Medquímica Indústria Farmacêutica Ltda.

Financial statements
March 31, 2025 and 2024

KPMG Auditores Independentes Ltda.
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Independent auditors' report on the financial statements

To the Shareholders and Directors of

Medquímica Indústria Farmacêutica Ltda.

Juiz de Fora – MG

Opinion

We have audited the financial statements of Medquímica Indústria Farmacêutica Ltda. ("Company"), which comprise the balance sheet as of March 31, 2025, and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Medquímica Indústria Farmacêutica Ltda. as of March 31, 2025, and its financial performance and its cash flows for the year then ended, in accordance with Brazilian accounting policies.

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Brazilian accounting practices, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence items obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

Belo Horizonte, July 15, 2025

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG

Aglaenne Flávia da Rosa
Accountant CRC MG-105187/O-4

Medquímica Indústria Farmacêutica Ltda.

Balance sheets as of March 31, 2025 and 2024

(In thousands of real)

Assets	**Note**	**31/03/2025**	**31/03/2024**	**Liabilities**	**Note**	**31/03/2025**	**31/03/2024**
Cash and cash equivalents	7	378	23,016	Trade payables	14	73,674	63,964
Trade receivables	8	79,547	77,783	Loans and financing	15	282,827	254,806
Inventories	9	86,619	66,807	Leasing		2,002	1,771
Recoverable taxes	10	1,160	1,144	Tax liabilities	16	9,723	10,206
Income and social contribution taxes to offset	10	10,001	10,640	Payroll and social charges	17	5,872	8,022
Prepaid expenses		992	1,732	Other liabilities	18	1,889	1,804
Other assets	11	1,043	1,040				
Current assets		**179,740**	**182,162**	**Current liabilities**		**375,987**	**340,573**
				Loans and financing	15	126,592	84,935
				Arrendamento Mercantil		1,283	1,943
				Taxes payable	16	398	708
Other	11	424	549	Deferred tax liabilities	29	2,949	4,566
				Provision for contingencies	19	758	832
Total non-current assets		**424**	**549**				
				Non-current liabilities		**131,980**	**92,984**
Property, Plant and Equipment	12	72,233	69,536				
Right-of-use		1,608	4,405				
Intangible assets	13	67,721	102,778	**Equity**	20		
				Share capital		269,738	269,738
Non-current assets		**141,986**	**177,268**	Accumulated losses		(455,979)	(343,865)
				Total equity		**(186,241)**	**(74,127)**
Total assets		**321,726**	**359,430**	**Total equity and liabilities**		**321,726**	**359,430**

The notes are an integral part of these financial statements.

Medquímica Indústria Famacêutica Ltda.

Statements of profit or loss

Years ended March 31, 2025 and 2024

(In thousands of real)

	Note	31/03/2025	31/03/2024
Net revenue	22	235,065	252,380
Cost of sales	23	(184,428)	(201,107)
Gross profit		**50,637**	**51,273**
Selling expenses	24	(35,808)	(40,864)
Expected impairment losses on trade and other receivables	24	(11,327)	(12,431)
Administrative expenses	25	(63,600)	(60,121)
Other revenues (expenses), net	26	480	1,412
Profit (loss) before net finance income (costs) and taxes		**(59,617)**	**(60,732)**
Finance income		3,200	625
Finance costs		(31,738)	(34,459)
Exchange rate gains (losses), net		(25,577)	7,663
Net finance income (costs)	27	**(54,114)**	**(26,171)**
Profit before income taxes		**(113,731)**	**(86,902)**
Deferred income and social contribution taxes	29	1,617	1,618
Income and social contribution taxes		**1,617**	**1,618**
Loss for the year		**(112,114)**	**(85,284)**

The notes are an integral part of these financial statements.

Medquímica Indústria Famacêutica Ltda.

Condensed statements of comprehensive income

Years ended March 31, 2025 and 2024

(In thousands of real)

	31/03/2025	31/03/2024
Profit or loss for the year	**(112,114)**	**(85,284)**
Other comprehensive income for the year	-	-
Comprehensive income for the year	**(112,114)**	**(85,284)**

The notes are an integral part of these financial statements.

Medquímica Indústria Famacêutica Ltda.

Statements of changes in equity

Years ended March 31, 2025 and 2024

(In thousands of real)

	Capital social	Losses Accumulated	Total patrimony liquid
Balance as of March 31, 2023	**269,738**	**(258,581)**	**11,157**
Loss for the year	-	(85,284)	(85,284)
Balance as of March 31, 2024	**269,738**	**(343,865)**	**(74,127)**
Loss for the year	-	(112,114)	(112,114)
Balance as of March 31, 2025	**269,738**	**(455,979)**	**(186,241)**

The notes are an integral part of these financial statements.

Medquímica Indústria Farmacêutica Ltda.

Statements of cash flows

Years ended March 31, 2025 and 2024

(In thousands of real)

	Note	31/03/2025	31/03/2024
Cash flows from operating activities			
Loss for the year		(112,114)	(85,284)
Adjustments for:			
Depreciation and amortization		17,343	15,352
Allowance for impairment loss on loans	8	11,327	12,431
Write-down/Reversal of inventories (obsolescence)	9	(13,963)	7,769
Provision for bonuses	18	1,861	1,761
Recognition (Reversal) of contingencies	19	(74)	(433)
Derivative financial instruments	27	-	3,659
Provisions for returns		93	(972)
Write-off of property, plant and equipment and other provisions		4,460	1,873
Impairment of assets		26,313	-
Current and deferred income and social contribution taxes	29	(1,617)	(1,618)
Accrued interest and foreign exchange loss on loans	15	48,969	7,178
		(17,402)	**(38,284)**
Changes in:			
Trade receivables		(13,182)	15,398
Inventories		(5,849)	(1,363)
Recoverable taxes		623	(761)
Other prepaid assets and expenses		862	(413)
Trade payables		9,710	19,016
Tax liabilities		(793)	(883)
Social security liabilities		(2,150)	210
Other liabilities		(1,776)	(6,161)
Cash used in operating activities		**(29,957)**	**(13,240)**
Interest paid on loans and financing	15	(30,455)	(6,938)
Net cash flow used in operating activities		**(60,412)**	**(20,178)**
Cash flows from investing activities			
Redeem financial investments		-	2,834
Acquisition of property plant and equipment		(11,790)	(2,419)
Acquisition of intangible assets		(81)	(1,965)
Net cash used in investing activities		**(11,871)**	**(1,549)**
Cash flows from financing activities			
Proceeds from loans	15	56,164	179,840
Repayment of loans and financing	15	(5,000)	(127,021)
Lease payment		(1,519)	(1,116)
Derivative losses		-	(12,907)
Net cash from financing activities		**49,645**	**38,797**
(Decrease) Net increase in cash and cash equivalents		**(22,638)**	**17,069**
Cash and cash equivalents at beginning of year		23,016	5,947
Cash and cash equivalents at end of year		378	23,016
(Decrease) Net increase in cash and cash equivalents		**(22,638)**	**17,069**

The notes are an integral part of these financial statements.

Notes to the financial statements

(In thousands of real)

1 Operations

Medquímica Indústria Farmacêutica Ltda. ("Medquímica" or "Company"), a limited liability company located in the municipality of Juiz de Fora - Minas Gerais, is a pharmaceutical company with more than 40 years of history. On June 23, 2015, it became part of Lupin Group, a global pharmaceutical company specialized in the production of active ingredients, generic and similar drugs, specialty products and biotechnology. Headquartered in Mumbai, India, Lupin is present in major markets around the world.

In the year ended March 31, 2025, the Company had losses recognized in the year in the amount of R$112,114 (R$85,284 as of March 31, 2024) and its current liabilities exceed current assets by the amount of R$196,247 (R$158,411 as of March 31, 2024). The Company also reported negative cash flows in the amount of R$60,412 as of March 31, 2025 (R$20,178 as of March 31, 2024).

The Company is taking a range of strategic measures to reverse the losses caused by the transaction, reduce liquidity risk and improve working capital management, among which:

(1) Improved cost management;

(2) Development of effective sales strategies and introduction of products with greater profitability;

(3) Improvement in the plant's process control procedures;

(4) Improved production efficiency and reviewed processes;

(5) Pursuit of improvements in commercial contracts to gain margins with distributors and customers; and

(6) Obtaining additional sources of finance from external creditors and related parties.

(7) With the evaluation carried out to validate the production process within the quality standards of medicines and continuity of the operation necessary to meet the requirements of the Sanitary Surveillance (ANVISA), the need to stop some products out of specification was identified. Actions such as physical inventory of inventories, increase in the impairment loss on inventories and factory remediation plan were carried out to ensure more accurate and accurate financial information.

Management considers that accumulated losses are due to the current portfolio of products, which has a low profitability rate, the need for manufacturing investments and the inconsistencies found in quality standards, as mentioned before. Medquímica, together with the headquarters, outlined a plan for manufacturing remediation, development of new products, and possible acquisitions, within the next five years to help in the organic and sustainable growth of the Company's profitability. All accounting effects arising from a change in strategy are duly reflected on the financial statements.

Lupin Group provides the funds required for the Company to continue as a going concern. Therefore, these financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments arising from this matter.

2 Basis of preparation

Statement of Compliance (with CPC standards)
The financial statements have been prepared in accordance with accounting policies adopted in Brazil (BRGAAP).

The issuance of the financial statements was authorized by management on July 15, 2025.

Details about the Company's material accounting policies are described in note six.

All significant information characteristic of financial statements, and only that information, is being shown and is that used by management to run the Company.

3 Functional and presentation currency

These financial statements are presented in real, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of estimates and judgments

The preparation of the financial statements in accordance with CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Reviews of accounting estimates are recognized in the year in which estimates are reviewed and in any future years affected.

Information on uncertainties about assumptions and estimates with a significant risk of resulting in material adjustment in the following fiscal year is included in the notes below:

i. **Note 8 – Trade receivables -** measurement of the ECL allowance for trade receivables that requires judgment and estimates, including the history of losses and future expectations.

ii. **Note 8 – Provision for returns:** estimate of expected sales returns and reversals of revenue.

iii. **Note 9** – **Inventories** – measurement of inventories with likelihood of loss due to maturity or possible problems of non-compliance or issues related to inventory turnover, as well as the assessment of losses arising from the valuation of the net realizable value of inventories.

iv. **Note 12 - Property, plant and equipment -** impairment test of property, plant and equipment: main assumptions for impairment testing, such as sales projections, costs and expenses, discount rates, etc.;

v. **Note 12 - Property, plant** and equipment – useful lives of assets and depreciation estimates: assumptions related to determining the useful lives of property, plant and equipment;

vi. **Note 13 – Intangible assets -** impairment test of intangible assets and goodwill on expected future profitability: main assumptions for the impairment test such as sales forecasts, costs and expenses, discount rates, etc.;

vii. **Note 13** – **Intangible assets** – useful lives of assets and amortization estimates: assumptions related to determining the useful life of intangible assets for which there is a defined useful life; and

viii. **Note 19** – **Provision for contingencies -** recognition and measurement of provisions and contingencies: main assumptions about the likelihood and size of outflows; and

5 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items measured at fair value: derivative financial instruments.

6 Material accounting policies

a. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date.
Foreign currency differences arising on re-translation are generally recognized in profit or loss.

b. Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions 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, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; to Fair Value through Other Comprehensive Income (FVOCI) - debt investment; - Equity instrument; or fair value through profit or loss (FVTPL).

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

-it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

-its contractual terms 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 measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL

-it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Company did not have investments in equity instruments as of March 31, 2025 and 2024.

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. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include 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 the performance of the portfolio is evaluated and reported to the Company'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, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

Where applicable, for the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, Empesa considers:

-contingent events that would change the amount or timing of cash flows;

-terms that may adjust the contractual coupon rate, including variable-rate features;

-prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at recognition initial.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. Derivatives designated as *hedging* instruments are not designated as *cash flow* hedges.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(ii) Derecognition

Financial assets
The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset; and It also does not retain control over the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, financial assets are not derecognized.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its 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.

On 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.

(iii) Offsetting
Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

c. Property, Plant and Equipment

(i) Recognition and measurement
Items of property, plant and equipment are measured at the historical cost of acquisition or construction, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenses directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor;

- any other costs directly attributable to bringing the assets to a working condition for their intended use;

Acquired *software* that is integral to the functionality of the related equipment is capitalized as part of that equipment.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term or the estimated useful life of the asset, unless it is reasonably certain that the Company will acquire ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Buildings	33 – 46 years old
Machinery and equipment	20 years
Vehicles	5 years
Computers and peripherals	5-10 years
Furniture and fixtures	10 years
Industrial facilities	5-10 years
Commercial facilities	10 years
Tools	10 years

d. Intangible assets

Agio

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization

Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Software	5 years
Distributor relationships	13 years
ANVISA (Brazilian Health Surveillance Agency)	
Records	12 years
Brands	10 years

Non-competition agreement	5 years
Goodwill paid for future profitability	Undefined

e. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average costing principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated expenses required to make the sale.

The storeroom inventory has replacement and maintenance materials that are available for immediate consumption regardless of the turnover, which can be higher than 12 months in certain strategic situations.

f. Impairment

Non-derivative financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- 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.

Loss allowances for trade receivables are measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

- the financial asset is more than 180 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer;

- a breach of contract such as a default or being more than 90 days past due;

– restructuring of an amount due to the Company on terms that the Company would not consider otherwise; or

- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of allowance for ECL in the balance sheet
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Low
The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has the policy of writing off the gross carrying amount when the financial asset has been overdue for 180 days according to historical experience of recoveries of similar assets, and also recognizes an allowance for impairment on other possible collection successes.

(iv) Non-financial assets
At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

g. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is possible that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Finance costs are charged to profit or loss as incurred.

h. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in CPC 06(R2).

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their stand-alone prices. However, when applicable, for the leases of property the Company chooses not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. 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 at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset, restoring the place where it is located or restoring the underlying asset to the condition required by the lease terms and conditions, 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 by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by the lessee under a residual value guarantee; and

– the exercise price under a purchase option that the lessee is reasonably certain to exercise and penalties for early termination of a lease if the lessee exercises a termination option

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 amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in "Right of use" and lease liabilities in "Leases" in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases as lessor

As of March 31, 2025, the Company did not have lease agreements for assets to third parties.

i. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Income	**Nature and time of the Discharge of obligations performance, including Payment terms Significant**	**Revenue recognition**
Sales of goods	For customers with CIF freight, they obtain control of the products when they are dispatched from the Customer' s warehouse and the proof of receipt is shown, either the invoice stub or email confirming receipt. Customers with FOB freight have control of the product from the shipment of the company's merchandise by the customer's carrier.	Revenue and associated costs are recognized at a point in time. For sales whose freight is under the responsibility of the buyer, revenues are recognized when the products are picked up by clients, while for those for which the freight is under the responsibility of the Company, revenues are recognized at the moment when the products are delivered to the clients, which in both cases is when the performance obligation is fulfilled with the client's clients with the transfer of risks and associated benefits to the products sold.

The Company follows the practice of promoting marketing campaigns for certain products at points of sale, whose classification in the financial statements consists of the deduction of the Company's revenues.

j. Finance income and finance costs

Finance income includes interest income on financial investments and changes in the fair value of financial assets measured at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and other expenses related to banking transactions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

k. Income and social contribution taxes

Current and deferred income and social contribution taxes are calculated at the following rates Limited to 30% of taxable profit.
Income and social contribution tax expenses consist of current and deferred income taxes. Current tax and deferred tax is recognized in profit or loss, except to the extent that it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current and deferred income tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that the provision for income tax accrued in liabilities is adequate for all outstanding tax periods according to its evaluation of several factors, including interpretations of tax laws and past experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; Such changes to tax liabilities will impact income tax expense in the period that such a determination is made.

Deferred tax assets should be recognized to recognize unused tax losses and credits to the extent that it is probable that future taxable profits will be available against which unused tax losses and tax credits can be utilized. The criteria for recognizing unused deferred tax assets arising from unused tax losses and tax credits are the same as those for recognizing deferred tax assets arising from deductible temporary differences.

As of March 31, 2025 and 2024, respectively, the Company did not recognize deferred tax assets on unused temporary differences and tax losses, given the successive tax losses reported over the past two years, and also on the fact that at this moment there is no convincing evidence about when the Company will generate sufficient future taxable profit to offset it in the future.

l. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction on the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.
A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, The financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

m. Government grant

The Company benefits (investment grant) granted by the State Treasury of Minas Gerais that reduce the rate and defer the ICMS due on the import of goods and production input. Considering the losses accumulated in transactions over the past years, no reserve is recognized for subsidies.

n. Changes in substantive accounting policies and new pronouncements and interpretations

A number of new accounting standards are effective for annual periods beginning after January 1, 2025. The Company has not adopted the following accounting standards in preparing these financial statements.

The. IFRS 18 Presentation and Disclosure of Financial Statements

- Entities are required to classify all income and expenses and five categories in the statement of profit and loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. The profit of the entities will not change.
- Key performance measures defined by management (MPMs) are disclosed in a single note to the financial statements.
- Improved guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the subtotal of operating profit as the starting point for the statement of cash flows when presenting operating cash flows using the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including items currently labelled as 'other'.

B. Other accounting standards
The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- Lack of Convertibility (Amendments to CPC 02/IAS 21);
- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

7 Cash and cash equivalents

	31/03/2025	**31/03/2024**
Cash and banks	378	23.016
	378	**23.016**

As of March 31, 2025 and 2024, the Company did not have balances of financial investments classified as cash and cash equivalents.

8 Trade receivables

	31/03/2025	**31/03/2024**
Trade receivables	101.373	95.064
(-) Expected impairment losses on trade and other receivables	(20.914)	(16.458)
(-) Provision for sales returns (a)	(912)	(823)
	79.547	**77.783**

(a) Provision for expected sales returns that cause a reduction in revenue.

The aging schedule of trade receivables is as follows:

Breakdown by maturity	**31/03/2025**	**31/03/2024**
Falling due	74.335	66.238
Overdue from 0 to 30 days	3.776	2.076
Overdue from 31 to 90 days	1.706	6.320
Overdue from 91 to 120 days	301	2.380
Overdue from 121 to 180 days	671	4.140
Overdue for more than 181 days	20.584	13.910
	101.373	**95.064**

According to historical analyses and an individual analysis of overdue trade receivables, the Company understands that trade receivables overdue for more than 180 days should be provided for as losses. The Company reviews its loss forecast, considering renegotiated amounts, assiduity and the history of payments.

Changes in the allowance for impairment loss on trade and other receivables are shown below:

Changes in the ECL allowance	**31/03/2025**	**31/03/2024**

Opening balance	**(16.458)**	**(9.035)**
Additions	(11.327)	(12.431)
Low	6.871	4.764
Rollbacks	-	244
Closing balance	**(20.914)**	**(16.458)**

The Company's exposure to credit risks and impairment losses on trade receivables (expected loss) is disclosed in note 28.

9 Inventories

The breakdown of inventories is presented in the table below:

	31/03/2025	31/03/2024
Finished goods	40.324	33.223
Work in progress	4.886	5.437
Raw material	32.308	30.356
Packaging material	6.377	9.368
Stores and other inventories	5.406	5.068
Estimated inventory losses (a)	(2.682)	(16.645)
	86.619	**66.807**

(a) Decrease in the allowance for inventory losses after the stabilization of the manufacturing process, which did not meet standards, confirmed by a positive result validated by an ANVISA (Brazilian Sanitary Surveillance Agency).

The impairment loss on inventories takes into account the following assumptions: (i) inventory items that have not changed for more than 180 days, (ii) overdue items, (iii) obsolete items and (iv) raw material and finished goods falling due within 12 months 100% are provided for and over 12 months 60% is provided for for those that do not have commercial demand.

Changes in the allowance for impairment losses on inventories:

Balance as of March 31, 2023	**8.875**
Provisions	7.769
Balance as of March 31, 2024	**16.645**
Rollbacks	(13.963)
Balance as of March 31, 2025	**2.682**

10 Recoverable taxes and income and social contribution taxes to offset

	31/03/2025	31/03/2024
IPI (Federal VAT)	624	778
ICMS (State VAT)	166	147
Other recoverable taxes	370	219
Indirect taxes	**1.160**	**1.144**
Income and social contribution taxes to offset (a)	10.001	10.640
Direct taxes	**10.001**	**10.640**
	11.161	**11.784**

(a) Income and social contribution taxes to offset Income and social contribution taxes originate from taxes withheld on financial transactions, loans and improperly assessed payments. This amount will be offset against other balances of federal taxes and charges, including payroll.

11 Other assets

	31/03/2025	31/03/2024
Court deposit	424	549
Advance to suppliers (a)	1.043	1.032
Other receivables	-	8
	1.467	**1.588**
Current	1.043	1.040
Non-current	424	549

(a) Advances to suppliers of raw materials and inputs.

12 Property, Plant and Equipment

	31/03/2024	Additions	Transfers	Low	Depreciation	31/03/2025
Land and buildings	40.535	-	134	-	(806)	39.863
Machinery and equipment	27.414	-	887	(323)	(4.030)	23.948
Computers and peripherals	748	-	161	(1)	(227)	681
Furniture and fixtures	329	-	-	(2)	(98)	229
Construction in progress	513	6.568	(1.263)	-	-	5.818
Advances to suppliers*	(3)	5.303	-	(3.605)	-	1.695
Total	**69.536**	**11.871**	**81**	**(3.930)**	**(5.161)**	**72.233**

**The amount in the write-off column consists of an advance made to a supplier.*

	31/03/2023	Additions	Transfers	Low	Depreciation	31/03/2024
Land and buildings	40.148	-	1.178	-	(791)	40.535
Machinery and equipment	23.370	-	8.183	(102)	(4.037)	27.414
Computers and peripherals	485	-	509	(14)	(233)	748
Furniture and fixtures	408	-	-	(14)	(65)	329
Improvements prop. third party	12	-	-	(12)	-	-
Construction in progress*	9.078	3.943	(11.835)	(673)	-	513
Advances to suppliers*	377	440	-	(820)	-	(3)
Total	**73.878**	**4.384**	**(1.965)**	**(1.635)**	**(5.126)**	**69.536**

**The amount in the write-off column consists of an advance made to a supplier.*

Cost and accumulated depreciation

The total cost of property, plant and equipment is R$119,575 and accumulated depreciation is R$47,342 as of March 31, 2025 (R$112,270 and R$42,734 as of March 31, 2024, respectively).

Useful life and residual value

The Company did not find wear and tear, unexpected material breakage, technological obsolescence or changes in market prices that would indicate that the residual values or useful lives of assets would require change in the last year.

Impairment testing

The Company tested its assets, including property, plant and equipment, for impairment. Considerations about the impairment test and its assumptions are available in note 13.

Guarantees

As of March 31, 2025, the Company's assets were not linked to loan and financing guarantees.

Construction in progress

As of March 31, 2025, property, plant and equipment in progress consist of operational improvements and improvements in the Company's manufacturing plant and acquisition of machinery and equipment.

13 Intangible assets

	31/03/2024	Transfers (b)	Amortization	Write-offs (c)	31/03/2025
Trademarks/Licenses	23.894	-	(33)	-	23.862
Software	4.250	81	(2.695)	-	1.636
Goodwill paid for future profitability	61.733	-	-	(26.313)	35.420
Non-Competition Agreement Dist.	1.343	-	(2.549)	-	(1.206)
ANVISA Registrations (a)	11.558	-	(3.549)	-	8.009
Total	**102.778**	**81**	**(8.825)**	**(26,313)**	**67.721**

(a) Records of products at the National Health Surveillance Agency - ANVISA valued in the fair value allocation report on acquisition by Lupin.
(b) Transfer of the acquisition of new items from property and equipment to intangible assets.
(c) In compliance with CPC 01 (R1), the Company tested intangible assets with indefinite useful lives for impairment due to changes in future cash flow projections. Applying the discounted cash flow methodology, the Company found that the book values of certain assets exceeded their recoverable value, causing the recognition of impairment loss in the amount of R$26,313.

	31/03/2023	Transfers (b)	Amortization	31/03/2024
Trademarks/Licenses	23.793	559	(458)	23.894
Software	4.669	2.217	(2.636)	4.250
Goodwill paid for future profitability	61.733	-	-	61.733
Non-Competition Agreement Dist.	4.923	(1.460)	(2.120)	1.343
ANVISA Registrations (a)	14.461	649	(3.552)	11.558
Total	**109.579**	**1.965**	**(8.766)**	**102.778**

(d) Records of products at the National Health Surveillance Agency - ANVISA valued in the fair value allocation report on acquisition by Lupin.
(e) Transfer of the acquisition of new items from property and equipment to intangible assets.

Intangible cost and accumulated amortization

The total cost of intangible assets is R$182,445 and accumulated amortization is R$114,724 as of March 31, 2025 (R$182,364 and R$79,586 as of March 31, 2024, respectively).

Impairment testing

The Company tested its assets, including property, plant and equipment, for impairment. The results of which showed impairment loss to be recognized in the balance sheet.

Goodwill refers to the merger and consists of goodwill paid on the acquisition of an investment transferred to the Company, according to a valuation report issued on December 14, 2015.

The Company tested *goodwill*, other intangible assets and property, plant and equipment for impairment. The valuation resulted in a loss and led to the following assumptions:

(i) Cash flow determined in real, which is the Company's functional currency
(ii) Assumptions about deadlines for the projected 10-year flow. The term of the projected cash flows is higher than five years because the useful lives of licenses and other significant assets are equivalent to or higher than 10 years.
(iii) Future sales expectations based on regular product lines and new product lines – e.g. Central Nervous System (CNS) products and therapeutic lines.
(iv) Launch of new products and increase *in market share* in the Brazilian market
(v) Expectations for operating costs based on estimated margins
(vi) Expectations regarding operating expenses, which include *marketing*, selling, administrative and other expenses that may have an impact on the results of operations
(vii) Estimated amortization depreciation for future periods
(viii) Estimates of 4% of property, plant and equipment related to maintenance expenses (CAPEX)
(ix) The effects of applicable income and social contribution taxes were also estimated according to the combined rate of 23.8%
(x) The perpetuity growth rate is 3%
(xi) The average growth rate of EBTIDA is 22.84%
(xii) The flows also included adjustments for estimated working capital
Discount rate calculated according to the weighted average cost of capital (WACC) equivalent to 21.4%

The value in use calculated by the Company exceeded the book value of tested items by the amount of R$26.LIFE 313.

14 Trade payables

	31/03/2025	31/03/2024
Domestic trade payables	10.307	16.737
Trade payables Forfaiting drawee's risk (a)	1.789	1.604
Foreign trade payables (b)	46.087	34.871
Provisions for the payment of suppliers (c)	15.492	10.752
	73.674	**63.964**

(a) The Company *forfaits* (drawee risk) and assigns receivables to a local supplier of raw materials, whose current liabilities are recognized as Suppliers, with an average term of 120 days and an average rate of 1.50%/am, on behalf of the supplier. There is no effect on Medquímica.

(b) Includes transactions with parties related to the acquisition of raw material. Additional disclosures about related party transactions are included in note 21.

(c) Provision for payments to suppliers to whom services have been rendered and/or merchandise and goods delivered and whose documentation (invoice) has not yet been received by the Company that has more than 100% of inventories in transit with related parties.

15 Loans and financing

Current liabilities	**31/03/2025**	**31/03/2024**
Working capital loans	282.827	254.806
	282.827	**254.806**
Non-current liabilities		
Working capital loan	126.592	84.935
	126.592	**84.935**
Total	**409,419**	**339.741**

For further information on the Company's exposure to interest rate and foreign currency risks see note 28.

Balance as of March 31, 2023	**286.682**
Proceeds from loans and financing	179.840
Net monetary and foreign exchange gains and losses	(6.012)
Finance charges provided for	13.190
Finance charges paid	(6.938)
Principal repaid	(127.021)
Balance as of March 31, 2024	**339.741**
Proceeds from loans and financing	56.164
Net monetary and foreign exchange gains and losses	19.430
Finance charges provided for	29.539
Finance charges paid	(30.45 5)
Principal repaid	(5.000)
Balance as of March 31, 2025	**409,419**

Additional disclosures about related party transactions in note 21.

a. Guarantees

The Company has loans and financing secured by shareholders through Lupin Global.

b. Fulfillment of *covenants*

The Company has bank loans with a covenant whereby a term signed by the Bank's representatives must be sent to the bank every quarter, showing that they have no outstanding items with the Bank. In addition to the term, it is also necessary to submit the audited financial statements or balance sheet signed by the Company's accountant if they are not audited, otherwise the loan becomes immediately due.

c. Debt repayment terms and schedule

The statement below provides information about the debt settlement schedule based on the contractual terms of the loans and financing recognized as of March 31, 2025 and 2024, which are measured at amortized cost.

As of March 31, 2025:

Debt	Warranty	Coin	Nominal interest rate	Year of maturity	Carrying value
Banco Citibank S.A.	Shareholders	BRL	12,70%	2025	95.407
Banco Mufg Brasil S.A. - 1	Shareholders	BRL	2,05%	2025	36.294
Banco Mufg Brasil S.A. - 2	Shareholders	BRL	2,05%	2025	17.789
Banco Mufg Brasil S.A. – 3	Shareholders	BRL	2,05%	2025	63.536
Related Party – Nanomi	Shareholders	USD	4,00%	2028	46.202
RELATED PARTY – LAHSA – 1	Shareholders	USD	4,50%	2025	40,443
RELATED PARTY – LAHSA – 2	Shareholders	USD	4,50%	2025	29.358
RELATED PARTY – LAHSA – 3	Shareholders	USD	4,50%	2027	28.711
RELATED PARTY – LAHSA – 4	Shareholders	USD	4,50%	2027	22.969
RELATED PARTY – LAHSA - 5	Shareholders	USD	4,50%	2027	5.742
RELATED PARTY – LAHSA - 6	Shareholders	USD	4,50%	2027	5.742
RELATED PARTY – LAHSA - 7	Shareholders	USD	4,50%	2028	8.613
RELATED PARTY – LAHSA - 8	Shareholders	USD	4,50%	2028	8.613
				Total loans and financing	**409,419**

Flow of payments

In R$ thousand

Payments due between 2025 and March 2026	282,827
Payments due between April 2026 and 2028	126.592
Total	**409,419**

As of March 31, 2024:

Debt	Warranty	Coin	Nominal interest rate	Year of maturity	Carrying value
Citibank	Shareholders	BRL	14,30%	2024	95.761
MUFG Brazil 3	Shareholders	BRL	2,15%	2024	64.450
Nanomi	Shareholders	USD	4,00%	2025	39.970
MUFG Brazil 1	Shareholders	BRL	2,15%	2024	36,357
Lahsa 1	Shareholders	USD	3,75%	2025	35.185
Lahsa 2	Shareholders	USD	4,50%	2027	25.145
Lahsa 3	Shareholders	USD	3,75%	2025	25.054
MUFG Brazil 3	Shareholders	BRL	2,15%	2024	17.820
				Total loans and financing	**339.741**

Flow of payments

In R$ thousand

Payments due between 2024 and March 2025	254.806
Payments due between April 2025 and 2027	84.935
Total	**339.741**

16 Tax liabilities

	31/03/2025	**31/03/2024**
PIS (Contribution to the Social Integration Program) and COFINS (a)	8.015	8.186
ICMS payable	1.374	1.712
Tax debt installments	637	953
IRRF (Withholding Income Tax)	9	11

Other tax liabilities	87	53
	10.121	**10.915**
Current	9.723	10.206
Non-current	398	708

(a) Amounts waiting for the offsetting at the Brazilian Federal Revenue Service to be granted.

17 Payroll and social charges

	31/03/2025	31/03/2024
Provision for vacation pay and Christmas bonus	4.221	4.346
INSS (Social Security Contribution) (a)	1.003	2.752
FGTS	243	474
Other payroll and related charges	405	450
	5.872	**8.022**

(a) Amounts waiting for the offsetting at the Brazilian Federal Revenue Service to be granted.

18 Other liabilities

	31/03/2025	31/03/2024
Customer advances	1	5
Provision for bonuses (a)	1.888	1.799
	1.889	**1.804**

(a) Provision for bonus and profit sharing to the Company's employees and directors.

19 Provision for contingencies

The Company is a party to lawsuits and administrative proceedings incidental to its business filed at court and government agencies, regarding labor and tax lawsuits.

The Company has accrued provisions for administrative proceedings and litigation whose obligation is expected to be present at the reporting date.

Probable lawsuits recognized as provision for litigation, mainly labor lawsuits, total R$758 as of March 31, 2025 (R$832 as of March 31, 2024).

Balance as of March 31, 2023	**1.264**
Provisions	260
Reversion	(693)
Balance as of March 31, 2024	**832**
Provisions	557
Reversion	(631)
Balance as of March 31, 2025	**758**

As of March 31, 2025, judicial and administrative civil, tax and labor lawsuits whose unfavorable outcome is considered possible and for which no provision was accrued, total R$18,681 (R$23,709 as of March 31, 2024). Of these, R$16,559 as of March 31, 2025 consists of tax cases consisting of assessments of tax deficiency assessed to verify the correct application of the PIS and COFINS rate reduction to zero on imports (R$16,559 as of March 31, 2024).

20 Equity

a. Share capital

As of March 31, 2025 and 2024, share capital, fully subscribed to and paid-in, in Brazilian currency, was R$269,738, divided into 269,738,261 shares with a par value of R$1.00 each. The Company's shares are fully held by the Lupin Group.

b. Tax benefit

The Company benefits (investment grant) granted by the State of Minas Gerais Finance Department that reduce the rate and defer the ICMS due on the import of goods and production input. Considering the losses accumulated in transactions over the past years, no reserve is recognized for subsidies.

21 Related parties

Transactions between related parties are carried out under the conditions agreed upon by the parties. Outstanding balances and transactions that had an impact on revenues, costs and expenses on profit or loss are as follows:

	Balance sheet Asset	**Balance sheet Asset**
	31/03/2025	**31/03/2024**
Trade payables (b)	36.530	28.375
Loans obtained from shareholders (a)	196.394	125.353
	(232.924)	**153.728**
	Result	**Result**
	31/03/2025	**31/03/2024**
Related party advisory and services	(3.968)	(4.942)
Licenses & Technical Support	(784)	(834)
Interest and exchange rate fluctuations, net	(6.748)	1.524
	(11.500)	**(4.252)**

Related party transactions consist of:

(a) Loans obtained from partners in foreign currency and entered into under agreements that include the principal and annual interest of 4.00% and 4.50%. They are expected to mature by 2028. For further details, see footnote 15.

(b) Balance of trade and other payables in the amount of R$36,530, mainly related to the purchase of merchandise and input.

Key Management personnel compensation

Key management compensation totaled R$6,124 in the period from April 1, 2024 to March 31, 2025 (R$5,999 as of March 31, 2024). This amount includes salaries and charges, profit sharing, benefits and termination benefits for the Company's main executives.

22 Income

	31/03/2025	**31/03/2024**
Gross income	264.073	295.277
(-) Returns and discounts	(10.046)	(10.114)
(-) Revenue recognition "cut off" (b)	4.991	(5.251)
(-) Taxes on sales (a)	(23.953)	(27.532)
Net revenue	**235.065**	**252.380**

(a) Taxes on sales consist of taxes and contributions levied on the sale of products, namely: PIS and COFINS, ICMS and IPI.

(b) Recognition of undelivered revenue in the period.

23 Cost of sales

The cost of sales consists of the input used in the production of medicines, direct labor and overall manufacturing expenses. Its composition can be shown as follows:

	31/03/2025	**31/03/2024**
Inputs	(107.845)	(121.891)
Direct workforce	(11.540)	(12.864)
Depreciation	(4.968)	(4.570)
Overall manufacturing expenses (a)	(38.261)	(37.161)
Other costs (b)	(21.814)	(24.021)
	(184.428)	**(201.107)**

(a) Overall manufacturing expenses comprise overhead costs associated with the production process and include, among others:

- Indirect workforce (R$21,971 as of March 31, 2025 / R$21,622 as of March 31, 2024);
- Electricity, water and other utilities (R$3,170 as of March 31, 2025 / R$2,993 as of March 31, 2024);
- Maintenance expenses (R$4,211 as of March 31, 2025 / R$4,202 as of March 31, 2024);
- Consumables (R$4,594 as of March 31, 2025 / R$6,942 as of March 31, 2024);
- Other general expenses (R$3,579 as of March 31, 2025 / R$877 as of March 31, 2024); and
- Third-party services (R$736 as of March 31, 2025 / R$525 as of March 31, 2024).

(b) Amounts include:

- Incineration (R$13,365 as of March 31, 2025 / R$16,590 as of March 31, 2024)
- Inventory adjustment (R$323 as of March 31, 2025 / R$3,739 as of March 31, 2024)
- Manufacturing cost (R$2,534 as of March 31, 2025 / R$3,225 as of March 31, 2024)
- Other general costs (R$5,592 as of March 31, 2025 / R$3,467 as of March 31, 2024)

24 Selling expenses

	31/03/2025	31/03/2024
Sales commissions - commercial representatives	-	350
Freight on sales	(10.548)	(9.193)
Other selling expenses (b)	(6.701)	(5.743)
Strategic Advisory	(1.438)	(6.026)
Expected impairment loss on trade and other receivables (a)	(11.327)	(12.431)
Salaries and charges	(9.983)	(11.868)
Marketing expenses	(7.137)	(8.384)
	(47.134)	**(53.296)**

(a) Inclusion of a provision for clients under court-supervised reorganization and other clients not included in the collection policy.

(b) Increased bonuses on products to clients as a strategy to boost sales.

25 Administrative expenses

	31/03/2025	31/03/2024
Salaries and charges	(24.737)	(24.202)
Depreciation and amortization	(12.376)	(10.781)
Overall expenses (a)	(13.848)	(9.992)
Professional services	(5.259)	(8.326)
Maintenance, conservation and repairs	(2.071)	(3.078)
Taxes fees and contributions	(3.275)	(2.048)
Consumables	(932)	(818)
Utilities and services	(617)	(594)
Insurance	(186)	(195)
Legal expenses	(299)	(85)
	(63.600)	**(60.121)**

(a) Research and development in accordance with the market growth strategy, legal advice and expenses on health surveillance (ANVISA).

26 Other revenues (expenses), net

	31/03/2025	31/03/2024
Revenue from the sale of scrap metal	126	198
Other revenues (a)	354	1.215
	480	**1.412**

(a) Reversal of provision for consumables.

27 Net finance income (costs)

	31/03/2025	31/03/2024
IOF	(66)	(46)
Interest expense	(30.629)	(29.346)
Banking fees and expenses	(815)	(1.238)
Expenses on derivative financial instruments	-	(3.659)

Interest expense - lease	(227)	(170)
Finance costs	**(31.738)**	**(34.459)**
Interest income	3.200	625
Finance income	**3.200**	**625**
Foreign exchange gains	601	7.694
Foreign exchange losses (a)	(26.178)	(31)
Exchange rate gains (losses), net	**(25.577)**	**7.663**
Net finance income (costs)	**(54.114)**	**(26.171)**

(a) Increase is due to the foreign exchange effect on loan agreements with the completion of derivative transactions.

28 Financial instruments

Risk management and financial instruments

The Company enters into transactions with financial assets and liabilities to manage the funds available from such transactions. The risks associated with these instruments are managed by adopting conservative strategies to ensure their liquidity, profitability and safety. The market value of these financial assets and liabilities was determined according to appropriate available information and assessment methods. However, the interpretation of market data and assessment methods require considerable judgment and estimates to calculate the most adequate realization value. As a result, estimates may differ if different assumptions and methodologies are used. Investments are always made in fixed income, according to percentages of indicators published by the Central Bank and official government agencies.

The Company has exposure to the following risks arising from financial instruments:

(i) *Credit risk;*
(ii) *Market risk; and*
(iii) *liquidity risk.*

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities, as shown below.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk on the reporting date was as follows:

Financial assets	**Note**	**31/03/2025**	**31/03/2024**
Cash equivalents	7	378	23.016
Trade receivables	8	79.547	77.783
Total assets		**79.925**	**100.799**

Trade receivables

The Company has a credit policy aligned with its annual planning. A credit approval matrix allows the Company to expose itself to the least possible risk. The receivables portfolio is distributed among several clients and has a low concentration. By conducting a thorough monthly analysis of all active clients, the Company mitigates existing risks by assessing the quality of clients' credit standing, their suitability and financial capacity to repay the debt, their history with the Company, information gathered by sellers themselves and market behavior. When a trigger is reached, sales/limits to clients are usually interrupted. The Company does not expect any loss from default, except for the allowance for doubtful accounts, presented in note eight.

Cash and cash equivalents, financial investments and derivative financial instruments
Cash equivalents are held with banks and financial institutions, which are rated below, according to Fitch Ratings and Moody's:

Financial institution	**Brazil Rating**
Itaú	AAA
Bradesco	AAA
BANCO DO BRASIL	AAA
Banco MUFG	AAA
JP Morgan	AAA
XP INVESTIMENTOS	AAA
Citibank	AAA

b. Market risks

i. Interest rate risk: The related risk is that the Company may incur losses from fluctuations in interest rates, which may increase the financial expenses on loans and finance raised in the market. The Company continually monitors market interest rates to assess the possible need of renegotiating transactions. Currently, all the Company's credit lines bear fixed rates and therefore are not subject to fluctuations in market rates.

ii. Exchange rate risk: The Company is exposed to the exchange rate risk arising from exposure to certain currencies, basically the US dollar. Foreign currency risk results from future business transactions and recognized assets and liabilities. The Company's exposure as of March 31, 2025 is related to foreign currency loans, raw material imports and related party payables.

A summary of the Company's risk exposure is as follows:

Exposure to US dollar	**31 March 2025**		**March 31, 2024**	
	R$	**USD**	**R$**	**USD**
Trade payables (a)	(46.087)	(8.026)	(34.871)	(6.980)
Loans (b)	(196.394)	(34.202)	(125.353)	(25.090)
Net balance sheet exposure	**(242.481)**	**(42.228)**	**(160.224)**	**(32.069)**

a) For further details, see note 14
b) For further details see note 15

The following significant exchange rates have been applied:

Closing rate on the reporting date	
31/03/2025	**31/03/2024**
5,7422	4,9962

Sensitivity analysis of financial assets and liabilities
The Company's financial liabilities consist of 47.97% of financing agreements linked to contracts subject to exchange rate fluctuation (US dollar) and exposure to foreign currencies. However, all these loans are linked to fixed interest rates and exchange rate fluctuations, and are not exposed to interest rate fluctuations.

Exposure to exchange rate risk (US dollar)
To check the sensitivity of the Company's assets and liabilities to fluctuations in the US dollar exchange rate as of March 31, 2025, new scenarios were evaluated based on the current scenario with a +10% appreciation and a -10% devaluation. The results from the scenarios described above are below:

Risk	**Current**	**Valuation +10%**	**Devaluation - 10%**
Exchange rate	**5,74**	**6,32**	**5,17**
Net exposure	(242.481)	(266.729)	(218.233)
Impact on profit or loss	(1.891)	(2.080)	(1.702)

c. *Liquidity risks*

The Company runs the risk of not having sufficient funds to fulfill its financial obligations due to a mismatch between the terms of receipts and those of payments. In order to mitigate this risk, a financial plan is structured projecting the cash flow for the period of 12 months. Through its planning, the Company believes that the cash flows from operating activities, cash equivalents, available credit lines secured by shareholders through Lupin Global, in addition to the financial support of the Group, are sufficient to finance future financial commitments.

d. *Fair value estimate*

The fair value of financial assets and liabilities is the amount at which an asset can be traded or a liability can be settled in a transaction between knowledgeable, willing, independent parties. The following methods and assumptions were used to estimate fair value:

- Cash and cash equivalents, trade receivables, trade payables, and other short-term obligations approximate their carrying values mostly due to the short-term maturity of these instruments.

- The fair values of receivables do not differ significantly from book balances, because they are adjusted for inflation at market rates and/or adjusted for impairment loss.

Interest rates on loans and financing are fixed and consistent with market rates; Therefore, the book balances reported in the Company approximate their fair values.

The fair values of financial assets and liabilities, together with their carrying values presented in the financial statements, are as follows:

31 March 2025	**Note**	**Carrying value**	**Fair value**
Amortized cost			
Cash equivalents	7	378	378
Trade receivables	8	79.547	79.547
Total assets		**79.925**	**79.925**
Amortized cost			
Trade payables	14	73.674	73.674
Loans and financing	15	409.419	409.419
Leasing		3.286	3.286
Other liabilities	18	1.889	1.889
Total liabilities		**488.268**	**488.268**

March 31, 2024	**Note**	**Carrying value**	**Fair value**
Amortized cost			
Cash equivalents	7	23.016	23.016
Trade receivables	8	77.783	77.783
Total assets		**100.799**	**100.799**
Amortized cost			
Trade payables	14	63.964	63.964
Loans and financing	15	339.741	339.741
Leasing		3.714	3.714
Other liabilities	18	1.804	1.804
Total liabilities		**409.223**	**409.223**

29 Income and social contribution taxes

For the years ended March 31, 2025 and 2024, the Company opted for the estimated monthly taxable profit regime. Income taxes are calculated according to taxable profit which, due to prevailing law, differs from book profit due to adjustments (add-backs and deductions). Below is a breakdown of the calculation and reconciliation of the effective rate:

	31/03/2025	**31/03/2024**
Statement of taxable profit		
Profit before income taxes	**(113.731)**	**(86.902)**
(+) Permanent add-backs	**57.744**	**39.889**
Non-deductible fines	42	163
Expenses on gifts	1.190	456
Non-deductible commissions	1.347	2.416
Non-deductible contributions	4.998	181
Expenses unrelated to the core activity	2.210	1.234
Expenses on shareholders, directors and managers	30	485
Other non-deductible expenses	1.912	5.555
Other non-operating income	(250)	(2.117)
Incineration	13.365	22.074

Depreciation of assets - leased vehicles	1.892	1.908
Depreciation charges	26.623	589
Depreciation and amortization charges	4.386	6.944
(+) Temporary add-backs	**102.818**	**100.672**
Allowance for impairment loss on loans	11.936	12.431
Sales returns	150	110
Provision for sales returns	525	5.804
Billing cut	12.653	-
Inbound freight	149	239
Obsolescence expenses	751	14.081
Outbound freight	10.581	9.218
Foreign exchange gains (losses)	51.975	41.891
Cost reversal	11.574	3.549
Provisions for contingencies	557	395
Other provisions	-	10.613
Losses arising from measurement at fair value - FVA	1.968	2.343
Total additions	**160.562**	**140.561**

(-) Permanent deductions	**-**	**(11.722)**
Government grants - Tax incentives - ICMS - State of Minas Gerais	-	(11.722)
(-) Temporary deductions	**(73.491)**	**(77.446)**
Reversal of the impairment loss on loans	(118)	-
Gains arising from measurement at fair value - FVA	(898)	(6.164)
Provision for sales returns	(5.686)	(4.610)
Billing cut	(12.393)	-
Obsolescence expenses	(15.056)	(530)
Cost reversal	(12.305)	(7.558)
Foreign exchange gains (losses)	(26.398)	(45.883)
Provisions for contingencies	(631)	(1.327)
Other provisions	(5)	(11.375)
Total deductions	**(73.491)**	**(89.168)**
Taxable profit before offsetting	(26.659)	(35.509)
Accumulated actual loss	**(26.659)**	**(35.509)**
Current income tax	-	-
Effective rates	0,00%	0,00%
Deferred tax (a)	**(1.617)**	**(1.618)**

(a) Deferred tax liabilities on the realization of goodwill (fair value allocation).

Changes in the balance of deferred tax liabilities (c)		**Deferred tax liabilities**		
		Income tax 25%	**Social contribution tax - 9%**	**Total**
Capital Gains as of March 31, 2024	**13.428**	**3.357**	**1.209**	**4.566**
(-) Depreciation/Amortization of goodwill	(4.751)	(1.188)	(430)	(1.617)
Capital gains as of March 31, 2025	**8.677**	**2.169**	**779**	**2.949**

Temporary differences arising from provisions (temporary additions) that would have resulted in deferred tax assets were not recognized for the year as of March 31, 2025, because Management does not expect their future realization.

30 Subsequent events

There are no subsequent events after year-end.