-	-	-
Depreciation and amortization	-328	-8,358	-541
Income taxes	-	-	-
<b>Assets</b>			
Investment accounted for using the equity method	151,870	-	-
Additions to non-current assets	12,087	-	-

FYB206	FYB208	FYB209	Total for reportable operating segments	Remaining amount	Formycon Group
17,211	-	-	44,245	231	44,476
<b>17,211</b>	-	-	<b>44,245</b>	<b>231</b>	<b>44,476</b>
4,896	-12,144	-	-80,905	16,209	-64,696
-	-	-	18,293	1,229	19,522
-	-	-	-	-3,257	-3,257
-	-	-	-77,487	-	-77,487
-	-	-	1,227	-	1,227
-11,810	-11,645	-	-40,513	-5,164	-45,678
-	-	-	-	-2,408	-2,408
-505	-498	-	-26,670	-221	-26,890
-	-	-	-	25,799	25,799
-	-	-	135,207	-	135,207
45,239	4,378	-	55,857	518	56,375

FYB206	FYB208	FYB209	Total for reportable operating segments	Remaining amount	Formycon Group
-	-	-	69,652	22	69,674
-	-	-	<b>69,652</b>	<b>22</b>	<b>69,674</b>
-	-12,182	-9,580	-139,338	13,666	-125,672
-	-	-	21,088	3,689	24,777
-	-	-	-	-1,060	-1,060
-	-	-	-156,514	-	-156,514
-	-	-	12,087	-	12,087
-	-11,858	-9,325	-75,844	-5,776	-81,620
-	-	-	-	-1,791	-1,791
-	-324	-255	-9,807	-	-9,807
-	-	-	-	18,582	18,582
-	-	-	151,870	-	151,870
28,385	-	-	40,472	6,686	47,158

## 7. Operating segments

### Basis for segmentation

The Group's segments are defined on the basis of the so-called "management approach" as required by IFRS 8 ("Operating Segments"). Accordingly, the segments are determined, and the disclosures for each segment made, based on the criteria that the key decision makers use internally for allocating resources and assessing the profitability of the Group's components. At Formycon, the key decision maker is the Management Board, which allocates resources and evaluates segment performance on the basis of the management reports submitted to it. The following segment reporting was prepared in accordance with this definition. In evaluating the performance of the Group's business segments, the Management Board relies upon operating profit/loss as the primary measure of profitability.

The Management Board monitors and directs activities at the level of the Group's individual development projects. Project progress, operational performance and financial performance are reported on a regular basis along with a deviation analysis from the approved plan for each project. The Group's development projects thus also represent the Group's reportable segments.

The business activity of all segments is biopharmaceutical development. In all cases, the products involved are biosimilars, meaning that the operating activities within the segments do not differ significantly. For the purposes of internal reporting, almost all of the Group's costs are allocated to the individual projects.

The income and expenses that could not be allocated to the reportable segments primarily comprise costs that are not allocated to the operating segments in the internal reporting, effects related to the 'Nordic Bond', and activities relating to other projects that are not reported separately and are included within 'remaining amount'.

The Group's business activities take place exclusively from companies based in Germany. During

the fiscal year (and in the preceding fiscal year) mostly all revenues were generated from Athos-Group companies (FYB203 operating segment revenue), from Bioeq AG, which is under joint control (FYB201 operating segment revenue), and from Fresenius Kabi (FYB202 operating segment revenue during the fiscal year) as marketing partner for the FYB202 project. New additions at the end of 2025 included revenues from licensing agreements for FYB206 for the North America and MENA regions, including advance payments and initial milestone payments. Thus, almost all revenue for the fiscal year was generated from four major customers.

## 8. Revenue

### Revenue streams

During the period, Formycon generated revenue from development services, advance payments, and revenue shares from its partnered development projects FYB201, FYB202, FYB203, and FYB206. These costs include not only product development costs but also costs incurred for the management of clinical studies.

In addition, since the market launch of FYB201 and FYB202 in various regions around the world, such as the US, EU, UK and MENA, Formycon began generating revenue through license income from the granting of exclusive or semi-exclusive marketing rights. During the reporting period, FYB201 generated total revenue of € 4,965 thousand (previous year: € 17,293 thousand). FYB201 generates revenue from exclusive licensing income from the granting of exclusive marketing rights to Bioeq AG in Zug, Switzerland. For the product FYB202, total revenue of € 11,992 thousand (previous year: € 34,683 thousand) was recorded in 2025, derived from licensing fees and royalties. FYB203 generated total revenue of € 10,077 thousand in the reporting year (previous year: € 17,676 thousand), primarily from development services. The FYB206 product generated total revenue of € 17,211 thousand in 2025 (previous year: € 0 thousand), with the majority resulting from licensing revenue.

### Geographical breakdown of revenue in € thousand

Region	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Germany	11,087	17,594
Switzerland	13,418	52,080
Rest of the world	19,971	-
<b>Total</b>	<b>44,476</b>	<b>69,674</b>

### Geographical breakdown of revenue

Revenue is broken down as shown above based on the customer's domicile.

Revenue from the rest of the world is primarily attributable to customers based in Austria and in the Middle East and North Africa (MENA) region.

Revenue for the FYB203 segment in the fiscal year is primarily attributable to customers based in Germany. Revenue for the FYB201 and FYB202 segments is primarily attributable to customers based in Switzerland, while revenue for the FYB206 segment is primarily attributable to customers in the rest of the world.

### Contract receivables and contract assets

Assets arising from contracts with customers are included as both trade receivables and contract assets. As of the reporting date, such receivables from customers were € 19,156 thousand (previous

year: € 18,497 thousand), while receivables from services not yet invoiced and separately reported as contract assets were € 12,860 thousand (previous year: € 7,016 thousand). The decrease in contract assets in the amount of € 5,843 thousand was mainly attributable to services that were already provided in the previous year under the agreement for the further development and marketing of FYB202 but had not yet been invoiced to the customer and were invoiced in the past financial year. The contract balances were mostly attributable to additional development services for FYB201 and FYB203 which had not yet been invoiced at year end. Contractual liabilities are reported on the balance sheet under other current liabilities. Contract liabilities are presented within other current liabilities in the statement of financial position. During the fiscal year, contractual liabilities amounted to € 6,960 thousand (previous year: € 0 thousand). These mainly resulted from advance payments received from customers in relation to FYB203, whereby no services have yet been rendered with regard to the underlying orders.

**Cost of sales in € thousand**

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Cost of materials	-588	-2,262
Contract research expenses	-6,231	-29,739
Staff expenses	-7,164	-11,440
Amortization FYB202	-24,937	-7,579
Depreciation, amortization and write-downs	-	-327
Regulatory approval fees	-425	-1,884
Other expenses	-1,555	-1,609
<b>Total</b>	<b>-40,900</b>	<b>-54,840</b>

**9. Cost of sales**

Cost of sales includes all costs directly related to generated revenue and thus all costs that can be allocated to the Group's partnered projects. With the approval of the FYB202 project end of September 2024, the scheduled amortization of the

development costs capitalized up to this point began. Cost of sales during the fiscal year consisted primarily the above cost types. Regulatory approval fees represent fees for applications submitted to the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) and related regulatory activities.

**10. Research and development expenses**

Research and development expenses include all such costs attributable to the Group's non-partnered projects. Research and development expenses in the financial year were essentially made up as follows: see below.

**Research and development expenses in € thousand**

Cost type	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Cost of materials	-993	-726
Contract research expenses	1,159	-8,887
Staff expenses	-10,661	-5,431
Depreciation, amortization and write-downs	-267	-254
Other expenses	-1,912	-1,205
<b>Total</b>	<b>-12,673</b>	<b>-16,503</b>

## 11. Other operating income and other operating expenses

Other operating income consists, but is not limited to, income relating to other periods. In addition, income was generated in 2025 from the sale of active pharmaceutical ingredients that were not used in product development.

Selling and administrative expenses and other expenses are essentially composed as shown below.

### Other operating expenses in € thousand

Cost type	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Staff expenses	-10,039	-9,565
Marketing expenses	-853	-959
Legal and advisory expenses	-4,931	-6,018
IT expenses	-3,372	-1,926
Depreciation, amortization and write-downs	-375	-1,311
Other expenses	-2,426	-2,174
<b>Total</b>	<b>-21,996</b>	<b>-21,953</b>

**Net finance income in € thousand**

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Investment gain from Bioeq AG	1,227	12,087
Impairment of investment in Bioeq AG	-17,890	-27,261
<b>Income from investments accounted for using the equity method</b>	<b>-16,663</b>	<b>-15,174</b>
Realized and unrealized gains from foreign currency translation	36	94
Interest income per effective interest method	2,088	3,595
Change in fair value conditional purchase prices	17,346	21,088
Change in fair value of embedded derivatives	52	-
<b>Finance income</b>	<b>19,522</b>	<b>24,777</b>
Bank fees	-20	-18
Realized and unrealized losses from foreign currency translation	-157	-31
Interest expense from lease liabilities	-365	-269
Interest expense per effective interest method	-2,755	-820
<b>Finance expense</b>	<b>-3,297</b>	<b>-1,137</b>
<b>Change in Impairments based on the expected credit loss model</b>	<b>40</b>	<b>78</b>
<b>Net finance income</b>	<b>-398</b>	<b>8,543</b>

## 12. Net finance income

The Group's net finance income during the reporting period were as shown on the left.

The impairment is based on the expected credit loss model and primarily the result of value adjustments to loans to companies under joint control (see Note 19). The remainder is attributable to the other current financial assets.

## 13. Earnings per share

Basic earnings per share are calculated by dividing after-tax earnings attributable to the shares by the number of Formycon common shares outstanding and therefore participating in earnings. Diluted earnings per share are calculated by adding shares which could in the future be issued through the exercise of stock options. The addition of these certain potentially exercisable but not yet exercised share-based payments results in a dilution in the number of common shares outstanding as shown below.

Earnings per share			
	Outstanding common shares	Exercisable stock options	Diluted number of common shares
Jan. 1, 2024	16,053,025	141,975	16,195,000
Feb. 8, 2024	17,656,902	141,975	17,798,877
Sep. 24, 2024	17,662,127	136,750	17,798,877
Oct. 15, 2024	17,664,427	134,450	17,798,877
Dec. 15, 2024	17,664,427	167,950	17,832,377
<b>Year average Dec. 31, 2024</b>	<b>17,491,811</b>	-	<b>17,633,367</b>
Jan. 1, 2025	17,664,427	167,950	17,832,377
Aug. 8, 2025	17,667,927	164,450	17,832,377
Oct. 20, 2025	17,672,927	159,450	17,832,377
<b>Year average Dec. 31, 2025</b>	<b>17,666,810</b>	-	<b>17,832,377</b>

## Share options issued and outstanding

	Stock Option Plan 2015	Stock Option Plan 2020	Weighted Av- erage option price (Euro)	LTIP
<b>As of Jan. 1, 2024</b>	<b>202,975</b>	<b>232,000</b>	<b>€ 51.45</b>	-
Share options expired - July 2024	-	-2,000	€ 58.61	-
Shares subscribed - July 2024	-5,225	-	€ 35.46	-
Shares subscribed - August 2024	-2,300	-	€ 34.59	-
Share options granted - December 2024	-	-	-	36,419
<b>As of Dec. 31, 2024/Jan. 1, 2025</b>	<b>195,450</b>	<b>230,000</b>	<b>€ 51.70</b>	<b>36,419</b>
Share options expired - January 2025	-	-500	€ 51.72	-
Share options expired - July 2025	-500	-	€ 30.98	-
Shares subscribed - July 2025	-3,500	-	€ 22.77	-
Shares subscribed - August 2025	-5,000	-	€ 22.77	-
Share options granted - September 2025 2024	-	-	-	77,581
Share options expired - November 2025	-	-1,500	€ 74.05	-220
<b>As of Dec. 31, 2025</b>	<b>186,450</b>	<b>228,000</b>	<b>€ 52.24</b>	<b>113,780</b>

## Stock Option Plan

Stock Option Plan	Tranche	Grant date	Vesting date	Expiry date	Expected exercise date
<b>2015</b>	<b>1</b>	July 16, 2015	July 16, 2019	July 15, 2025	Nov. 15, 2020
<b>2015</b>	<b>2</b>	June 28, 2016	June 28, 2020	June 27, 2026	Oct. 29, 2021
<b>2015</b>	<b>3</b>	Oct. 4, 2016	Oct. 4, 2020	Oct. 3, 2026	Feb. 4, 2022
<b>2015 (amended)</b>	<b>4</b>	July 3, 2017	July 3, 2021	July 2, 2027	Nov. 3, 2022
<b>2015 (amended)</b>	<b>5</b>	Feb. 28, 2018	Feb. 28, 2022	Feb. 27, 2028	July 1, 2023
<b>2015 (amended)</b>	<b>6</b>	Apr. 1, 2018	Apr. 1, 2022	Mar. 31, 2028	Aug. 2, 2023
<b>2015 (amended)</b>	<b>7</b>	July 1, 2018	July 1, 2022	June 30, 2028	Nov. 1, 2023
<b>2015 (amended)</b>	<b>8</b>	July 10, 2019	July 10, 2023	July 9, 2029	Nov. 9, 2024
<b>2020</b>	<b>1</b>	Dec. 16, 2020	Dec. 16, 2024	Dec. 15, 2030	Apr. 18, 2026
<b>2020</b>	<b>2</b>	Oct. 19, 2021	Oct. 19, 2025	Oct. 18, 2031	Feb. 19, 2027
<b>2020</b>	<b>3</b>	Dec. 9, 2021	Dec. 9, 2025	Dec. 8, 2031	Apr. 11, 2027
<b>2020</b>	<b>4</b>	Aug. 1, 2022	Aug. 1, 2026	July 31, 2032	Feb. 11, 2028
<b>2020</b>	<b>5</b>	May 12, 2023	May 12, 2027	May 11, 2033	Oct. 13, 2028
<b>2020</b>	<b>6</b>	Oct. 1, 2023	Oct. 1, 2027	Sep. 30, 2033	Oct. 12, 2029
<b>2020</b>	<b>7</b>	Dec. 1, 2023	Dec. 1, 2027	Nov. 30, 2033	Oct. 15, 2029

## 14. Share-based compensation arrangements

### Description of share-based compensation arrangements

On July 1, 2015, the Group introduced, and subsequently amended on April 27, 2017, and introduced again on December 10, 2020, stock option plans which enable eligible staff (including members of the Management Board) to purchase shares in the Company. Bases on these two stock option plans, the holders of options granted thereunder have the right, once the options are exercisable, to purchase shares at a subscription price set on the option grant date. Currently, these programs are limited to Management Board members and other eligible employees. The key contractual terms of the stock option plans are as follows: all options are to be settled through subscription and physical delivery of newly issued shares. Under both of the plans, the conditions for exercise of the options are that the relevant beneficiary must have remained in the Group for a period of four years following the grant date and

that the stock market price must be at least 10% above the subscription price set at the time of the grant.

The subscription price is determined as the average of closing prices of Formycon AG shares in Xetra trading during the 60 days before the option grant. In both plans, the options have a term of ten years.

Conditional capital for the issuance of up to 715,260 options (Stock Option Plan 2015) and up to 724,000 options (Stock Option Plan 2020) was established by resolutions of the Annual General Meeting. The number of options issued and outstanding during the reporting period and during the comparable prior-year period was as follows.

In measuring the fair values as of the grant date for reporting these share-based compensation arrangements (stock options with subscription and physical delivery of new shares upon exercise), the following valuation parameters were used:

Expected term	Interest rate	Market price at grant date (Euro)	Subscription price (Euro)	Minimum price (Euro)	Market value of options (Euro)
5.63	0.07 %	27.10	30.98	29.36	8.41
5.63	-0.17 %	17.51	22.77	22.70	4.71
5.63	-0.56 %	19.90	19.46	21.42	7.08
5.63	-0.42 %	34.32	36.62	36.16	11.12
5.63	-0.10 %	33.10	31.73	34.95	11.16
5.63	-0.04 %	32.20	31.74	35.04	10.65
5.63	-0.11 %	35.00	36.07	39.33	10.37
5.63	-0.33 %	30.40	32.83	36.04	8.08
5.38	-0.78 %	58.40	47.57	38.32	22.28
5.34	-0.68 %	53.30	51.72	57.71	18.14
5.34	-0.58 %	53.60	49.78	55.00	18.97
5.53	0.93 %	83.00	75.12	82.06	32.66
5.53	2.38 %	78.60	71.04	78.90	39.31
6.03	2.53 %	58.30	61.34	67.74	27.71
6.03	2.54 %	67.20	56.51	63.94	35.86

**Key terms and parameters for SARs (phantom stock plan)**

Waiting period in years	4.00
Contractual term in years	10.00
Expected term	6.72
Valuation date	31.12.2025
Vesting date	11.12.2027
Expiry date	10.12.2033
Expected exercise date	22.7.2030
Market price at valuation date	23.31 €
Subscription price	58.08 €
Minimum price	25.64 €
Historical volatility	53.51 %
Expected dividend yield	0.00 %
Market value per option as of Dec. 31,2025	4.72 €

For both plans, a share price volatility of between 35% and 49% was assumed based on historical data, along with beneficiary reduction (staff turnover) of approx. 1% and zero dividends. The outstanding stock options have a weighted average remaining term of 4.23 years.

During fiscal year 2025, the total current expense for share-based compensation payments under these stock option plans was € 1,424 thousand (previous year: € 1,565 thousand). As of December 31, 2025, the impact of these share-based payments on the capital reserve account was € 9,498 thousand (previous year: € 8,074 thousand).

In addition to the above two share-settled stock option plans, a cash-settled phantom stock plan was approved by the Supervisory Board during the fiscal year 2023, under which members of the Management Board and certain other employees were granted stock appreciation rights (SARs) to shares in Formycon AG, i.e. subscription rights to phantom shares which are never actually issued. Each SAR entitles the holder to receive a cash payment equal to the difference between the share market price upon the actual exercise date and the subscription price determined at granting. The term of the SARs is ten years from the grant date, subject to a four-year vesting period. The current share market price for purposes determining the share price appreciation is determined as the average unweighted closing price of Formycon shares in Xetra trading (or a

comparable successor trading system) during the 60 trading days preceding the actual exercise date, with the right to payout upon exercise subject to a minimum 10% share price appreciation.

During the fiscal year no new phantom shares were issued (previous year: 0) and 4,000 phantom subscription rights have expired (Previous year: 500). Based upon the the waiting period, € 228 thousand have been recorded as an income (Previous year: € 448 thousand (expense)). Because this is a cash-settled share-based compensation arrangement, a corresponding liability has been recognized and included under other long-term liabilities.

In the financial year 2024, a Long-Term Incentive Plan (LTIP) was set up for members of the Management Board and other employees in order to align the interests of shareholders and Management Board members, to strengthen the loyalty of Management Board members and other employees and to promote their participation in the company's future success. The plan provides for the allocation of performance share units (PSUs), the number of which is based on the fixed salary of the beneficiaries (allocation amount). The final number of PSUs to be issued after the four-year vesting period is determined by multiplying the allocated number by a performance factor. The performance factor is based on the fulfillment of predefined performance conditions, which include the following criteria: an EBITDA target, an ESG target, an innovation target and a strategic growth target. The performance

factor is capped at 200%, and the total value of the issue cannot exceed 400% of the fixed salary. During the financial year, 77,581 (previous year: 36,419 ) PSUs were issued and, taking into account the waiting period, € 390 thousand (previous year: € 109 thousand) was recorded as an expense. As this is a compensation program settled in equity instruments, a corresponding capital reserve is recorded.

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#### Key terms and parameters for LTI Tranche 2024

Waiting period in years	4.00
Contractual term in years	4.00
Expected term	4.00
Grant date	04.12.2024
Vesting date	30.09.2028
Expected exercise date	30.09.2028
Market price at grant date	48.29 €
Historical volatility	46.28 %
Expected dividend yield	0.00 %
Market value per option	48.21 €

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#### Key terms and parameters for LTI Tranche 2025

Waiting period in years	4.00
Contractual term in years	4.00
Expected term	3.75
Grant date	29.09.2025
Vesting date	30.06.2029
Expected exercise date	30.06.2029
Market price at grant date	23.08 €
Historical volatility	49.09 %
Expected dividend yield	0.00 %
Market value per option	23.04 €

## 15. Income tax expense

### Taxes recognized in profit or loss

Current, deferred and total income tax expenses (income) during the reporting period were as shown below.

#### Income tax expense in € thousand

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Current tax expense	159	2,062
Deferred tax expense / income		
from valuation at equity	-	430
from differing asset valuations	12	43
from capitalization of certain leases as right-of-use (ROU) assets and corresponding liabilities from lease obligations	-5	-49
from accounting for cash-settled share-based compensation arrangements	70	-115
from capitalization of certain internally generated intangible assets	-21,101	-20,860
Other	371	251
from deferred taxes on tax loss carry-forwards	-5,305	-344
<b>Total tax expense</b>	<b>-25,799</b>	<b>-18,582</b>

Deferred tax assets on tax loss carryforwards were not recognized to the extent that the Group cannot demonstrate that future taxable profits will be sufficient to utilize the loss carryforwards.

On June 26, 2025, the German Bundestag passed the “Act on an Immediate Tax Investment Program to Strengthen Germany as a Business Location,” which will introduce a gradual reduction in the corporate income tax rate of one percentage point per year starting in 2028. The tax rate will thus fall from the current 15% to 10% by 2032 (Section 23 (1) KStG, new version). The Bundesrat approved the law on July 11, 2025. Deferred tax assets and liabilities are to be measured in accordance with IAS 12.47 using the expected tax rates at the time the asset is realized or the liability is settled. The revaluation of deferred tax assets and liabilities results in deferred tax income of € 13,811 thousand in the 2025 financial year, which is reflected in the reconciliation of expected income tax expense under the line item “Effect of tax rates”.

**Deferred tax assets and deferred tax liabilities in € thousand**

	<b>Dec. 31, 2025</b>		<b>Dec. 31, 2024</b>	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Valuation of non-current assets	-	146	-	134
Right-of-use (ROU) assets and corresponding leasing obligations	128	-	123	-
Arising from capitalized assets in course of a business combination	-	70,201	-	96,517
Capitalization of internally generated intangible assets	-	22,755	-	17,539
Other	138	593	226	241
Tax loss carryforwards - Formycon AG corporate tax (Körperschaftsteuer)	8,667	-	6,062	-
Tax loss carryforwards - Formycon AG trade tax (Gewerbesteuer)	7,393	-	4,074	-
Tax loss carryforwards - FYB202 Project GmbH	1,172	-	1,790	-
Offset (netting) of deferred tax assets and liabilities	-17,497	-17,497	-12,275	-12,275
<b>Total</b>		<b>76,198</b>		<b>102,156</b>

**Reconciliation of expected income tax expense in € thousand**

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Profit before tax	-90,495	-144,253
Tax rate	26.68%	26.68%
<b>Expected income tax expense</b>	<b>-24,144</b>	<b>-38,487</b>
Effect of tax rate change	-9,628	-
Tax-free income an from the valuation of financial instruments	-4,628	-5,626
Non-taxable expense	1,571	12,329
Income from investments accounted for using the equity method	-311	-
Non-recognition of deferred tax assets on tax losses	11,523	13,104
Taxes for prior years	-23	39
Other	-159	59
<b>Total tax expense</b>	<b>-25,799</b>	<b>-18,582</b>

## 16. EBITDA and Adjusted EBITDA

The Management Board additionally presents earnings before finance income/expenses, taxes, depreciation and amortization (EBITDA) in this section of the Financial Statements because it relies upon consolidated EBITDA as well as Adjusted EBITDA as key performance measures in managing the Group and believes that this measure is relevant to an understanding of the Group's financial performance. EBITDA is derived and calculated from reported operating income (EBIT). Adjusted EBITDA additionally includes the contribution from Formycon's jointly controlled investment accounted for using the equity method Bioeq AG. While EBITDA is not a defined performance measure under cost of sales method, the Group's definition of EBITDA is consistent with usual definitions.

EBITDA and Adjusted EBITDA for the reporting period are derived and calculated as shown below.

### EBITDA and adjusted EBITDA in € thousand

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
EBIT	-30,500	-23,543
Depreciation of property, plant and equipment	712	732
Depreciation of right-of-use (ROU) assets	1,096	1,262
Amortization of intangible assets	25,122	7,813
<b>EBITDA</b>	<b>-3,571</b>	<b>-13,736</b>
At-Equity Result Bioeq AG	1,227	12,087
<b>adjusted EBITDA</b>	<b>-2,344</b>	<b>-1,649</b>



## 17. Property, plant and equipment (PP&E) and right-of-use (ROU) assets

### Right-of-use (ROU) assets

Capitalized right-of-use (ROU) assets include rights to use leased space for the Company's headquarters, technical equipment and machinery, and vehicles leased for employee use.

#### Property, plant and equipment (PP&E) and right-of-use (ROU) assets: Reconciliation of book value in € thousand

2024	Right-of-use (ROU) assets	Leaseholds	Leased technical equipment and machinery
Cost of acquisition as of Jan. 1, 2024	13,201	10,402	2,560
Rebookings	-	-	-
Additions	2,711	2,358	228
Disposals	-67	-	-
Cost of acquisition as of Dec. 31, 2024	15,845	12,759	2,788
Accumulated depreciation as of Jan. 1, 2024	-3,901	-2,804	-1,000
Additions	-1,262	-927	-249
Disposals	67	-	-
Accumulated depreciation as of Dec. 31, 2024	-5,096	-3,731	-1,248
Net book value as of Jan. 1, 2024	9,300	7,598	1,561
Net book value as of Dec. 31, 2024	10,749	9,029	1,540

#### Property, plant and equipment (PP&E) and right-of-use (ROU) assets: Reconciliation of book value in € thousand

2025	Right-of-use (ROU) assets	Leaseholds	Leased technical equipment and machinery
Cost of acquisition as of Jan. 1, 2025	15,845	12,759	2,788
Additions	258	179	-
Disposals	-	-	-
Cost of acquisition as of Dec. 31, 2025	16,103	12,938	2,788
Accumulated depreciation as of Jan. 1, 2025	-5,096	-3,731	-1,248
Additions	-1,096	-976	-255
Disposals	-	-	-
Accumulated depreciation as of Dec. 31, 2025	-6,192	-4,707	-1,504
Net book value as of Jan. 1, 2025	10,749	9,029	1,540
Net book value as of Dec. 31, 2025	9,912	8,231	1,284

Leased other equipment and furnishings	<b>Property, plant and equipment</b>	Leasehold improvements	Technical equipment and machinery	Other equipment and furnishings
239	<b>7,365</b>	651	4,146	2,567
-	<b>2</b>	32	98	-129
126	<b>1,545</b>	405	247	893
-67	<b>-54</b>	-	-15	-39
297	<b>8,857</b>	1,089	4,477	3,292
-98	<b>-4,338</b>	-481	-2,628	-1,228
-86	<b>-732</b>	-80	-321	-331
67	<b>33</b>	-	11	22
-116	<b>-5,036</b>	-562	-2,938	-1,537
141	<b>3,027</b>	170	1,518	1,340
181	<b>3,821</b>	527	1,539	1,755

Leased other equipment and furnishings	<b>Property, plant and equipment</b>	Leasehold improvements	Technical equipment and machinery	Other equipment and furnishings
297	<b>8,857</b>	1,089	4,477	3,292
79	<b>737</b>	11	91	634
-	<b>-258</b>	-	-192	-67
377	<b>9,336</b>	1,100	4,376	3,859
-116	<b>-5,036</b>	-562	-2,938	-1,537
136	<b>-712</b>	-67	-304	-341
-	<b>164</b>	-	119	45
19	<b>-5,584</b>	-628	-3,122	-1,833
181	<b>3,821</b>	527	1,539	1,755
396	<b>3,752</b>	472	1,254	2,026

**Goodwill and other intangible assets: Reconciliation of book value in € thousand**

<b>2024</b>	<b>Goodwill</b>
Cost of acquisition as of Jan. 1, 2024	<b>44,534</b>
Additions	-
Disposals	-
Rebookings	-
Cost of acquisition as of Dec. 31, 2024	<b>44,534</b>
Accumulated depreciation as of Jan. 1, 2024	-
Additions	-
Disposals	-
Impairments	<b>-44,534</b>
Accumulated depreciation as of Dec. 31, 2024	<b>-44,534</b>
Net book value as of Jan. 1, 2024	<b>44,534</b>
Net book value as of Dec. 31, 2024	-

**Goodwill and other intangible assets: Reconciliation of book value in € thousand**

<b>2025</b>	<b>Goodwill</b>
Cost of acquisition as of Jan. 1, 2025	<b>44,534</b>
Additions	-
Cost of acquisition as of Dec. 31, 2025	<b>44,534</b>
Accumulated depreciation as of Jan. 1, 2025	<b>-44,534</b>
Additions	-
Impairments	-
Accumulated depreciation as of Dec. 31, 2025	<b>-44,534</b>
Net book value as of Jan. 1, 2025	-
Net book value as of Dec. 31, 2025	-

Total intangible assets	Licenses and similar rights	Software
509,236	507,825	1,411
28,395	28,385	10
-192	-	-192
-2	-	-2
537,437	536,211	1,227
-833	-122	-712
-7,813	-7,617	-197
45	-	45
-84,719	-84,719	-
-93,321	-92,457	-864
508,403	507,704	699
444,116	443,753	363

Total intangible assets	Licenses and similar rights	Software
537,437	536,211	1,227
54,630	54,630	-
592,067	590,841	1,227
-93,321	-92,457	-864
-25,122	-24,974	-148
-59,597	-59,597	-
-178,039	-177,028	-1,011
444,116	443,753	363
414,028	413,813	215

## 18. Goodwill and other intangible assets

### Capitalized development expenditures

As part of a business combination, all rights to the FYB202 project, which was still under development, were reacquired in 2022 by Formycon and recognized accordingly. All internal and external costs for the further development of the project were recognized as development costs for the project from May 1, 2022, to January 31, 2023, in addition to the book value due to the advanced stage of maturity. Starting from February 1, 2023, all subsequent development costs were expensed as incurred and included in cost of sales due to the partnership. With the receipt of the approvals for FYB202 in Europe and the US, the asset is amortized over its expected useful life. The remaining useful life is 15 years. During the reporting period, €5,013 thousand was recognized as capitalized development costs for the FYB202 auto-injector, which will be amortized over an expected useful life of 14 years from the date of initial use.

In the case of the FYB206 development project, technical proof of similarity (TPoS) was reached in 2022. Upon attainment of TPoS, the Group capitalizes all subsequent internal and external development costs due to market proximity. As of December 31, 2025, the amount of capitalized development expenditures for this project was € 97,635 thousand (previous year: € 50,781 thousand).

The FYB208 project reached the TPoS milestone in the fiscal year. Upon reaching TPoS, the Group prospectively capitalizes all internal and external development costs. The carrying amount of development in progress as of December 31, 2025, amounts to € 4,378 thousand (previous year: € 0 thousand).

During the fiscal year, borrowing costs of € 477 thousand (previous year: € 300 thousand) were allocated to the qualifying development projects FYB206 and FYB208 in accordance with IAS 23, and capitalized as part of their production costs. The capitalization rate used was 2.32%.

### Impairment testing

As the part of the business combination involving FYB202 Project GmbH, goodwill of € 44,534 thousand was recognized for the first time in 2022. The entire amount of this goodwill was assigned to the FYB202 cash-generating unit (CGU), which corresponds to the FYB202 operating segment. The annual impairment test was conducted upon completion of the Group's budget planning for 2026 and subsequent years and based upon financial figures as of December 31, 2025. The book value of the CGU was accordingly established at € 293,141 thousand, including internally generated intangible assets (€ 366,200 thousand), current assets (€12,650 thousand), deferred tax liabilities (€81,873 thousand), and current liabilities (€3,835 thousand). The recoverable amount of the CGU for impairment testing was determined using the value in use method, and thus at Level 3 in the fair value hierarchy, with fair value determined on the basis of current planning for the FYB202 project using discounted cash flows. The Group's planning is based upon analyses of the market for the original product, internal information regarding potential competitors, market analyses of biosimilar products in general, and internal empirical values developed together with the contractual partner for marketing the product as well as external advisors. Assumptions were made with regard to the overall future market size, the market share for all biosimilars, the market share specifically for FYB202, units for sale, and price reductions, which are then used as a basis for calculating expected future product sales.

As disclosed in the ad hoc announcement dated March 4, 2026, although license revenues from product sales for FYB202 increased significantly in the fourth quarter, the product is still in the early stages of commercialization and has not yet grown as strongly as expected. According to marketing partners, the marketing of FYB202 is developing positively, but it can still be assumed that the pharmacy benefit market (PBM) in the US will only open up gradually despite positive political signals.

The planning for the product was updated based on the latest available information and taken into account in the annual impairment test. For the years 2026 to 2040, annual market sales of the

product were thereby estimated at between € 62 and 100 million per year. The planning period ends in 2040, with no further extrapolations beyond this point. In discounting the future estimated cashflows from the CGU, the Group applied after-tax discount rates of 9.8% before taxes (previous year: 17.6%), depending upon the term and based upon the weighted average cost of capital (WACC) using historical industry weightings, with a cost of debt of 6.3% (previous year: 8%) and a market risk premium of 5.75% (previous year: 7.25%). The recoverable amount determined in this way was € 247,137 thousand, which was € 46,005 thousand below the book value of the CGU, and thus it was necessary to recognize an impairment loss. Using the gross method, both the internally generated intangible asset was reduced by €59,597 thousand and the associated deferred tax liability by €13,592 thousand. After recognition, the carrying amount of the CGU is €247,137 thousand and mainly comprises the internally generated intangible asset of €306,603 thousand and the resulting deferred tax liability of €68,281 thousand.

The FYB206 project under development was assigned to the FYB206 CGU with a book value for

the CGU as at December 31, 2025 of € 97,635 thousand (September 30, 2024: € 47,621 thousand). Likewise for this CGU, the recoverable amount was determined using value in use on the basis of current planning for the FYB206 project using discounted cash flows. In the case of FYB206, Formycon's planning is based in large part upon its experience with previous biosimilar development projects. Assumptions were likewise made with regard to the overall future market size, the market share for all biosimilars, the market share specifically for FYB206, and price reductions. The first revenues in the form of milestone payments were generated through the conclusion of marketing agreements with partners in the US/Canada as well as MENA regions. Commercial market launch is expected after the originator's patent expiry in 2029. The planning period ends in 2043, with no further extrapolations beyond this point. For this CGU, Group has applied a before-tax discount rate of 11.7% (previous year: 9.9%), likewise based upon the WACC using historical industry weightings, with a possible cost of debt of 6.3% (previous year: 8%) and a market risk premium of 5.75% (previous year: 7.25%). The recoverable amount determined in this way is € 336,681 thousand. This did not result in any impairment requirement.

**Financial assets: Reconciliation of book value in € thousand**

2024	Investment in Bioeq AG	Loan to associate Bioeq AG	Total
Book value as of Jan. 1, 2024	167,044	90,907	<b>257,952</b>
Additions	12,087	2,419	<b>14,506</b>
Disposals	-	-27,300	<b>-27,300</b>
Write-downs	-27,261	107	<b>-27,154</b>
Book value as of Dec. 31, 2024	151,870	66,134	<b>218,004</b>

**Financial assets: Reconciliation of book value in € thousand**

2025	Investment in Bioeq AG	Loan to associate Bioeq AG	Total
Book value as of Jan. 1, 2025	151,870	66,134	<b>218,004</b>
Additions	1,227	1,460	<b>2,687</b>
Disposals	-	-16,800	<b>-16,800</b>
Write-downs	-17,890	61	<b>-17,829</b>
Book value as of Dec. 31, 2025	135,207	50,855	<b>186,062</b>

## 19. Financial assets

Financial assets consist of loans to companies under joint control and the embedded derivative from the Nordic Bond.

### Shareholdings in jointly controlled companies

During fiscal year 2022, the Group became a 50% shareholder and co-owner of Bioeq AG (Zug, Switzerland), which is thus jointly controlled by Formycon. The company is accounted for in the consolidated financial statements using the at-equity method.

### Impairment testing

As disclosed in the ad hoc announcement dated February 17, 2025, Bioeq AG was in discussions with its commercialization partner Sandoz AG regarding the future marketing strategy for FYB201/CIMERLI® in the US due to increasing price pressure among ranibizumab suppliers in the US market. Based on the information available at the time, Formycon assumed that the marketing of FYB201/CIMERLI® would be suspended for around one year from the end of the first quarter of 2025. This assessment was classified as a triggering event for an impairment test of the net investment in Bioeq AG. In the course of ongoing consultations, FYB201/CIMERLI® was reintroduced by Sandoz AG in January 2026, but at a significantly lower price level than before the marketing pause.

In December 2025, Zydus Lifesciences Limited was secured as an additional commercialization partner

for another FDA-approved ranibizumab biosimilar, FYB201/Nufymco®, for the US and Canada. Following the granting of the required Q code, a market launch in the US is expected in the course of 2026. The associated broader market coverage should open up new growth prospects, particularly through a differentiated approach within the complex US reimbursement environment.

Despite these positive developments, the significantly reduced price level and updated assumptions regarding volumes and margins have led to an adjustment of the 2026–2030 medium-term plan. The expected EBITDA level for this period is therefore significantly lower than that of the previous planning period 2025–2029. The main reason for this is the pricing in connection with the reintroduction of FYB201/CIMERLI®. These updated parameters were taken into account in the impairment test of the net investment in Bioeq AG.

Accordingly, an impairment test was carried out in accordance with the provisions of IAS 36. The net book value of the investment was determined, including the net income for the period of € 1,227 thousand, at € 153,097 thousand. The recoverable amount of the net investment for impairment testing was determined using value in use method and thus at Level 3 of the fair value hierarchy, with fair value determined on the

**Key financial details for the accounting of Bioeq AG  
in € thousand**

	2025	2024
<b>Formycon share at year end</b>	<b>50%</b>	<b>50%</b>
Non-current assets	100,216	120,958
Current assets	50,889	61,137
Cash and cash equivalents	30,385	15,157
Non-current financial liabilities	-98,000	-128,000
Other non-current liabilities	-4,114	-1,267
Current financial liabilities	-3,117	-4,991
Other current liabilities	-25,238	-23,099
<b>Equity (100%)</b>	<b>51,021</b>	<b>39,895</b>
<b>Formycon share of equity (50%)</b>	<b>25,511</b>	<b>19,948</b>
Hidden reserves revealed during initial recognition including Goodwill less accumulated depreciation and impairments	129,054	154,929
Tax effect thereof	-19,358	-23,007
<b>Book value at year end</b>	<b>135,207</b>	<b>151,870</b>
Revenue	72,726	108,286
Depreciation & Amortization	-20,711	-31,205
Operating income (EBIT)	17,625	32,950
Interest income	273	531
Interest expense	-3,140	-4,834
Tax Expense	-3,631	-4,578
Profit (loss) for the period	11,127	24,174
<b>Formycon share (50%) of profit (loss)</b>	<b>5,564</b>	<b>12,087</b>

basis of current planning for the FYB201 project using discounted cash flows. The Group's planning is based upon analyses of the market for the original product, internal information regarding potential competitors, market analyses of biosimilar products in general, and internal empirical values developed together with the contractual partners for marketing the product. Assumptions were made with regard to the overall future market size, the market share for all biosimilars, the market share specifically for FYB201, and price reductions, which are then used as a basis for calculating expected future product sales. For the years 2026 to 2030, annual market sales of the product were thereby estimated between € 136 and 158 million per year and reduced in subsequent years by 3% per year, with these estimates then used as a basis for the further calculations. The planning period ends in 2040, with no further extrapolations beyond this point. In discounting the future estimated cashflows from Bioeq AG, the Group applied discount rates of 8.3%

(previous year: 14.0%) before taxes, depending upon term and based upon the weighted average cost of capital (WACC) using historical industry weightings, with a possible cost of debt of 6.3% (previous year: 5.8%) and a market risk premium of 5.75% (previous year: 7.25%). The recoverable amount determined in this way was € 135,207 thousand and thus below the net book value, meaning that it was necessary to record an impairment in the amount of € 17,890 thousand.

Key financial details for the accounting of Bioeq AG at equity may be found in the above table. This includes in the fiscal year € 298 thousand (previous year: € -31 thousand) arising from the measurement of defined benefit obligations that have been recorded directly in other comprehensive income. In this presentation, adjustments to fair value at the time of acquisition and at the time of the impairment testing as of December 31, 2025 have already been taken into account.

### Loans to jointly controlled companies

As part of the acquisition for the shareholding in Bioeq AG, the Group acquired a loan receivable from Bioeq AG in the amount of € 82,000 thousand. By the end of December 31, 2022, the loan had been increased by a further € 10,000 thousand to € 92,000 thousand within the contractual loan framework amount of € 99,000 thousand through a further loan drawdown. During the preceding year, € 2,419 thousand attributable to the loan was also recorded as interest income. During the fiscal year, € 15,000 thousand of the loan was repaid by Bioeq AG along with the € 1,800 thousand interest due from the preceding year, and a further € 1,460 thousand attributable to the loan was recorded as interest income. The interest rate of the loan is based upon the official circulars published by the Swiss tax authorities for permissible interest rates on cross-border loans with affiliated companies and was approx. 2.5% during the fiscal year. The loan bears interest at the interest rate published by the Swiss Federal Tax Administration (SFTA) in its annually renewed circular on tax-recognized interest rates for advances or loans in foreign currency. During the fiscal year, reversal of the write-down in the amount of € 61 thousand (previous year: write-down € 286 thousand) was taken based on the expected credit loss (ECL) model.

### Embedded derivative from the Nordic Bond

Financial assets also include the embedded derivative contained in the “Nordic Bond,” which takes the form of call options and a 0% interest rate floor.

## 20. Equity

No capital transactions took place in the fiscal year 2025.

In the previous year, the Management Board and Supervisory Board of Formycon AG resolved to increase the Company’s registered capital by € 1,603,877.00, from € 16,053,025.00 to € 17,656,902.00, through the issuance of 1,603,877 new bearer shares without par value. These new shares corresponded to approx. 9.08% of the Company’s shares already outstanding at the time of issuance and were issued in a private placement.

The placement was executed at a price of € 51.65 per share. Changes to Equity during the reporting period are presented in the Consolidated Statement of Changes in Equity.

### Number of shares outstanding

As of the end of the reporting period, the Company had registered capital (Grundkapital) of € 17,672,927.00 (Previous year: € 17,664,427.00), divided into 17,672,927 bearer shares without par value (Previous year: 17,664,427 shares). The increase compared to the previous year resulted from the exercise of stock options from the 2015 stock option program. All shares have full voting and dividend rights.

### Authorized Capital 2024

By resolution of the Annual General Meeting on June 12, 2024, the Executive Board was authorized, subject to the approval of the Supervisory Board, to increase the Company’s share capital by June 11, 2029, through the issuance of new no-par value bearer shares in exchange for cash and/or non-cash contributions, in whole or in part, once or several times, by up to a total of €8,828,451.00 (Authorized Capital 2024). The Company’s shareholders shall, in general, be granted subscription rights (which may also be by way of indirect subscription rights pursuant to sec. 186 para. 5 sentence 1 of the Stock Corporation Act). Notwithstanding the foregoing, the Management Board shall be authorized, subject to the approval of the Supervisory Board, to fully or partly exclude the general statutory subscription rights of shareholders in the following specific cases:

- For the exclusion of fractional shares from subscription rights.
- In the case of capital increases against non-cash contributions for the issuance and granting of shares as consideration for the purchase of companies, parts of companies, equity interests in companies, or other assets or rights.
- In the case of capital increases made against cash contributions, provided that the

issuance price of the new shares is not significantly lower than the stock exchange price at the time that the issuance price is determined and that the new shares issued under exclusion of subscription rights pursuant to sec. 186 para. 3 sentence 4 of the Stock Corporation Act do not exceed 10% of the Company's share capital, either at the time of entry into effect or at the time of exercise. The calculation of this 10% limit shall include (a) any shares which are issued or sold during the term of this authorization under an exclusion of subscription rights through the direct application of, and in accordance with, sec. 186 para. 3 sentence 4 of the Stock Corporation Act, and/or (b) any shares issued, or which may be issued, to fulfill the Company's obligations arising from the exercise of warrants and/or conversion rights, or other stock option rights or obligations, arising from bonds or profit participation rights, provided that these financial instruments have been issued subsequent to the entry into force of this authorization and under exclusion of subscription rights pursuant to sec. 186 para. 3 sentence 4 of the Stock Corporation Act.

— In the case of capital increases made against cash contributions, insofar as necessary to grant sufficient shares to holders of bonds or profit participation rights with warrants and/ or conversion rights, or involving other stock option rights or obligations, and issued by the Company or by a direct or indirect subsidiary thereof, to the extent that they would be entitled as shareholders upon exercise of the relevant option or conversion right or fulfillment of option or conversion obligation, or following any right to substitute which the Company may have.

— For the granting of shares issued in lieu of cash dividends (scrip dividends), whereby shareholders are offered the option of contributing their dividend entitlement (in whole or in part) to the Company as a contribution in kind against the granting of new shares from Authorized Capital.

The Management Board is authorized, subject to the approval of the Supervisory Board, to determine further details regarding the specific implementation of any such capital increase and issuance of new shares, including the issuance price, as well as regarding the rights of shareholders thereunder. The Supervisory Board is further authorized to amend the Company's Articles of Incorporation to reflect any such increase in registered capital and corresponding decrease in Authorized Capital 2023 in the event of any such full or partial utilization of the Authorized Capital 2023 or in the event of its expiry.

### **Conditional Capital 2022**

By resolution of the Annual General Meeting on June 18, 2025, Conditional Capital 2022 was canceled and replaced by new Conditional Capital 2025/I.

### **Conditional Capital 2025/I**

The company's share capital is conditionally increased by up to €8,832,213.00 through the issuance of up to 8,832,213 new no-par value bearer shares ("Conditional Capital 2025/I"). Conditional Capital 2025/I serves to grant bearer shares upon the exercise of conversion or option rights, upon the fulfillment of conversion or option obligations, or upon the exercise of an option right by the company to grant shares of the company to the holders or creditors of convertible bonds, option bonds, profit participation rights, and/or debentures (or combinations of these instruments) (hereinafter collectively referred to as "debentures") in whole or in part in lieu of payment of the amount due. creditors of convertible bonds, option bonds, profit participation rights, and/or profit bonds (or combinations of these instruments) (hereinafter collectively referred to as "bonds") issued on the basis of the authorization resolution of the Annual General Meeting on June 18, 2025, under agenda item 10. The new shares will be issued at the conversion or option price to be determined in accordance with the authorization resolution of the Annual General Meeting of June 18, 2025, under agenda item 10.

The conditional capital increase will only be carried out to the extent that the holders or creditors of

bonds issued or guaranteed by the company or a company dependent on the company or directly or indirectly majority-owned by the company on the basis of the authorization resolution of the Annual General Meeting of June 18, 2025, under agenda item 10, until June 17, 2030, exercise their conversion or option rights or fulfill conversion or option obligations arising from such bonds, or if the company grants shares in the company instead of paying the amount due and if the conversion or option rights or conversion or option obligations are not serviced by treasury shares, shares from authorized capital, or other benefits.

The new shares shall participate in the company's profits from the beginning of the fiscal year in which they are created and for all subsequent fiscal years. Instead, they shall participate in the company's profits from the beginning of the fiscal year preceding their issue if, at the time of the issue of the new shares, the Annual General Meeting has not yet passed a resolution on the appropriation of profits for that fiscal year. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the Articles of Association in accordance with the respective utilization of Conditional Capital 2025/I. The same applies in the event that the authorization to issue bonds is not exercised after the expiration of the authorization period and in the event that Conditional Capital 2025/I is not exercised or not exercised in full after the expiration of all option and conversion periods.

**Number of subscription rights per sec. 192 para. 2 no. 3 of the Stock Corporation Act**

**Conditional Capital 2015**

The Company's registered capital has been conditionally increased by a maximum of € 376,000 for the issuance of a maximum of 376,000 new no-par-value bearer shares (Conditional Capital 2015). The Conditional Capital 2015 serves exclusively to secure subscription rights (stock options) granted to members of the Management Board and Company employees, as well as executives and employees of

Company subsidiaries and associated companies, under the authority granted by resolution of the Annual General Meeting of June 30, 2015 to issue such stock options at any time up to and including June 29, 2020. This capital increase is conditional upon such subscription rights having been issued and upon the exercise of such subscription rights by the holders thereof, and further provided that the Company does not grant treasury shares or provide a cash settlement in fulfillment of such subscription rights. The newly issued shares shall participate in profits from the start of the fiscal year for which, at the time of their issuance, no resolution has yet been taken by the Annual General Meeting as to the application of retained profits. The Management Board is authorized, subject to approval of the Supervisory Board, to determine further details regarding the specific implementation of any such contingent capital increase. In the case of such subscription rights (stock options) being granted to Management Board members, the Supervisory Board is similarly authorized. The Supervisory Board is further authorized to amend the Company's articles of incorporation to reflect such utilization of conditional capital.

A total of 8,500 shares (Previous year: 7,525) were issued during the fiscal year under the Conditional Capital 2015 by exercise of options and 500 options (Previous year: 0) expired. As of the period closing date, a total of 186,450 stock options (Previous year: 195,450) remained issued under the Conditional Capital 2015 that were neither expired nor exercised.

**Conditional Capital 2020**

The Company's registered capital has been conditionally increased by a maximum of € 724,000 for the issuance of a maximum of 724,000 new no-par-value bearer shares (Conditional Capital 2020). The Conditional Capital 2020 serves exclusively to secure subscription rights (stock options) granted to members of the Management Board and Company employees, as well as executives and employees of Company subsidiaries and

**Equity ratio in € thousand**

	2025	2024
Equity	399,136	461,843
Non-current liabilities	286,831	275,979
Current liabilities	53,560	33,893
<b>Liabilities and equity</b>	<b>739,527</b>	<b>771,715</b>
<b>Equity ratio</b>	<b>54.0%</b>	<b>59.8%</b>

associated companies, under the authority granted by resolution of the Annual General Meeting of December 10, 2020 to issue such stock options at any time up to and including December 9, 2025. This capital increase is conditional upon such subscription rights having been issued and upon the exercise of such subscription rights by the holders thereof, and further provided that the Company does not grant treasury shares or provide a cash settlement in fulfillment of such subscription rights. The newly issued shares shall participate in profits from the start of the fiscal year for which, at the time of their issuance, no resolution has yet been taken by the Annual General Meeting as to the application of retained profits. The Management Board is authorized, subject to approval of the Supervisory Board, to determine further details regarding the specific implementation of any such contingent capital increase. In the case of such subscription rights (stock options) being granted to Management Board members, the Supervisory Board is similarly authorized. The Supervisory Board is further authorized to amend the Company's articles of incorporation to reflect such utilization of conditional capital.

With regard to the conditional capital approved in 2020, no options were exercised in the fiscal year (previous year: 0) and 2,000 options (previous year:

2,000) expired during the fiscal year. As of the period closing date, a total of 228,000 stock options (previous year: 230,000) were issued thereunder and not either expired or exercised.

## 21. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management regularly monitors liquidity and the Equity ratio in order to ensure their adequacy. In the fiscal year 2022, a significant long-term debt position was created for the first time arising from the business combination and the associated financing by key shareholders ("shareholder loan"). This financing arrangement serves to facilitate the Group's medium-term to long-term strategy and to enable Formycon to continue its development projects independently without necessarily having to rely on the support of external partners. The shareholder loan served as a flexible line of credit that could be drawn down at any time, but was not utilized during the 2025 financial year. Based on the successful bond issue totaling €70.0 million in the second half of 2025, the shareholder loan was redeemed as an existing financing instrument. The equity ratio has fallen significantly as a result of the bond issue

**Other current liabilities in € thousand**

	Dec. 31, 2025	Dec. 31, 2024
Current portion of conditional purchase price obligation	12,083	8,680
Staff-related liabilities	3,584	3,069
Contract liabilities	6,960	-
Other current liabilities	1,406	1,183
<b>Total</b>	<b>24,033</b>	<b>12,932</b>

**22. Other current liabilities**

Other current liabilities include the current portion of the contingent purchase price payment from the acquisition of subsidiaries, personnel-related liabilities and contract liabilities.

**23. Other non-current liabilities**

Other non-current liabilities include the conditional purchase price payments relating to the acquisition of subsidiaries in the amount of € 132,251 thousand (previous year: € 164,249 thousand) along with obligations under cash-settled equity-based compensation arrangements in the amount of € 249 thousand (previous year: € 477 thousand).

Formycon has issued a bond in the amount of €70 million to finance its growth strategy—particularly in the area of biosimilars and biopharmaceuticals—and to cover general corporate purposes. The bond matures in July 2029. The payout took place in July 2025.

**24. Subsequent events**

No events of material significance that are not reflected in the consolidated statement of profit or loss or the consolidated statement of financial position have occurred since the end of the fiscal year.

**25. Subsequent report**

After December 31, 2025, the company published positive clinical data for the biosimilar candidate FYB206 and also entered into an additional

marketing partnership with Lotus Pharmaceutical Co Ltd. for parts of the Asia-Pacific region.

In addition, a settlement and licensing agreement was reached with Regeneron and Bayer, resolving all patent disputes relating to FYB203, which is approved in Europe.

## 26. Financial instruments

### Valuation

The Group generally classifies all financial assets and liabilities as financial instruments measured at amortized cost. The exception to this is the conditional portion of the purchase price for the acquisition of the shareholdings in FYB202 Project GmbH and Bioeq AG (see preceding Notes 22 and 23), as well as the embedded derivative contained in the “Nordic Bond”, which is measured at fair value. For all financial assets and liabilities except for the Nordic Bond and the shareholder loan to Bioeq AG, which is at a non-market interest rate, book value is an adequate approximation of fair value. The book values and fair values of the Group’s financial assets and liabilities are summarized on the right side.

The Nordic Bond contains embedded derivatives in the form of call options and an interest rate floor of 0% EURIBOR. The embedded derivative is valued using standard market option pricing models such as Monte Carlo simulations. Key input factors are

the 3-Monats-Euribor and the credit spread. Non-observable factors are estimated on the basis of internal assumptions while preference is given to observable market data.

The embedded derivative is valued using valuation models in which at least one significant input factor is not based on observable market data. Accordingly, these financial instruments are assigned to level 3 of the valuation hierarchy.

An increase or decrease in interest rates of 50 basis points would have led to a change in fair values of EUR –192 thousand or EUR 122 thousand, all other conditions being equal. As of the reporting date, this results in an increase of € 52 thousand in the capitalized derivative.

The contingent purchase price obligations are measured at fair value based on level 3 input factors under the fair value hierarchy (see Note 6).

**Book values and fair values of the Group's financial assets and liabilities in € thousand**

	Book value at Dec. 31, 2025	Fair value at Dec. 31, 2025	FV category
Financial assets carried at fair value			
Nordic Bond - Embedded derivative	742	742	3
Financial assets not carried at fair value			
Financial assets	50,855	-	-
Trade and other receivables	19,156	-	-
Contract assets	12,860	-	-
Cash and cash equivalents	68,845	-	-
Financial liabilities carried at fair value			
Current portion of conditional purchase price	12,083	12,083	3
Non-current portion of conditional purchase price	132,251	132,251	3
Financial liabilities not carried at fair value			
Trade payables	25,839	-	-
Nordic Bond	70,052	-	-
	Book value at Dec. 31, 2024	Fair value at Dec. 31, 2024	FV category
Financial assets not carried at fair value			
Financial assets	66,134	-	-
Trade and other receivables	23,693	-	-
Contract assets	7,016	-	-
Prepayments	22,123	-	-
Cash and cash equivalents	41,834	-	-
Financial liabilities carried at fair value			
Current portion of conditional purchase price	8,680	8,680	3
Non-current portion of conditional purchase price	164,249	164,249	3
Financial liabilities not carried at fair value			
Trade payables	17,437	-	-

The contingent purchase price payments were valued at a fair value of € 144,334 thousand as of the reporting date (previous year: € 172,929 thousand). During the fiscal year, € 11,249 thousand of the contingent purchase price payments were paid. The remaining difference in the amount of € 17,346 thousand was recognized as profit or loss in the finance income (finance costs).

The valuation model is based upon the expected cash flows discounted at risk-adjusted rates depending upon the respective future payment dates. As of the reporting date, the rate used to discount

the conditional purchase price payments was 8.12 %. The estimated fair value would increase if the expected cash flows occurred earlier or if the risk-adjusted discount rates were lower. A 1% decrease (increase) in the discount rate would result in an increase (decrease) in fair value of € 8,611 thousand (€ 7,842 thousand), which would have to be recognized as profit or loss. A 10% decrease or increase in free cash flow would result in a € 14,433 thousand decrease or increase in fair value, which would be recognized in profit or loss. Advance payments in the amount of € 21,867 thousand (previous year: € 22,123 thousand) are mainly advance payments for development services.

**Liquidity risk in € thousand**

as of Dec. 31, 2025	due within 1 year	1-2 years	2-3 years
Lease obligations	1,568	1,458	1,373
Conditional purchase price payments	12,566	19,888	20,728
Nordic Bond	6,456	6,456	6,456

**Liquidity risk in € thousand**

as of Dec. 31, 2024	due within 1 year	1-2 years	2-3 years
Lease obligations	1,597	1,523	1,409
Conditional purchase price payments	9,107	12,555	20,730

**Risk management**

For a description of the methods, processes, responsibilities and objectives of Formycon's risk management system, please refer to the respective section of the combined Management Report. The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Foreign currency risk

**Risk management framework**

The Management Board of Formycon AG has overall responsibility for the establishment and oversight of the Group's risk management framework. Toward this end, the Management Board has appointed staff members responsible for managing and further developing the Group's risk management policies. These staff members report regularly to the Management Board on their activities. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Group's activities.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the case of Formycon, credit risk arises principally from the loan receivable, from trade receivables, from contract assets, and from the Group's holdings in cash and cash equivalents. The carrying amounts of financial assets and contract assets represent the maximum potential credit exposure.

In determining whether the credit risk of a financial asset has increased significantly since its initial recognition and in estimating expected credit losses, the Group considers information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and an appropriate credit assessment, which also incorporate forward-looking information. In addition to

3-4 years	4-5 years	> 5 years	Total	Book value
1,224	1,195	4,083	10,901	9,560
8,993	18,086	167,084	247,344	144,334
74,842	-	-	94,210	70,052

3-4 years	4-5 years	> 5 years	Total	Book value
1,349	1,198	5,179	12,255	10,593
32,900	28,324	243,742	347,358	172,929

external credit ratings where available, this information may also include credit agency information and industry information. During the fiscal year, reversal write-downs in the amount of € 40 thousand (previous year: € 78 thousand) were recorded based on the expected credit losses (ECL) for loans of the same credit rating.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's

objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal, e.g. foreign currency risk, and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The remaining contractual maturities of financial liabilities as of the reporting date are shown below. The amounts are gross and undiscounted and include contractual interest payments but not the impact of netting agreements.

**Foreign currency risk in thousand**

as of Dec. 31, 2025	USD	GBP	CHF
Bank accounts	4,596	-	-
Other receivables	-	-	32
Trade payables	61	9	330
Net risk exposure	-4,535	9	297

**Foreign currency risk in thousand**

as of Dec. 31, 2024	USD	GBP	CHF
Bank accounts	1,268	-	-
Trade payables	91	22	206
Net risk exposure	-1,177	22	206

**Foreign currency risk**

To the extent that there is a mismatch between the currencies in which purchase and credit transactions are denominated and the functional currency of the relevant consolidated company, the Group is exposed to transactional foreign currency risk. The functional currency of consolidated companies is, in all cases, the euro (€). The transactions from which such foreign currency risk may arise are primarily denominated in U.S. dollars (USD), British pounds (GBP) and Swiss francs (CHF), as well as to a small extent Canadian Dollar (CAD) and Norwegian krone (NOK). In addition, the Group holds bank accounts denominated in USD. As of the reporting date, the net foreign currency risk reflected in Group's balance sheet (for each of the currencies, in thousands) was as shown above.

A hypothetical strengthening or weakening of the euro, U.S. dollar, British pound, Swiss franc or Norwegian krone relative to the other currencies would, as of December 31, have influenced the valuation of financial instruments denominated in foreign currencies and would have affected the equity account and profit or loss account according. A 10% change in the USD/EUR exchange rate would result in a gain/loss of € 454 thousand (previous year: € 9 thousand), while a 10% change in the CHF/EUR exchange rate would result in a gain/loss of € 30 thousand (previous year: € 21 thousand). This analysis assumes that all other influencing factors, especially interest rates, remain unchanged.

**Lease liabilities in € thousand**

<b>As of Dec. 31, 2025</b>	due within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	<b>Total</b>
Current lease obligations	1,478	-	-	-	-	-	<b>1,478</b>
Non-current lease obligations	-	1,191	1,153	1,044	1,050	3,645	<b>8,082</b>

**Lease liabilities in € thousand**

<b>As of Dec. 31, 2024</b>	due within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	<b>Total</b>
Current lease obligations	1,496	-	-	-	-	-	<b>1,496</b>
Non-current lease obligations	-	1,214	1,147	1,133	1,021	4,582	<b>9,097</b>

**27. Leases**

The Group enters into lease contracts solely as a lessee. These contracts include the Group's leased head offices in Martinsried/Planegg on the outskirts of Munich, leased property, plant and equipment primarily for laboratory purposes, and leased vehicles for certain staff members. For information about the capitalization of right-of-use assets, see Note 17. Interest expenses of € -365 thousand (previous year: € 301 thousand) were incurred during the fiscal year and recognized in the income statement (Consolidated Statement of Comprehensive Income). In addition, administrative expenses during the fiscal year included lease payments for low-value assets not recognized as right-of-use assets with corresponding lease liabilities in the amount of € 18 thousand (previous year: €18 thousand).

The table above provides an overview of the maturities of the Group's lease liabilities.

**Remuneration according to IAS 24.17 in € thousand**

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Short-term benefits	1,872	1,906
Benefits after termination of employment	27	27
Share-based payments	1,157	1,331
<b>Total</b>	<b>3,056</b>	<b>3,264</b>

**28. Transactions with related parties****Key management personnel and members of Supervisory Board**

The Group's key management personnel are the members of the Management Board of Formycon AG. During the reporting period, remuneration to Management Board members was as shown above. In addition, premiums to an retirement bonus program of one of our Management Board member were paid in the amount of € 27 thousand (previous year: € 27 thousand). During the fiscal year, remuneration to members of the Supervisory Board was € 339 thousand (previous year: € 211 thousand).

Beyond regular remuneration, there were no transactions with any member of the Management Board or Supervisory Board during the reporting period or prior-year period.

**Related companies**

Since the acquisition by Athos in 2022 of a shareholding in Formycon AG along with representation on the Supervisory Board, Athos Group companies have been recognized as related companies. Bioeq AG, an entity jointly controlled by Formycon, is likewise recognized as a related company.

During the reporting period, sales revenue in the amount of € 15,809 thousand (previous year: € 34,969 thousand) was recognized with related companies, of which € 5,411 thousand (previous year: € 17,293 thousand) was with jointly controlled Bioeq AG. Out of the Group's total trade receivables on the closing balance sheet, receivables in the amount of € 5,987 thousand (previous year: €

6,049 thousand) were due from related companies. The balance sheet also includes a loan receivable from Bioeq AG in the nominal amount of € 51,079 thousand (previous year: € 66,419 thousand) including accrued interest.

In addition to the sales revenue and trade receivables resulting from these development partnerships, the Group has liabilities relating to conditional purchase price payments to Athos Group companies resulting from the business combination transaction. As of the reporting date, the amount of this recorded liability was € 144,334 thousand (previous year: € 172,929 thousand), while finance income during the fiscal year included € 17,346 thousand (previous year: € 21,088 thousand) arising from the fair value measurement of these obligations. Mr. Klaus Röhrig is a founding partner and Co-Chief Investment Officer of Active Ownership Capital S.à r.l., Luxembourg, which, as part of its ordinary business activities, establishes investment vehicles (e.g., funds) and subsequently invests the assets of these investment vehicles as part of an asset management strategy. During the reporting period, Active Ownership Fund SICAV-FIS SCS subscribed to shares in the Nordic Bond in the amount of € 1,350 thousand. In addition, AT Impf GmbH, a wholly owned subsidiary of Athos KG, subscribed to shares in the Nordic Bond in the amount of € 4,000 thousand in 2025.

Some of these companies had transactions with the Group during the Financial Years. The terms and conditions of such transactions have been at arm's length.

There were no other transactions with related persons or companies during the reporting period.

**Average number of employees (FTE) during the reporting period**

	2025	2024
Research & development	150	176
Business operations	14	12
General & administrative	39	47
<b>Total</b>	<b>203</b>	<b>235</b>

**29. Other information****Remuneration**

During the fiscal year, the members of the Supervisory Board received total remuneration of € 339 thousand (previous year: € 211 thousand),

for employees who transferred to a transfer company. The amount of the provision is based on a payment plan provided by the transfer company.

The term of the residual costs ends in August 2026. Possible changes in the quantity structure

**Consolidated financial statement auditor fees per sec. 314 para. 1 no. 9 of the Commercial Code in € thousand**

	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Audit services	728	626
Other confirmatory services	-	969
Other services	5	5
<b>Total</b>	<b>733</b>	<b>1,600</b>

while total remuneration to members of the Management Board, within the meaning of sec. 315e in connection with section 314 no. 6 of the Commercial Code, was € 3,078 thousand (previous year: € 2,980 thousand), (of which € 465 thousand (previous year: € 587 thousand) was success-based), and including € 1,179 thousand (previous year: € 1,096 thousand) from the granting of a share-based compensation program (2025: 51,188 PSUs; 2024: 22,740 PSUs.)

during the term may affect the final amount of the residual costs. This includes pre-financing of short-time work compensation and associated potential short-time work compensation reimbursements. Payments of residual costs to the transfer company are made via a pledged bank account.

As part of a workforce adjustment, a provision for residual costs of €1,096 thousand was recognized

### **Declaration of compliance**

The declaration of the management on the German Corporate Governance Codex can be found on the homepage at [www.formycon.com](http://www.formycon.com) in the Investor Relations section.

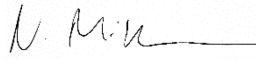
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Martinsried-Planegg, Germany, April 15, 2026

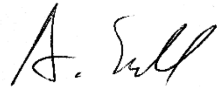
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Dr. Stefan Glombitza



Nicola Mikulcik



Dr. Andreas Seidl



Enno Spillner

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## Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, finances, and operating results of the Formycon AG and the Group, and the combined management report includes a fair view of the development and performance of the business and the position of Formycon AG and the Group, together with a description of the principal opportunities and risks associated with the expected development of Formycon AG and the Group.

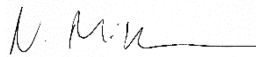
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Martinsried-Planegg, Germany, April 15, 2026

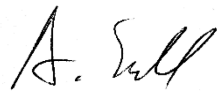
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Dr. Stefan Glombitza



Nicola Mikulcic



Dr. Andreas Seidl



Enno Spillner

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## **Independent Auditor's Report**

To Formycon AG, Planegg-Martinsried

***Report on the Audit of the Consolidated Financial Statements and the Combined Management Report***

**Audit Opinions**

We have audited the consolidated financial statements of Formycon AG, Planegg-Martinsried, and its subsidiaries (the Group)—comprising the consolidated balance sheet as of December 31, 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from January 1 to December 31, 2025, as well as the notes to the consolidated financial statements, including significant information on accounting policies—have been audited. In addition, we have audited the report on the management of the Company and the Group (hereinafter “combined management report”) of Formycon AG for the fiscal year from January 1 to December 31, 2025.

We have not audited the content of the components of the combined management report referred to in the “Other Information” section of our audit opinion in accordance with German legal requirements.

The combined management report contains cross-references marked as unaudited that are not required by law. We have not audited the content of these cross-references or the information to which they refer in accordance with German statutory requirements.

In our opinion, based on the findings of our audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter “IFRS Accounting Standards”), as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB), and, in compliance with these provisions, give a

true and fair view of the Group’s financial position as of December 31, 2025, as well as its financial performance for the fiscal year from January 1 to December 31, 2025, and

- the accompanying condensed management report as a whole presents an appropriate view of the Group’s position. In all material respects, this condensed management report is consistent with the consolidated financial statements, complies with German statutory requirements, and accurately presents the opportunities and risks associated with future development. Our audit opinion on the condensed management report does not cover the content of the components of the condensed management report listed in the “Other Information” section. The condensed management report contains cross-references marked as unaudited that are not required by law. Our audit opinion does not extend to these cross-references or to the information to which the cross-references relate.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

**Basis for the Audit Opinions**

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter “EU Audit Regulation”) and in accordance with the German standards for the audit of financial statements established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in more detail in the section “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements and the Combined Management Report” of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and

German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

### **Key audit matters in the audit of the consolidated financial statements**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1 to December 31, 2025. These matters were taken into account in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not issue a separate audit opinion on these matters.

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### ***The impairment of investments in associates (Bioeq AG)***

For information on the accounting policies and assumptions applied, please refer to Note 6 of the consolidated financial statements. Details regarding the amount of the investment in Bioeq AG and the amount of the impairment charge are provided in Note 19 of the consolidated financial statements. Explanations regarding the economic development of the FYB201 project can be found in the summary management report under the section “Development of Assets, Revenue, and Earnings.”

### ***Risks related to the financial statements***

As of December 31, 2025, the shares in associated companies (Bioeq AG) amount to EUR 135.2 million and, at 18% of total assets, represent a significant portion of the company’s assets.

The Company accounts for its shares in the associate Bioeq AG using the equity method. If there are indications of an impairment of the net investment in Bioeq AG, the Company determines the recoverable amount as of the balance sheet date and compares it with the respective carrying amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell and value in use. The recoverable amount of the net investment is determined based on the higher value in use (of the net investment in Bioeq AG) and is primarily based on the discounted projected cash inflows from the marketing of the product FYB201.

The impairment test for the net investment in Bioeq AG is complex and relies on a number of judgmental assumptions. These include, in particular, the long-term decline rate and the planning horizon as key assumptions for determining the projected sales of the FYB201 product. Likewise, the discount rates used, which are based on term-dependent costs of capital, are subject to judgment.

In fiscal year 2025, competition among biosimilar providers of the FYB201 product in the U.S. increased significantly. In the first quarter, the FYB201 product was withdrawn from the market by the licensing partner in the U.S. and reintroduced at the beginning of 2026 with significant price reductions. This led to an adjustment in volume and margins in the medium-term planning. Against the backdrop of reduced expected future cash inflows due to changed market expectations, the Company recognized impairment losses of EUR 17.9 million on its investments in associates (Bioeq AG) in fiscal year 2025.

There is a risk to the consolidated financial statements that the existing impairment was not recognized in sufficient amount and that the investments in associates are therefore impaired. Furthermore, there is a risk that the related notes to the financial statements are not appropriate.

### ***Our audit approach***

We obtained an understanding of the Company's process for identifying indicators of impairment and determining recoverable amounts through discussions with finance department staff and an assessment of the Group's accounting policies. We analyzed the indicators of impairment identified by the Company and evaluated them based on the information obtained during our audit.

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the Company's key assumptions and calculation methods. To this end, we discussed the expected sales of the FYB201 product with the planning managers. In addition, we performed reconciliations with other internally available forecasts, e.g., for tax purposes, and the budget prepared by the legal representatives, and assessed their internal consistency. The appropriateness of the assumptions was also evaluated against external market assessments.

Furthermore, we verified the Company's historical forecasting accuracy by comparing plans from previous fiscal years with the results actually achieved and analyzing any variances.

We compared the assumptions and data underlying the discount rate, in particular the risk-free interest rate, the market risk premium, and the beta factor, with our own assumptions and publicly available data.

To assess the methodologically and mathematically sound implementation of the valuation method, we reproduced the valuation performed by the company using our own calculations and analyzed any deviations.

To account for existing forecast uncertainty, we also examined the effects of possible changes in the discount rate and expected cash inflows on the recoverable amount by calculating alternative scenarios and comparing them with the Company's valuation results (sensitivity analysis).

Finally, we assessed whether the notes to the financial statements regarding the impairment of the net investment in Bioeq AG are appropriate.

### ***Our conclusions***

The approach underlying the impairment test for the shares in associated companies (Bioeq AG) is appropriate and consistent with the applicable valuation principles. The assumptions and data used by the Company are appropriate. The related notes to the financial statements are appropriate.

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### ***The recoverability of the capitalized development costs for the FYB202 product***

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For the accounting and valuation principles applied, as well as the assumptions used, we refer to Note 6 of the consolidated financial statements. Information on the amount of capitalized development costs for the FYB202 product and the amount of the impairment charge can be found in Note 18 of the consolidated financial statements. Explanations regarding the economic development of the FYB202 project can be found in the summary management report in the section on asset, revenue, and earnings development.

### ***Risk to the financial statements***

As of December 31, 2025, the capitalized development costs for the FYB202 product amount to EUR 306.6 million and, at 41% of total assets, represent a significant portion of the company's assets.

Capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses. Since approval in the fourth quarter of 2024, the Company has been amortizing the capitalized development costs for the FYB202 product on a straight-line basis over its estimated useful life of up to 15 years. If there are indications of an impairment of the capitalized development costs for the FYB202 product, the Company determines the recoverable amount as of the balance sheet date and compares it with the

respective carrying amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell and value in use. The recoverable amount for the FYB202 product was determined based on the higher value in use and is derived from the discounted projected cash inflows from the marketing of the FYB202 product.

The impairment test for the capitalized development costs of the FYB202 product is complex and relies on a number of judgmental assumptions. These include, in particular, the projected sales of the FYB202 product and the planning horizon as key assumptions for the calculation. Similarly, the discount rates used, which are based on term-dependent costs of capital, are subject to judgment.

In the context of negotiations between the commercialization partner Fresenius Kabi AG and U.S. contract partners for the FYB202 product, a competitive market environment with significant price pressure is emerging. This will result in lower growth during the product's launch in the U.S. Against the backdrop of the reduction in expected future market revenues, the Company has recognized impairment losses of EUR 59.6 million on the intangible assets (FYB202).

There is a risk to the consolidated financial statements that the existing impairment was not recognized in a sufficient amount and that the capitalized development costs are therefore impaired. In addition, there is a risk that the related notes to the financial statements are not appropriate.

### ***Our audit approach***

We obtained an understanding of the Company's process for identifying indicators of impairment and determining recoverable amounts through discussions with finance department personnel and an assessment of the Group's accounting policies. We analyzed the indications of impairment identified by the company and, based on the information obtained during our audit, assessed whether there

are any additional indications of impairment not identified by the company.

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the company's key assumptions and calculation method. To this end, we discussed the expected sales of the FYB202 product with those responsible for planning. By reconciling these figures with other internally available forecasts, e.g., for tax purposes, and the budget prepared by the legal representatives, we assessed their internal consistency. The appropriateness of the assumptions was also evaluated against external market assessments.

Furthermore, we verified the Company's historical forecasting accuracy by comparing plans from previous fiscal years with the results actually achieved and analyzing any variances.

We compared the assumptions and data underlying the discount rate, in particular the risk-free interest rate, the market risk premium, and the beta factor, with our own assumptions and publicly available data.

To assess the methodologically and mathematically sound implementation of the valuation method, we reproduced the valuation performed by the company using our own calculations and analyzed any deviations.

To account for existing forecast uncertainty, we also examined the effects of possible changes in the discount rate and expected cash inflows on the recoverable amount by calculating alternative scenarios and comparing them with the Company's valuation results (sensitivity analysis).

Finally, we assessed whether the notes to the financial statements regarding the impairment of the capitalized development costs for the FYB202 product are appropriate.

## ***Our conclusions***

The approach underlying the impairment test for the capitalized development costs for the FYB202 project is appropriate and consistent with valuation principles. The assumptions and data used by the Company are reasonable. The related notes to the financial statements are appropriate.

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### ***Determination of the fair value of the contingent consideration resulting from the business combination to acquire the shares in Bioeq AG (FYB201) and FYB202 Project GmbH***

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For the accounting and valuation principles applied, as well as the assumptions used, we refer to Note 6 of the consolidated financial statements. Information on the amount of financial liabilities can be found in the Notes to the Consolidated Financial Statements under items 22 and 23. Explanations regarding the economic development of the FYB202 project can be found in the summary management report in the section on the development of assets, revenue, and earnings.

### ***Risks related to the financial statements***

The financial liabilities from contingent purchase price payments resulting from the acquisition of shares in Bioeq AG and FYB202 Project GmbH in fiscal year 2022 amount to EUR 144.3 million as of December 31, 2025, and, at 20% of total assets, represent a significant portion of liabilities.

As of the balance sheet date, the Company determines the fair values of the contingent purchase price payments using the discounted cash flow method. The starting point for the calculation is the cash inflows from the rights to the FYB201 and FYB202 products held by the respective subsidiaries and joint ventures, which are determined based on current plans and have a direct impact on the amount of the contingent purchase price payments.

Determining the fair values of the contingent purchase price payments is complex and relies on a number of judgmental assumptions. These include, in particular, the long-term decline rate and the planning horizon as key assumptions for determining the projected revenues of products FYB201 and FYB202. Similarly, the discount rates used, which are based on term-dependent costs of capital, are subject to judgment.

In fiscal year 2025, competitive intensity in the bio-similar market increased significantly in the U.S. for both the FYB201 product (via Bioeq AG) and the FYB202 product. This leads to significant adjustments to the expected price development. Against the backdrop of the reduction in expected sales of the FYB201 and FYB202 products, the Company has reduced the fair values of the financial liabilities related to the contingent purchase price payments by EUR 17.4 million.

There is a risk to the consolidated financial statements that the fair values have not been determined at an appropriate level. In addition, there is a risk that the related notes to the financial statements are not appropriate.

### ***Our audit approach***

We obtained an understanding of the Company's process for determining fair values through discussions with finance department staff and an assessment of the Group's accounting policies.

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the Company's key assumptions and calculation methods. To this end, we discussed the expected sales of the FYB201 and FYB202 products with the planning managers. By reconciling these figures with other internally available forecasts, e.g., for tax purposes, and the budget prepared by the legal representatives, we assessed their internal consistency. The appropriateness of the assumptions was also evaluated against external market assessments. Furthermore, we verified the Company's historical forecasting accuracy by comparing

plans from previous fiscal years with the results actually achieved later and analyzing any variances.

We compared the assumptions and data underlying the discount rate, in particular the risk-free interest rate, the market risk premium, and the beta factor, with our own assumptions and publicly available data.

To assess the methodologically and mathematically sound implementation of the valuation method, we reproduced the valuation performed by the company using our own calculations and analyzed any deviations.

Finally, we assessed whether the disclosures in the notes regarding the description of the valuation technique and the input factors used in determining fair value are appropriate in accordance with IFRS 13.93(d).

### ***Our conclusions***

The calculation method underlying the determination of fair values from contingent purchase price payments is appropriate and consistent with the applicable valuation principles. The assumptions and data used by the Company are appropriate. The related notes to the financial statements are appropriate.

### **Other Information**

The Management Board and the Supervisory Board are responsible for the other information. The other information comprises the following components of the combined management report that have not been audited:

- the combined corporate governance statement of the Company and the Group, which is included in the section “Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB)” of the combined management report, and
- the information contained in the combined management report that is not part of the

management report and is designated as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the information in the combined management report that has been reviewed for content, or our accompanying audit opinion.

Our audit opinions on the consolidated financial statements and the combined management report do not extend to the other information, and accordingly, we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, we have a responsibility to read the other information mentioned above and, in doing so, to assess whether the other information

- is materially inconsistent with the consolidated financial statements, the information in the condensed management report information audited for content of our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibility of the Management Board and the Supervisory Board for the Consolidated Financial Statements and the Summary Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e.,

fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

The auditor's responsibility for the audit of the consolidated financial statements and the combined management report

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 whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the

knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this combined management report.

During the audit, we exercise professional judgment and maintain a critical attitude. In addition,

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the

consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We

describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

### **Other Legal and Regulatory Requirements**

#### ***Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB***

#### **Audit Opinion**

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Formycon\_KA\_Final\_2025.zip" (SHA256-Hashwert: ef2d79d03d73-a98d68fc71676c6db6afb9ad0d5fed0663566d995c348addf846) and made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the

financial year from January 1 to December 31, 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

#### **Basis for the Audit Opinion**

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

#### **Responsibility of the legal representatives and the Supervisory Board for the ESEF documents**

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

### **Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and

complete machine-readable XBRL copy of the XHTML rendering.

### **Other disclosures pursuant to Art. 10 EU-APrVO**

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on June 18, 2025. We were engaged by the Audit Committee on January 16, 2026. We have been the group auditor of the consolidated financial statements of Formycon AG since the 2022 fiscal year, including two fiscal years during which the company continuously met the definition of a public-interest entity within the meaning of Section 316a, sentence 2 of the German Commercial Code (HGB).

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the audit of the financial statements for the Company and its controlled entities, we performed the following services, which were not disclosed in the consolidated financial statements or in the combined management report:

In addition to the consolidated financial statements, we audited the annual financial statements together with the combined management report of Formycon AG, performed a review of interim financial statements, and conducted the statutory audit of a subsidiary. The other services relate to access to general market data.

### ***Other Matters – Use of the Auditor's Report***

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not

take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

***Auditor in Charge***

The German Public Auditor responsible for the engagement is Rainer Rupprecht.

Munich, April 21, 2026

**KPMG AG**

Auditing Firm

Rainer Rupprecht  
Auditor

Damir Ratkovic  
Auditor

## Imprint

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