Sofgen Pharma S.A., and subsidiaries (The Group)

Consolidated Financial Statements for the years ended **December 31, 2025 and 2024**

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SOFGEN PHARMA S.A.

Opinion

We have audited the consolidated financial statements of Sofgen Pharma S.A. (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as of December 31, 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group present fairly, in all material respects, the financial position of the Group as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Colombia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 controls.

- 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 Group'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 the 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

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our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease 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 represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Other Matter

The consolidated financial statements of Sofgen Pharma, S.A. and its subsidiaries for the year ended December 31, 2024, were audited by other auditors whose report, dated March 16, 2026, expressed an unqualified opinion on those financial statements.

Moore Assurance S.A.S.

Bogotá, Colombia, July 31, 2026

Sofgen Pharma, S.A. and subsidiaries (The Group)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the years ended December 31, 2025 and 2024
(In thousands of United States Dollars, unless otherwise stated)

	Notes	For the year ended December 31 2025	2024
Revenue	7	**$ 404,476**	**$ 373,795**
Cost of sales		(182,370)	(182,316)
Gross profit		**222,106**	**191,479**
Sales and marketing expenses	8	(95,032)	(100,082)
Administrative expenses	9	(106,561)	(122,970)
Other income (expenses), net	10	16,163	(22,413)
Operating profit (loss)		**36,676**	**(53,986)**
Finance income		14,703	14,922
Finance expense		(23,798)	(45,523)
Net finance expense	11	**(9,095)**	**(30,601)**
Profit (Loss) before tax		**27,581**	**(84,587)**
Income tax (expense) benefit	12	(18,078)	16,287
Profit (Loss) for the year		**$ 9,503**	**$ (68,300)**
Profit (Loss) for the year attributable to:			
Owners of the parent company		9,503	(68,300)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Sofgen Pharma, S.A. and subsidiaries (The Group)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the years ended December 31, 2025 and 2024
(In thousands of United States Dollars, unless otherwise stated)

	Notes	For the year ended December 31	
		2025	**2024**
Profit (Loss) for the year		**$ 9,503**	**$ (68,300)**
Other comprehensive (loss) income			
Items that will not be reclassified to profit or loss:			
Remeasurement of net defined benefit liability		(2)	(330)
Income tax (expense) benefit relating to items that will not be reclassified subsequently to profit or loss		512	(133)
Net of Tax		**510**	**(463)**
Items that will be reclassified subsequently to profit or loss:			
Foreign currency exchange differences on translation of foreign operations		(3,128)	(150)
Other comprehensive loss for the year, net of tax		**(2,618)**	**(613)**
Total comprehensive income (loss) for the year		**$ 6,885**	**$ (68,913)**
Total comprehensive (loss) income for the year attributable to:			
Owners of the parent company		6,885	(68,913)
Non-controlling interests		-	-

The accompanying notes are an integral part of these Consolidated Financial Statements.

Sofgen Pharma, S.A. and subsidiaries (The Group)
Consolidated Statement of Financial Position
As of December 31, 2025 and 2024
(In thousands of United States Dollars, unless otherwise stated)

	Notes	As of December 31 2025	As of December 31 2024
Assets			
Non-current assets			
Intangible assets, net	14	28,985	30,312
Property, plant and equipment, net	15	95,453	93,719
Right-of-use assets, net	16	39,718	40,348
Investments in joint ventures	17	1,247	1,535
Other financial assets		216	184
Deferred tax assets, net	18	22,016	28,260
Other non-financial assets		118	589
Total non-current assets		**$ 187,753**	**$ 194,947**
Current assets			
Cash and cash equivalents	19	33,030	30,317
Trade and other receivables, net	20	100,829	78,318
Inventories, net	21	97,138	76,542
Amounts owed by related parties, net	22	1,415	3,107
Current tax assets	12	24,388	21,825
Other non-financial assets		6,413	6,025
Other financial assets		-	-
		263,213	**216,134**
Assets classified as held for sale		42	612
Total current assets		**$ 263,255**	**$ 216,746**
Total assets		**$ 451,008**	**$ 411,693**
Liabilities and Shareholders' Equity (Deficit)			
Equity (Deficit)			
Share capital	23	22,922	1,011
Share premium account	23	505,535	392,851
Other reserves	23.2	51,935	57,092
Secured convertible note	24	-	186
Accumulated deficit		(456,762)	(471,422)
Accumulated other comprehensive loss		(33,477)	(30,859)
Equity (Deficit) attributable to owners of the parent		**$ 90,153**	**$ (51,141)**

Non-controlling interest		(946)	(946)
Total deficit		**$ 89,207**	**$ (52,087)**
Non-Current liabilities			
Borrowings	25	211,572	41,407
Deferred tax liabilities, net	18	23	693
Other financial liabilities		982	1,228
Employee benefits	26	4,889	4,528
Total non-current liabilities		**$ 217,466**	**$ 47,856**
Current liabilities			
Borrowings	25	24,947	226,559
Secured convertible note	24	-	38,747
Trade and other payables	27	76,017	106,991
Amounts owed to related parties	22	16,667	7,155
Current tax liabilities	12	4,769	6,705
Provisions	28	3,490	316
Employee benefits	26	11,073	10,098
Warrant liabilities	29	3,319	967
Shares held in escrow	30	44	16,231
Other non-financial liabilities	31	4,009	2,155
Total current liabilities		**$ 144,335**	**$ 415,924**
Total liabilities and shareholders' equity (deficit)		**$ 451,008**	**$ 411,693**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Sofgen Pharma, S.A. and subsidiaries (The Group)
Consolidated Statement of Changes in Equity
For the years ended December 31, 2025 and 2024
(In thousands of United States Dollars, unless otherwise stated)

	Attributable to equity holders of the Company								
	Share Capital	**Share premium account**	**Secured convertible note**	**Other reserves** [2]	**Accumulated deficit**	**Accumulated other comprehensive loss**	**Total**	**Non-controlling interest**	**Total equity (deficit)**
Balance as of January 01, 2024	**$ 1,011**	**$ 375,493**	**-**	**$ 50,238**	**$ (396,286)**	**$ (30,246)**	**$ 210**	**$ (946)**	**$ (736)**
Loss for the year	-	-	-	-	(68,300)	-	**(68,300)**	-	**(68,300)**
Transfer to reserves	-	-	-	6,854	(6,854)	-	**-**	-	**-**
Other comprehensive loss for the year	-	-	-	-	-	(613)	**(613)**	-	**(613)**
Treasury shares acquired[1]	-	(823)	-	-	-	-	**(823)**	-	**(823)**
Effect of Master Termination and Release Agreement[3]	-	18,161	-	-	-	-	**18,161**	-	**18,161**
Recognition of equity component of secured convertible note	-	-	186	-	-	-	**186**	-	**186**
Other	-	20	-	-	18	-	**38**	-	**38**
Balance as of December 31, 2024	**$ 1,011**	**$ 392,851**	**$ 186**	**$ 57,092**	**$ (471,422)**	**$ (30,859)**	**$ (51,141)**	**$ (946)**	**$ (52,087)**
Profit for the year	-	-	-	-	9,503	-	**9,503**	-	**9,503**
Transfer to reserves	-	-	-	2,168	(2,168)	-	**-**	-	**-**
Other comprehensive income/(loss) for the year	-	-	-	-	-	(2,618)	**(2,618)**	-	**(2,618)**
Non-controlling interest	-	-	-	-	-	-	**-**	-	**-**
Treasury shares acquired	-	-	-	-	-	-	**-**	-	**-**
Issue of share capital[4]	21,911	112,684	(186)	-	-	-	**134,409**	-	**134,409**
Transfer to Retained earnings	-	-	-	(7,325)	7,325	-	**-**	-	**-**
Balance as of December 31, 2025	**$ 22,922**	**$ 505,535**	**$ -**	**$ 51,935**	**$ (456,762)**	**$ (33,477)**	**$ 90,153**	**$ (946)**	**$ 89,207**

[1] Comprises the cost of the Company's shares acquired by the Group. As of December 31, 2024, the Group held $839,207 of the Company's Ordinary Shares.

[2] Includes the appropriate values from net income to comply with legal provisions related to asset protection according to applicable jurisdictions with cumulative earnings.

[3] This amount is comprised by $13,090 of capitalization of certain liabilities with related parties according to the Master Termination and Release Agreement, see to Note 22. Related party transactions; and $5,071 of capitalization of a certain promissory note under the Contribution and Cancellation of Junior Unsecured Subordinated Promissory Note issued in 2024.

[4] Refer to Note 23.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Sofgen Pharma, S.A. and subsidiaries (The Group)
Consolidated Statement of Cash Flows
For the years ended December 31, 2025 and 2024
(In thousands of United States Dollars, unless otherwise stated)

	Notes	For the year ended December 31 2025	2024
Operating activities			
Profit (Loss) for the year		**$ 9,503**	**$ (68,300)**
Adjustments to reconcile net (loss) profit with cash flow from operating activities before changes in working capital:			
Net loss on sale of property, plant and equipment	10	631	25
Finance expense (income), net	11	6,224	28,775
Income tax (benefit) expense, net	12	18,078	(16,287)
Amortization of intangibles	14	7,104	6,709
Net loss on sale or disposal of intangibles	14	1,696	5,218
Impairment loss on intangible assets	14	901	1,983
Depreciation of property, plant and equipment	15	8,860	6,970
Depreciation of right-of-use assets	16	5,676	6,366
Expected credit loss	20-22	1,691	3,358
Inventory provision	21	11,568	16,574
Provisions	28	3,211	595
Unrealized net foreign currency exchange difference		(23,595)	20,309
Share of result of joint ventures		282	493
Cash flow from operating activities before changes in working capital		**51,830**	**12,788**
Changes in working capital:			
Trade and other receivables, net		(28,745)	35,557
Amounts owed by related parties		1,906	938
Inventories, net		(33,453)	(2,384)
Current taxes assets		(1,691)	(3,502)
Other current assets		(347)	2,744
Trade and other payables		(46,743)	38,383
Amounts owed to related parties		10,722	1,378
Current taxes liabilities		(9,092)	6,052
Employee benefits andbenefits and other liabilities		4,070	4,253
Provisions	28	(83)	(388)
Other financial assets		(32)	2,002
Other assets		490	1,064
Cash (used) generated from operations		**(51,168)**	**98,885**
Income tax paid		(5,155)	(10,456)
Cash flow (used by) provided by operating activities		**$ (56,323)**	**$ 88,429**

Investing activities

	Note		
Acquisition and development of intangibles	14	(4,740)	(5,635)
Acquisition of property, plant and equipment and acquisition of right of use assets	15-16	(7,684)	(19,375)
Proceeds from related parties	22	-	-
Proceeds from sale of property, plant and equipment		4,559	43
Payment of hedging derivative financial instruments		-	(1,792)
Cash flow used in investing activities		**$ (7,865)**	**$ (26,759)**
Financing activities			
Payment of lease liabilities	16	(7,587)	(5,697)
Proceeds from loans with related parties	22	-	5,000
Proceeds from secured convertible note	24	-	38,614
Proceeds from borrowings	25	10,015	81,679
Payments of borrowings	25	(54,593)	(135,620)
Issue of share capital		95,661	-
Interest paid on borrowings		(9,485)	(33,556)
Repurchase of treasury shares		-	(822)
Other distributions		-	-
Cash flow (generated by) used in financing activities		**$ 34,011**	**$ (50,402)**
Net (decrease) increase in cash		**(30,177)**	**11,268**
Cash and cash equivalents at beginning of the year		30,317	17,514
Effect of foreign currency exchange rate changes		32,890	1,535
Cash and cash equivalents at end of the year		**$ 33,030**	**$ 30,317**
Non-cash financing and investing activities [1]		**$ 90,681**	**$ 64,032**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Note 1. General Company Information

Sofgen Pharma, S.A., (the "Company"), a public limited liability company (société anonyme) governed by the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés – RCS) under number B253360, with its registered office at 9 Rue de Bitbourg, Luxembourg, and its subsidiaries (collectively, the "Group") primarily engages in developing, producing and marketing pharmaceutical solutions. The Company is not controlled by, and does not have, an ultimate parent entity. Further information about the Group's business activities, reportable segments and related party relationships is included in Note 7. Revenue and Note 22. Related party transactions, respectively.

The Group's principal subsidiaries as of December 31, 2025 and December 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of Ordinary Shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

		Ownership interest held by the Group		
Name of entity	**Place of business/ country of incorporation**	**2025**	**2024**	**Principal activities**
Procaps S.A.	Colombia	100%	100%	Manufacturing and distribution of prescription and over-the-counter pharmaceutical products.
C.I. Procaps S.A.	Colombia	100%	100%	Manufacturing and distribution of prescription and over-the-counter pharmaceutical products.
Procaps S.A. de C.V	El Salvador	100%	100%	Manufacturing and distribution of prescription and over-the-counter pharmaceutical products.
Softcaps – Colbras	Brazil	100%	100%	Manufacturing and distribution of prescription and over-the-counter pharmaceutical products.
Diabetrics Healthcare S.A.S.	Colombia	100%	100%	Diabetes solutions and chronic disease management tool.

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities.

The Consolidated Financial Statements of the Group for the years ended December 31, 2025 and December 31, 2024 comprise the Group and its interest in joint ventures, investments and operations. The Group prepares and publishes its Consolidated Financial Statements in United States Dollars ("USD"), and the numbers are rounded to the thousands of USD unless otherwise stated. Foreign operations are included in accordance with the policies set out in Note 2.2. Functional and reporting currency.

The Consolidated Financial Statements were authorized for issue by the Group's Audit Committee on July 30, 2026.

Ongoing Military Operation in Ukraine and Related Sanctions

The ongoing military conflict in Ukraine and the international sanctions imposed on the Russian Federation continue to disrupt international commerce and the global economy. In 2023, a subsidiary of the Group located in Colombia entered into an ordinary, arm's-length commercial agreement with a Russian entity and commenced the sale and shipment of products to

Russia. These transactions are permissible under the current United States sanctions against Russia, as established by the Office of Foreign Assets Control ("OFAC").

During 2024, the Group continued to engage in such transactions, which represented less than 1% of the Group's consolidated net sales for the year ended December 31, 2024. The Group does not hold investments or assets in Russia and, prior to initiating these transactions, performed a compliance due diligence review. As of December 31, 2024, management reassessed the risks associated with these operations and concluded that no financial or other risks were identified.

The Group does not have any additional direct exposure to Ukraine, Russia or Belarus, as it does not maintain operations or sales in those jurisdictions. Management will, however, continue to closely monitor the development and implementation of new U.S. restrictions or prohibitions relating to transactions with Russia and Iran.

Note 2. Basis of preparation and accounting

The Consolidated Financial Statements of the Group for the years ended December 31,2025 and December 31, 2024 have been prepared on a going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IASB").

The Consolidated Financial Statements consist of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and have been prepared under a historical cost basis, except for certain financial instruments that have been measured at fair value.

The Group opted to present a single Consolidated Statement of Profit or Loss and Other Comprehensive Income, combining the presentation of profit or loss and comprehensive income in the same statement. Due to the activities of the Group, costs and expenses presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income were classified according to their function.

The Consolidated Statement of Financial Position has been prepared based on the nature of the Group's operations, distinguishing: (a) current assets from non-current assets, where current assets are assets that should be realized, sold or used during the normal operating cycle, the assets are held primarily for the purpose of trading, or the assets owned with the aim of being sold in the short term (within 12 months); (b) current liabilities from non-current liabilities, where current liabilities are liabilities that should be paid during the normal operating cycle, the liability is held primarily for the purpose of trading, the liability is due to be settled within twelve months after the reporting period, or it does not have the unconditional. The Consolidated Statement of Cash Flows has been prepared using the indirect method.

The Consolidated Financial Statements present comparative information in respect of the previous period, December 31, 2024 for Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and related notes. Foreign operations are included in accordance with the policies set out in Note 2.2. Functional and reporting currency.

The accounting policies set out in Note 3. Material information on accounting policies have been applied in preparing the Consolidated Financial Statements for the year ended December 31, 2025, and the comparative information presented for the year ended December 31, 2024.

The Group has applied accounting judgments, estimates and significant accounting assumptions described in Note 4.1. Critical accounting judgements in preparing the Consolidated Financial Statements.

Note 2.1. Going concern

As disclosed in the prior year, the Group identified material uncertainties that cast significant doubt on its ability to continue as a going concern. These uncertainties primarily related to breaches of certain financial covenants under its borrowing arrangements, the resulting reclassification of a significant portion of its debt to current liabilities, a working capital deficit, liquidity constraints and the Group's dependence on the successful completion of debt restructuring and capital raising initiatives.

During 2025, the Group successfully completed a comprehensive financial restructuring that resolved the conditions underlying the material uncertainty disclosed in the prior year. This restructuring included: (i) the renegotiation of its principal debt facilities, resulting in revised contractual terms, extended maturities and updated covenant requirements, and (ii) a capital raise of approximately $130 million, including the conversion of previously issued secured convertible notes into equity.

These actions significantly strengthened the Group's capital structure, restored compliance with its financing arrangements, normalized its debt maturity profile and substantially improved its liquidity position.
As a result, as of December 31, 2025, the Group reported positive shareholders' equity of $89.2 million (2024: shareholders' deficit of $ 52.0 million), positive working capital of $ 118.9 million (2024: deficit of $ 199.2 million) and net income of $ 9.5 million (2024: net loss of $ 68.3 million).

Although the Group reported net cash used in operating activities of $ 56.3 million during 2025 (2024: net cash provided by operating activities of $ 88.4 million), Management concluded that this result was primarily attributable to non-recurring working capital movements associated with the execution of the recapitalization and financial restructuring process.

During the year, a significant portion of the proceeds obtained from the capital raise was used to normalize supplier payment cycles through the settlement of outstanding trade payables accumulated in prior periods, strengthening supplier relationships and restoring normal supply conditions. In addition, the Group strategically increased inventory levels to secure the availability of raw materials and finished goods required to support new customer orders, anticipated revenue growth and operational continuity across its business units.

As a result of these actions, the Group experienced temporary cash outflows associated with higher inventory balances and reductions in trade payables. Management considers these cash outflows to be largely non-recurring in nature and not indicative of structural weaknesses in the Group's underlying cash-generating capacity. Prior to changes in working capital, the Group generated positive cash flows from operations of $ 51.8 million during 2025, demonstrating a significant improvement in the underlying operating performance of the business.

The restructured debt facilities provide for significantly extended maturities and an improved debt repayment profile. The most significant portion of the restructured financial debt, amounting to approximately $ 187.9 million, is not scheduled to commence principal repayments until 2027 and 2028, as applicable. In addition, covenant requirements based on leverage and interest coverage ratios become effective from March 2027. Consequently, the Group does not face significant principal repayments or compliance requirements related to these financial ratios during the going concern assessment period.

Management prepared detailed cash flow forecasts covering a period of at least twelve months from the date of authorization of these consolidated financial statements. The forecasts were prepared based on the Board-approved business plan and incorporate assumptions related to revenue growth, operating margin expansion, working capital normalization, portfolio optimization, continued operational efficiencies, lower financing costs resulting from the debt restructuring and capital expenditure levels consistent with the Group's strategic and operational requirements.

The 2026 forecasts contemplate net revenues of $ 447.1 million, gross profit of $ 261.8 million, adjusted EBITDA of approximately $ 80.1 million. Management also projects cash flows from operating activities of approximately $ 58.3 million, free cash flow of approximately $ 14.6 million, an ending cash balance of approximately $ 16.8 million and positive working capital of approximately $ 92.8 million.

These forecasts represent Management's best estimate as of the date of authorization of these consolidated financial statements and reflect the market, operational and financial conditions known at that date. Furthermore, Management continuously monitors actual performance against forecasted results and has observed that, as of the date of authorization of these consolidated financial statements, the Group's operating and financial performance is tracking in line with, or exceeding, the assumptions incorporated into the business plan used in the going concern assessment.

Management also assessed the Group's ability to service its debt and meet all contractual obligations falling due during the assessment period. As of December 31, 2025, the Group held cash and cash equivalents of $ 33.0 million and positive working capital of $ 118.9 million. Based on these available resources, together with projected operating cash flows and the revised debt maturity profile resulting from the 2025 restructuring, Management concluded that the Group has sufficient liquidity to meet its financial and operational obligations as they fall due.

In addition, Management expects to have total available cash resources of approximately $ 91.6 million during 2026, including opening cash balances and projected cash generated from operations. After funding planned capital expenditures, non-recurring expenditures and other contractual obligations falling due during the period, the Group expects to maintain an estimated cash surplus of approximately $ 21.1 million. This position provides adequate liquidity headroom to meet obligations, absorb reasonably possible adverse variations from the base case scenario and continue executing the Group's transformation and growth strategy.

Management also performed sensitivity analyses over the key assumptions used in the forecasts, including scenarios involving lower revenue growth, lower operating margins and higher working capital requirements. The results of these analyses indicate that the Group maintains sufficient liquidity and financial capacity to meet its obligations under reasonably possible downside scenarios.

Based on (i) the successful completion of the financial restructuring and capital raise, (ii) the significant improvement in the Group's capital structure, financial position and liquidity, (iii) the extension of debt maturities beyond the going concern assessment period, (iv) the underlying cash-generating capability demonstrated by the Group's operating performance, and (v) Management's cash flow forecasts and sensitivity analyses, Management concluded that the conditions that gave rise to the material uncertainty disclosed in the prior year have been satisfactorily resolved.

Accordingly, as of December 31, 2025 and the date of authorization of these consolidated financial statements, Management has concluded that no material uncertainties exist that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements have been prepared on a going concern basis.

Note 2.2. Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in USD, which is, Sofgen functional and presentation currency.

Note 2.3. Basis of consolidation

The Group's subsidiaries are fully consolidated from the date on which control is transferred to the Group. Consolidation ceases from the date on which control ends.

All financial results are consolidated with similar items on a line-by-line basis. If necessary, adjustments are made to the financial statements of the consolidated companies in order to adapt their accounting policies to those used by the Group.

All transactions, balances, revenues and related expenses between the consolidated companies are eliminated.

Note 3. Material information on accounting policies

Note 3.1. Goodwill

Goodwill arising from the acquisition of a business is recorded at cost at the acquisition date, less accumulated impairment losses, if any.

Goodwill is stated at cost and not amortized but is tested for impairment on an annual basis and whenever there is an indicator that the cash-generating unit to which goodwill has been allocated may be impaired.

3.1.1 Goodwill impairment

Goodwill is tested for impairment annually at the cash-generating unit level, which is the level at which the assets generate largely independent cash inflows and are monitored for internal management purposes. An impairment loss is recognized whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and are not subsequently reversed.

Impairment losses recognized for cash-generating units first reduce allocated goodwill and then the carrying amounts of the other non-financial assets in the unit on a pro rata basis.

Refer to Note 4.1. Critical accounting judgements for further information on the goodwill exposure and estimates applied, respectively As of December 31, 2025 and 2024 Goodwill is totally impaired.

Note 3.2. Transactions in foreign currency

When preparing the financial statements of the individual underlying entities of the Group, transactions in a currency other than the functional currency of the entity ("foreign currency") are recorded using the exchange rates in effect on the transaction date. At the end of each reporting period, monetary items denominated in a foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items calculated in terms of historical cost, in foreign currency, have not been translated.

For purposes of presenting the Consolidated Financial Statements, the assets and liabilities of the Group's foreign currency transactions are expressed in USD, using the exchange rates prevailing at the end of the respective reporting period. Revenues and expenses are translated at the average exchange rates for the respective period. The exchange differences that arise, if applicable, are recognized through other comprehensive income and are accumulated in equity (attributed to the non-controlling interests when appropriate).

Note 3.3. Leases - Right-of-use assets & lease liabilities

The Group assesses whether a contract is or contains a lease at contract inception. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of less than 12 months) and leases of low value assets (defined as assets with a value less than five thousand USD). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in the combined statements of cash flows from operating activities. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, any initial direct costs, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets commences at the commencement date and is calculated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term, or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the Group considers its recent indebtedness as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, any lease incentives receivable, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Group is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognized as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year/period in which the event or condition that triggers those payments occur. A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use asset.

The lease liability is presented in Borrowings and the Right-of-use assets are presented in a single line in the Consolidated Statement of Financial Position.

Note 3.4. Financial assets

3.4.1 Classification of financial assets If and when applicable the Group follows the framework and requirements outlined in IFRS 9 - Financial Instruments to classify financial assets based on whether:

- The financial asset is held within a business model whose objective is to collect contractual cash flows or whose objective is achieved through the collection of contractual cash flows and the sale of financial assets; and

- The contractual terms give rise to cash flows that are only payments of principal and interest.

By default, all other financial assets are subsequently measured at fair value through profit or loss.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore, measures them subsequently at amortized cost using the effective interest method.

3.4.2 Gains and losses in foreign currency

Trade receivables denominated in a currency other than the subsidiaries' functional currency are determined in that foreign currency and converted to the subsidiaries' functional currency at the end of each reporting period using the then prevailing spot rate. Exchange differences are recognized through profit or loss and are classified within other expenses.

3.4.3 Impairment of financial assets

The Group recognizes an impairment for expected credit losses on trade and other receivables.

The Group applies the 'simplified' approach as required by IFRS 9 - Financial Instruments since generally the Group's trade receivables do not include a significant financing component. The Group recognizes the lifetime expected credit losses over the life of the trade receivables.

Other receivables are generally assessed individually and a lifetime expected credit loss is estimated based on the receivable and debtor specific facts and circumstances.

3.4.4 Impaired trade receivables

A financial asset has been impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the trade receivable. The evidence of credit impairment includes observable data on the following events:

- significant financial difficulty of the customer;
- customer enters into or is likely to enter into bankruptcy;
- a breach of contract, such as an expired event; and
- for economic or contractual reasons one or more concessions have been granted.

3.4.5 Measurement of impairment

The expected credit losses on trade receivables are estimated using a methodology where a probability of default is estimated based on historical information, adjusted for current and forecasted economic conditions, if applicable. If applicable and significant, the Group may adjust the provision based on a probability weighting of various scenarios and factors in the time value of money:

- Probability of default ('PD'): The PD is derived by analyzing a rolling dataset of twenty-four months in which trade receivables are tracked and analyzed as they move through the aging buckets.
- Loss given default: The Group typically defines the loss given default to be one hundred percent.
- Exposure at default: The trade receivable balance as of the reporting date, net of advances and credit notes.

  As of the reporting dates presented, the Group has not deemed these to be significant.

The Group estimates the probability of default at the pool level and then applies such pool level PD to the trade receivables within that pool. The Group generally defines each pool within its main subsidiaries as:

- Domestic
- Export
- Government
- Related parties

The Group recognizes an impairment loss or gain in the aggregate for all trade receivables as a provision with corresponding amount recognized in *Sales and marketing expenses*.

The Group writes-off individual trade receivables when they become 365 days past due.

3.4.6 Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the asset's cash flows expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group does not transfer or substantially retains all risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its interest retained in the asset and an associated liability for the amounts to be paid. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a loan secured by the consideration received. Upon derecognition of a financial asset measured at amortized cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized through profit or loss.

The Group also derecognizes a financial asset when there is information which indicates that the counterparty is in serious financial difficulty and there is no realistic prospect of recovery. The derecognized financial assets may still be subject to compliance activities in accordance with the Group's recovery procedures, taking into account legal advice when appropriate. Any recovery is recognized through profit or loss when occurs.

Note 3.4.7 Accounts receivable factoring

As part of the regular business and in case of immediate cash needs, the Group could sell its accounts receivable (i.e., invoices) to a third party (factor) at a discount. The Group analyzes whether these transactions are *with recourse* or *without recourse* and applies the recognition criteria in IFRS 9 - Financial Instruments to assess whether the arrangement transfers substantially all risks and rewards to the factor. For arrangements *with recourse,* where substantially all risks and rewards have not been transferred, the cash received from the factor is accounted for as a secured borrowing. In the case of arrangements *with recourse*, the assets are not derecognized. In contrast, for arrangements without recourse, where the Group transfers substantially all the risks and rewards of the receivables to the factor, including the credit risk, and retains no significant control, the accounts receivable are derecognized

Note 3.4.8. Derivative financial instrument and hedge accounting

Derivative financial instruments are initially measured at fair value. Subsequent to initial recognition, they are measured at fair value, and changes therein are recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge foreign currency exposure related to net investments in foreign operations. At the inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge.

Note 3.4.9 Hedges of net investments in foreign operations

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognized as Net investment hedge in Other Comprehensive Income and presented under such concept within Equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in the Other income (expense), net. Gains and losses on the hedging instrument are accumulated in Other Comprehensive Income and will be reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Note 3.5. Inventories, net

Inventories are presented at the lower of acquisition cost or net realizable value. Cost is determined by the weighted average method. The net realizable value represents the estimated sale price less all the estimated termination and selling costs. The cost of finished products and products in progress includes the costs of raw materials, direct labor, other direct costs and the respective direct production expenses (based on normal operating capacity), excluding borrowing costs. Inventories are presented net of the allowances for obsolescence and, in consolidation, net of eliminations of unrealized profit on inventories.

Note 3.6. Property, plant and equipment, net

Property, plant and equipment are measured at historical cost less accumulated depreciation and any impairment loss, except for those acquired in a business combination, which are then recorded at fair value; assets under construction and land are not depreciated. The cost of the property, plant and equipment is the fair value of the consideration initially provided to acquire or construct the item and prepare it for use. Subsequent costs incurred for repair and maintenance, are expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless these costs meet the criteria for capitalization (i.e., extension of the useful life). Depreciation commences when the assets are ready for use. Property, plant and equipment is depreciated based on the straight-line method over estimated useful lives.

An item of property, plant and equipment will be derecognized upon disposal or when future economic benefits from the continued use of the asset are no longer expected. The gain or loss arising from the derecognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized through profit or loss.

The useful lives of property, plant and equipment are:

Buildings	20 - 40 years
Machinery and equipment	10 - 20 years
Furniture and fixtures	2 - 10 years
Other equipment	2 - 5 years

Note 3.7. Intangible assets

3.7.1 Internally generated intangible assets

Disbursements originated by research activities are recognized as an expense in the period in which they are incurred.

An internally generated intangible asset as a result of development activities (or the development phase of an internal project) is recognized if, and only if, the following conditions are met:

- It is commercially and technically feasible to complete the production of the intangible asset so that it can be available for use or sale;
- Management intends to complete the intangible asset in question in order to use or sell it or can demonstrate the way in which the intangible asset will likely generate future economic benefits;
- Adequate technical, financial or other resources are available to complete the development and to use or sell the intangible asset; and
- The Group is able to reliably measure the disbursement attributable to the intangible asset during its development.

The expenses incurred in developing new pharmaceutical technologies, combination of active ingredients and formulation improvements meet the conditions of the previous paragraph, usually from the beginning of pilot batches (completion of the experimental batch stage), at which point Management considers that achieving regulatory approval (sanitary records) is a legal formality.

The amount initially recognized for an internally generated intangible asset will be the sum of the disbursements incurred once the element meets the recognition conditions. When an internally generated intangible asset cannot be recognized, development disbursements are charged through profit or loss in the period in which they are incurred.

Subsequent to initial recognition, an internally generated intangible asset will be accounted for at cost less accumulated amortization and the accumulated amount of impairment losses, on the same basis as intangible assets that are acquired separately.

3.7.2 Disposal of intangible assets

An intangible asset is derecognized at the time of its disposal, or when future economic benefits of its use or disposal are not expected. Gains or losses arising from the derecognized of an intangible asset, measured as the difference between the net proceeds from the sale and the carrying amount of the asset, are recognized through profit or loss when the asset is derecognized.

3.7.3 Impairment of definite-lived tangible and intangible assets and intangibles not yet available for use, and other assets

At the end of each reporting period, the Group evaluates the carrying amounts of its definite-lived tangible and intangible assets in order to identify any indication that these assets have been impaired. In such a case, the recoverable amount of the asset is calculated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment annually to determine if an impairment loss should be recognized. When it is not possible to estimate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of distribution is identified, the common assets are also allocated to the individual cash generating units or distributed to the smallest group of cash generating units for which a reasonable and consistent distribution base can be identified. The recoverable amount is the higher of the fair value less disposal costs and the value in use. When estimating the value in use, the estimated future cash flows are discounted to the present value, using a pre-tax discount rate that reflects the current market valuations with respect to the time value of money and the specific risks for the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) calculated is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately through profit or loss. If an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) increases to the revised estimated value of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been calculated if the impairment loss had not been recognized for said asset (or cash-generating unit) in previous years. The reversal of an impairment loss is automatically recognized through profit or loss.

3.7.4 Amortization of internally generated intangibles

Internally-generated intangible assets such as licenses, bioequivalence studies, new platforms, tablet improvements, combinations and concentrations, and soft gel capsule improvements, among others, are of finite useful lives and their amortization period will begin only when the following two milestones are met:

- The pre-industrial batch is completed with satisfactory results.
- The regulatory body approves the corresponding sanitary records.

When these milestones are met, the capitalized developments will have met the necessary conditions to generate economic benefits in accordance with management's expectations, so the amortization of the assets begins using the straight-line method through profit or loss during the minimum projected time of generated economic benefits.

The amortization will also cease at the earliest of either the date when the asset is classified as held for sale or the date when the asset is derecognized.

3.7.5 Useful lives of intangibles

The following useful lives are used to calculate amortization:

Trademarks	10 – 20 years
Sanitary records	2 – 5 years
Licenses, customers and agreements	3 – 10 years
Product Development	3 years

Note 3.8. Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. The classification is applied only when the asset or disposal group is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to a plan to sell the asset or disposal group, and the sale is expected to be completed within one year from the date of classification, in accordance with IFRS 5.

Upon classification as held for sale, non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets classified as held for sale are not depreciated or amortized. Subsequent changes in fair value less costs to sell are recognized in profit or loss, except that gains are recognized only to the extent of previously recognized impairment losses on the asset or disposal group.

Note 3.9. Financial liabilities and equity instruments

3.9.1 Classification as debt or equity

Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual agreement and definitions of financial liability and equity instrument.

3.9.2 Equity instruments

An equity instrument consists of any contract that evidences a residual interest in the assets of an entity, after deducting all of its liabilities. Equity instruments issued by a Group entity are recognized proceeds received, net of direct issuance costs.

The repurchase of equity instruments of the Group is recognized and deducted directly in equity for the amount of consideration paid, which includes directly attributable costs. Repurchased shares are classified as treasury shares and are presented in the Treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium. No gain or loss is recognized through profit or loss, arising from the purchase, sale, issue or cancellation of the equity instruments of the Group.

3.9.3 Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs directly attributable to the issuance, unless the liability is designated at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

3.9.4 Convertible notes and compound financial instruments

The Group issues secured convertible notes that contain both a contractual obligation to deliver cash and a right of conversion into the Group's own equity instruments. In accordance with IAS 32 - Financial Instruments: Presentation, such instruments are classified as compound financial instruments and are separated into their liability and equity components on initial recognition.

Initial recognition

On initial recognition, the compound financial instrument is separated as follows:

- The liability component represents the contractual obligation to pay principal and interest in cash while conversion has not occurred. This component is initially recognized at fair value, determined by discounting the contractual future cash flows (principal and interest) using a market interest rate applicable to similar instruments without a conversion feature.

- The equity component represents the holder's right to convert the notes into the Group's ordinary shares, as well as any additional equity-linked rights arising from the conversion terms (including, when applicable, the issuance of warrants). The equity component is measured as the residual amount, being the difference between the total proceeds received and the fair value of the liability component and is recognized directly in equity.

Transaction costs are allocated between the liability and equity components based on their relative fair values at initial recognition.

Subsequent measurement

After initial recognition:

- The liability component of the convertible notes is measured at amortized cost using the effective interest method, in accordance with IFRS 9 - Financial Instruments. Interest expense is recognized in profit or loss over the relevant period, including interest that is contractually capitalized to the principal balance (payment-in-kind interest).

- The equity component is not remeasured subsequently and remains within equity until conversion, settlement, or expiry of the instrument.

The liability component is classified as current or non-current based on its contractual maturity at the reporting date.

Conversion and settlement

Upon conversion of the convertible notes into ordinary shares of the Group, the carrying amount of the liability component together with the related equity component is reclassified to share capital and share premium, as applicable, with no impact on profit or loss.

If the convertible notes are redeemed or reach maturity without conversion, the liability component is derecognized upon settlement, while the equity component remains unmodified within equity.

Contractual adjustments and contingent features

Convertible notes may include contractual features such as automatic or optional conversion clauses, adjustments to the conversion price (anti-dilution provisions), triggering events, and obligations to issue additional equity instruments, such as warrants.

The Group assesses such features at each reporting date to determine whether they affect the classification or measurement of the instrument, in accordance with IAS 32 - Financial Instruments: Presentation and IFRS 9 - Financial Instruments, considering the specific contractual terms and facts and circumstances existing at the reporting date.

Guarantees

Convertible notes issued by the Group may be secured by guarantees, including pledges over shares of subsidiaries. The existence of such guarantees does not affect the classification of the instrument as a compound financial instrument but is disclosed in the notes to the financial statements in accordance with IFRS 7 - Financial Instruments: Disclosures.

Disclosures

In accordance with IFRS 7 - Financial Instruments: Disclosures, the Group discloses in the notes to the consolidated financial statements information that enables users to evaluate the significance of convertible notes for the Group's financial position and performance, and the nature and extent of risks arising from such instruments.

3.9.5 Warrant liabilities

The Group has warrants that are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Gains and losses will be recorded in profit or loss.

3.9.6 Shares held in escrow

The shares to be delivered, in an escrow, are initially recognized at fair value of the equity instruments granted for services received in an equity-settled share-based payment determined at grant date, and they are subsequently remeasured to their fair value at the end of each reporting period until they are released from escrow or are forfeited.

Note 3.10. Trade and other payables

Trade and other payables are recognized when the Group has a legal or a constructive obligation, as a result of a past event, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation and the obligation can be measured reliably. These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. The average credit period for purchases is between 90 and 180 days, including cases in which the invoices have been assigned by the supplier to third parties. Other payables correspond mainly to employment obligations and provisions.

Reverse factoring

Suppliers of the Group initiate and enter into reverse factoring arrangements in which the Group participates. Under such arrangements suppliers sell or assign their receivables from the Group to third parties (i.e., ‘the factor’), after which the Group pays and settles the underlying invoices directly with the factors. Provided that certain conditions are met, the invoices sold or assigned to factors remain classified within trade and other payables. The criteria are that: 1) the assignment is contractually initiated and decided by the supplier, 2) it does not extend the period in which the Group regularly pays the supplier, 3) the amount of the invoices is not modified, and there are no charges in this regard by third parties. Otherwise, the Group reclassifies those balances as a financial liability, other term loans with a corresponding reclassification from operating cash flows to financing cash flows, for the amount paid to factors.

Note 3.11. Taxes

Income tax expense represents the sum of current income tax payable and deferred tax.

3.11.1 Current tax

Current tax is based on the taxable income registered during the year. The taxable income differs from the income reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, due to the items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The liabilities of the Group for current tax purposes are calculated using the tax rates enacted or substantially approved at the end of the respective reporting period.

3.11.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of the assets and liabilities included in the Consolidated Financial Statements and the corresponding tax basis used to determine the taxable income. The deferred tax liability is generally recognized for all temporary tax differences. A deferred tax asset will be recognized, as a result of all deductible temporary differences, to the extent that it is likely that each entity will have future taxable income against which to charge those deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition (rather than through a business combination) of other assets and liabilities in an operation that does not affect the taxable income or the accounting income. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

A deferred liability is recognized for taxable temporary differences associated with investments in subsidiaries and joint ventures, and interests in joint ventures, except for those in which the Group is able to control the reversal of the temporary difference and when there is a possibility that it cannot be reversed in the near future. Deferred tax assets arising from the deductible temporary differences associated with such investments and participation are only recognized to the extent that it is likely that each entity will have future taxable profits against which to charge those temporary differences and when there is the possibility that these can be reversed in the near future.

The carrying amount of a deferred tax asset must be reviewed at the end of each reporting period and reduced, to the extent that it is likely that it will not have sufficient taxable income in the future to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates expected to be applied in the period in which the asset is realized or the liability is settled, based on the rates (and tax laws) enacted or substantively enacted at the end of the respective reporting period.

The measurement of deferred tax liabilities and deferred tax assets will reflect the tax consequences that would arise based on each Group company's expectations, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and relate to taxes levied by the same tax authority on the same taxable entity, or on different taxable entities.

3.11.3 Current and deferred taxes

Current and deferred taxes are recognized through profit or loss, except when they relate to items listed in other comprehensive income or directly in equity, in which case the current or deferred tax is also recognized though other comprehensive income or directly in the equity, respectively. In cases of business combinations, when the current tax or deferred tax arises from the initial accounting of the business combination, the tax effect is considered within the accounting of the business combination.

Note 3.12. Provisions, Contingent Liabilities and Contingent Asset

Provisions are recognized when (i) the Group has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. 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, where appropriate, the risks specific to the liability.

3.12.1 Disputes and litigation

A provision for disputes and litigation is recognized when it is more likely than not that the Group will be required to make future payments as a result of past events, such items may include but are not limited to claims, lawsuits and actions relating to employment related disputes and claims from tax authorities.

3.12.2 Contingent Liabilities and Contingent Asset

Contingent liabilities are not recognized in the financial statements. However, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. In contrast, contingent assets are not recognized in the financial statements unless the inflow of economic benefits is virtually certain. In the event the inflow of benefits is probable but not practically guaranteed, the Group does not recognize the asset but discloses relevant information. If the inflow is not probable, no asset is recognized and no disclosure is required.

Note 3.13. Employee benefits

Note 3.13.1. Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements for actuarial gains and losses are recognized immediately in the Consolidated Statement of Financial Position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs or when e Group recognizes related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognized when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability.

Defined benefit costs are split into three categories:

- service cost, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense; and
- remeasurements.

The retirement benefit obligation recognized in the Consolidated Statement of Financial Position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

Note 3.13.2. Short-term employee benefits

A liability is recognized for benefits accruing to employees in the form of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Note 3.14. Revenue recognition

The Group recognizes revenues from the sale of pharmaceutical products and the provision of services primarily related to product development projects.

Revenue is measured based on the consideration specified in a contract with a customer and excludes balances collected on behalf of third parties. The Group recognizes revenue when transferring control of a product or service to a customer.

The Group recognizes a variable consideration component in the transaction price when it expects to provide discounts, rebates, early settlement discounts, incentives, refunds, or other similar price reductions to customers, whether explicitly stated in the contract or arising from customary business practices.

Additionally, the transaction price is reduced for payments made to customers that do not represent a separate good or service received, such as commissions or incentives paid for purchases made by the customer itself. These amounts are recognized as a reduction of revenue when they relate directly to the revenue contract.

3.14.1 Sale of goods

Revenue from the sale of goods is recognized when the control of the goods is transferred (both in export and domestic operations) and the performance obligations have been fulfilled by the Group, which occurs when the product is delivered to the location specified by the customer, according to the agreed shipping terms. Revenues are reduced by discounts or rebates and other similar allowances estimated for customers.

3.14.2 License revenues

Revenue from the sale of intellectual property (licenses) is recognized based on the evaluation of whether an entity's commitment to grant a license provides the customer with a right to access intellectual property, which is transferred over time, or a right to use the intellectual property of an entity, which is transferred at a point in time.

The license is a commitment to provide a right to access the entity's intellectual property if all the following criteria are met:

- the contract requires, or the customer reasonably expects, that the entity carries out activities that significantly affect the intellectual property to which the customer is entitled;
- the rights granted by the license directly expose the customer to the positive or negative effects of the entity's activities identified in subsection a above; and
- those activities do not result in the transfer of a good or service to the customer as such activities take place.

If these criteria are not met, the license grants the customer a right to use the license, and the transaction is recognized when the license is granted to the customer.

3.14.3 Service provision

Revenue from service contracts is recognized based on the percentage of completion of the contract. If the Group transfers control of a service to satisfy the performance obligation over time, it then recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as it is created or enhanced; or
- the entity's performance does not create an asset with an alternative use for the entity and the entity has an enforceable right to payment for performance that has been completed to date.

3.14.4 Sale of trademarks and sanitary records

Revenue from contracts for the sale of a trademark or sanitary records is recognized at the point of the transfer of possession, use, enjoyment and other real and personal rights at the price agreed in the contract, fulfilling the following conditions:

- The customer has the right to all the benefits of the commercial use of the trademark or sanitary records.
- The customer can redirect the use of the trademark or sanitary records.
- The customer is responsible for sales, marketing and advertising activities.
- The customer obtains control of the trademark or sanitary records, which includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, the trademark or sanitary records.

Note 3.15. Principles of consolidation and equity method

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

3.15.1. Joint ventures

Joint ventures are arrangements whereby the Group maintains joint control of the underlying net assets of the arrangement with the counterparties. The Group holds a single 50% interest in one joint venture and the Group holds 50% of the voting rights and management board representation. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognized at cost.

3.15.2. Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in *3.7.3 Impairment of definite-lived tangible and intangible assets and intangibles not yet available for use, and other assets.*

3.15.3. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

3.16 Segment reporting

In prior periods, the Company presented operating segment information in accordance with IFRS 8, Operating Segments, as its equity and/or debt instruments were traded in a public market.

During the current period, the Company ceased to have its financial instruments traded in public markets and, accordingly, is no longer within the scope of IFRS 8. As a result, management has determined that the presentation of operating segment information is no longer required in these consolidated financial statements.

The discontinuation of segment disclosures does not represent a change in accounting policy in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, as it reflects a change in the Company’s circumstances affecting the applicability of IFRS 8, rather than a change in an accounting police.

Note 4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in Note 3. Material information on accounting policies, management must make judgments, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily observable in other sources. The estimates and underlying assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed regularly. Changes to accounting estimates are recognized in the period of the review, if the change only affects that period, or in future periods if the change affects both the current and subsequent periods.

Note 4.1. Key sources of estimation uncertainty

4.1.1 Provisions for contingencies, litigation and lawsuits

The litigation and lawsuits to which the Group is exposed are managed by appropriate legal personnel and are primarily related to labor, civil and administrative disputes. The Group considers that a past event has given rise to a present obligation if there is no realistic alternative to settling the present obligation, independent of future events, considering all the evidence available at the reporting date. It is understood that the probability of an event is more likely than not when the likehood of occurrence is greater than 50%, in which case the provision is recorded. The possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the control of the Group are not recognized in the Consolidated Statement of Financial Position, but are disclosed as contingent liabilities. The occurrence or non-occurrence of events that are deemed remote are not recorded or disclosed. The Group uses the professional judgment of internal and external specialists to determine the possibility of the occurrence of a present obligation. In the estimation of the provision for litigation and lawsuits, Management considers assumptions such as appraisal of the attorneys, estimated duration of the litigation or lawsuit and statistical information of litigation or lawsuits with similar characteristics, among others.

4.1.2 Impairment of accounts receivable

The Group evaluates the impairment of its accounts receivable by the expected credit loss model where it determines its value based on the probability of default, the loss due to default (i.e., the extent of the loss in case of default) and the exposure in the default. The assessment of the probability of default and the loss due to default is based on historical data adjusted by prospective information. Further details of other judgments are in Note 3. Material information on accounting policies.

4.1.3 Recognition of deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences only to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be used. In determining whether it is probable that taxable profit will be available to realize the Group's deferred tax assets, Management considered the following sources of taxable income:

- Reversal of taxable temporary differences
- Future taxable profit excluding reversal of temporary differences
- Tax planning opportunities

4.1.4 Inventory Impairment

The inventories obsolescence includes the analysis of goods expiration date, low inventory turnover, unused inventories and other internal and external factors that hit the inventory fulfillment

4.1.5 Discount rate applied to right-of-use assets

Right-of-use assets and corresponding lease liabilities are initially measured at the present value of future lease payments, discounted using an appropriate discount rate. The discount rate corresponds to the interest rate implicit in the lease, if that rate can be readily determined.

If the interest rate implicit in the lease cannot be readily determined, the Group uses its incremental borrowing rate, which reflects the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value in a similar economic environment.

The discount rate is determined at the commencement date of the lease and is not subsequently revised, unless there is a remeasurement of the lease liability arising from a modification of the lease terms or a change in the assessment of options to extend, terminate, or purchase the underlying asset.

4.1.6 Impairment testing of trademarks with indefinite useful lives

Trademarks with indefinite useful lives are not amortized but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, trademarks are allocated to the appropriate cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the asset. The recoverable amount of each CGU (or group of CGUs) is determined as the higher of its fair value less costs of disposal and its value in use.

Value in use is calculated based on the present value of the estimated future cash flow expected to be derived from the CGU, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Key assumptions used in the impairment test include revenue growth rates, operating margins, terminal growth rates, and discount rates.

If the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized in profit or loss. Impairment losses recognized for trademarks with indefinite useful lives are not reversed in subsequent periods.

Note 5. New and amended IFRS Standards that are effective for the current year

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21 For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments did not have a material impact on the Group's financial statements.

Note 6. Recent accounting pronouncements not yet adopted

The new and amended standards and interpretations that have been issued but are not yet effective up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments

The amendments in *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognized) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Classification of financial assets

• *Contractual terms that are consistent with a basic lending arrangement.*
The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

• *Assets with non-recourse features.*
The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flow is contractually limited to the cash flows generated by specified assets.

• *Contractually linked instruments.*
The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

• *Investments in equity instruments designated at FVTOCI.*
The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period.

• *Contractual terms that could change the timing or amount of contractual cash flows.*
The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs. The requirements apply to each class of financial assets measured at amortized cost or FVTOCI and each class of financial liability measured at amortized cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required too either:

• apply all the amendments at the same time and disclose that fact or
• apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The Group anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

IFRS 1 ***First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter***

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the ‘qualifying criteria’ for hedge accounting (instead of the ‘conditions’) and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

IFRS 7 ***Financial Instruments: Disclosures—Gain or loss on derecognition***

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

Guidance on implementing **IFRS 7*****—Disclosure of deferred difference between fair value and transaction price***

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

Guidance on implementing **IFRS 7*****—Introduction and credit risk disclosures***

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

IFRS 9 ***Financial Instruments—Derecognition of lease liabilities***

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognize any resulting gain or loss in profit or loss.

IFRS 9 ***Financial Instruments—Transaction price***

The amendments replace ‘their transaction price (as defined in IFRS 15)’ in IFRS 9.5.1.3 with ‘the amount determined by applying IFRS 15’ to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognized as revenue. Additionally, the reference to ‘transaction price’ (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

IFRS 10 ***Consolidated Financial Statements—Determination of a ‘de facto agent’***

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to ‘de facto agents’ as parties acting on the investor’s behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

IAS 7 Statement of Cash Flows—Cost method

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

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

Amendments to IFRS 9 *Financial Instruments*

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
  – to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
  – to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

Amendments to IFRS 7 *Financial Instruments: Disclosures* and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, issued by the International Accounting Standards Board ("IASB"), is effective for annual reporting periods beginning on or after January 1, 2027, and will replace IAS 1 Presentation of Financial Statements. In addition, consequential amendments to IAS 7 Statement of Cash Flows, IAS 8 Accounting

Policies, Changes in Accounting Estimates and Errors, IAS 33 Earnings per Share, and IAS 34 Interim Financial Reporting will become effective on the same date.

The Group is currently assessing the potential impact of adopting this new standard. Based on the assessment performed to date, the Group expects that the principal effects will relate to the presentation, classification, aggregation, disaggregation and disclosure of information in the consolidated financial statements rather than to changes in the recognition or measurement of assets, liabilities, income, or expenses.

The most significant changes that may affect the Group's consolidated financial statements include:
The introduction of specified categories for the classification of income and expenses within the statement of profit or loss, including operating, investing, financing, income taxes and discontinued operations.

The requirement to present new mandatory subtotals, including Operating Profit and Profit Before Financing and Income Taxes.
Enhanced requirements relating to the aggregation and disaggregation of financial information to improve the relevance, transparency and comparability of financial reporting.

Additional disclosures regarding operating expenses by nature when expenses are presented by function in the statement of profit or loss.

New disclosure requirements for management-defined performance measures ("MPMs"), where such measures are used by the Group in its public communications.

In addition, the Group is assessing the implications of the consequential amendments to IAS 7, particularly with respect to the classification and presentation of certain cash flows and related disclosures within the consolidated statement of cash flows.

At the date of authorization of these consolidated financial statements, the Group's assessment of the impact of IFRS 18 remains ongoing. Accordingly, the Group has not yet completed its evaluation of all implementation considerations or quantified the full impact of the new requirements. Based on the analysis performed to date, the Group does not currently expect the adoption of IFRS 18 to have a material impact on its consolidated results of operations, financial position or cash flows. However, the adoption of the standard is expected to result in changes to the presentation and disclosure of information in the consolidated financial statements.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards. To be eligible, at the end of the reporting period an entity must be a subsidiary as defined in IFRS 10, must not have public accountability, and must have an ultimate or intermediate parent that prepares consolidated financial statements, available for public use, that comply with IFRS Accounting Standards.

IFRS 19 will be effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted.

Note 7. Revenue

The Group recognizes its revenues from the transfer of goods and services to the fulfillment of its performance obligations. The Group's annual revenue includes $3,331 (2024: $5,833) recognized from intellectual property licensing and dossier generation.

Products

The Group primarily engages in developing, producing and marketing pharmaceutical solutions. It is considered an integrated international healthcare and pharmaceutical company across the three core therapeutical areas: hospitals/clinics, pharmacies (prescription) and over-the-counter (non-prescription).

The Group's main products for the years ended December 31, 2025 and December 31, 2024 are:

a. Business to Business

    Nextgel

    i. Softgel: Integrated CMDO, soft gelatin capsules, softgels, gummy-gels and GTabs.

b. Business to Consumer

    Procaps Colombia, ANDINOS and CENAM

    a. VitalCare: Branded drugs, consumer over-the-counter and generics.

        i. Clinical Specialties: High-complexity drugs and medical devices.

        ii. Farma: Branded prescription drugs.

    Diabetrics

    i. Diabetrics: Diabetes solutions and chronic disease management tool.

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by major products and by timing of revenue recognition in the table below.

	For the year ended December 31	
	2025	**2024**
Goods	$ 399,658	$ 366,076
Services	4,818	7,719
Total revenue from contracts with customers	**$ 404,476**	**$ 373,795**

Timing of revenue recognition	**2025**	**2024**
Goods transferred at a point in time	$ 399,658	$ 366,076
Services transferred over time	4,818	7,719
Total revenue from contracts with customers	**$ 404,476**	**$ 373,795**

Geographical markets	**2025**	**2024**
Central America	$ 59,700	$ 54,295
North America	48,000	25,500
South America	279,976	266,500
Europe	16,800	27,500
Total revenue from contracts with customers	**$ 404,476**	**$ 373,795**

Type of bussiness	**2025**	**2024**
Andinos	$ 28,900	$ 26,200
CENAM	59,600	54,295
Diabetrics	16,000	13,900
Nextgel	142,300	125,200
Procaps Colombia	157,676	154,200
Total revenue from contracts with customers	**$ 404,476**	**$ 373,795**

Revenue recognized from goods transferred at a point in time include revenues related to “sales of goods” and “sales of trademarks and sanitary records”. Revenue recognized from services transferred over time mainly include revenues related to “intellectual property licensing” and “dossier generation”.

Note 8. Sales and marketing expenses

	For the year ended December 31	
	2025	**2024**
Employee expenses	$ 36,463	$ 37,317
Professional fees	1,923	2,094
Taxes	3,352	2,168
Lease expenses	127	153
Memberships and subscriptions	594	661
Insurance	427	504
Services	27,722	26,611
Legal expenses	910	679
Maintenance and repairs	96	103
Travel expenses	1,980	2,556
Depreciation	8	26
Other expenses [1]	7,857	7,277
Inventory and receivables provision	13,573	19,933
Total Sales and marketing expenses	**$ 95,032**	**$ 100,082**

[1.] In December 2025, this primarily includes supplies used in sales activities totaling $3,872 (2024: $2,601), export expenses of $890 (2024: $788), fuel and lubricants for commercial operations of $650 (2024: $794), as well as subscriptions and publications totaling $1,484 (2024: $1,501).

Note 9. Administrative expenses

	For the year ended December 31	
	2025	2024
Employee Expenses	$ 47,812	$ 45,982
Professional Fees	11,805	27,574
Taxes	993	849
Leases expenses	2,666	2,219
Contributions and Memberships	727	728
Insurance	3,988	3,189
Services	6,928	7,028
Legal expenses	1,208	1,562
Maintenance and Repairs	3,650	4,446
Travel Expenses	520	950
Depreciation	6,158	6,625
Amortization	7,084	6,890
Other expenses [1]	13,022	14,928
Total administrative expenses	**$ 106,561**	**$ 122,970**

[1] In December 31, 2025, other expenses mainly related to product $9,957 (2024: $10,576).

Note 10. Other income (expenses), net

	For the year ended December 31	
	2025	2024
Foreign currency exchange rate differences gain (loss)	$ 21,180	$ (17,830)
Economic emergency contribution expenses	(1,317)	(1,207)
Fines, surcharges, penalties and taxes assumed	(2,292)	(907)
Donations	(275)	(925)
Impairment loss / Net (gain)/loss on sale and disposal of assets [1]	(631)	(4,849)
Other [2]	(502)	3,305
Total Other income (expenses), net	**$ 16,163**	**$ (22,413)**

[1] Refer to Note 16. Leases Note 15. Property, plant and equipment, net and Note 14. Intangible assets for the impairment and disposal recognized within each asset group.

[2] Other

	For the year ended December 31	
	2025	**2024**
Other Non-Operating Expenses	(1,969)	(1,999)
Other Administrative Sales	601	901
Indemnities	-	21
Tax Credits [1]	104	2,292
Other Income	762	2,090
Total Other	**$ (502)**	**$ 3,305**

[1] In 2025, this is mainly due to a higher provision for litigation in favor of the tax authority of El Salvador amounting to $812. In 2024, this includes the recognition of a state-granted reimbursement related to investments in technology and innovation (“TIDIS”) for $2.3 million.

Note 11. Net finance (expense) income

	For the year ended December 31	
	2025	**2024**
Net fair value gain of warrant liabilities	(625)	2,072
Net fair value gain of shares held in escrow	14,459	12,646
Interest income	869	204
Finance income	**14,703**	**14,922**
Banking expenses	$ (507)	$ (1,163)
Bank fees	(1,900)	(663)
Other financial expenses	(1,085)	(1,213)
Interest expense	(20,306)	(42,484)
Finance expense	**$ (23,798)**	**$ (45,523)**
Net finance (expense)	**$ (9,095)**	**$ (30,601)**

Refer to Note 29. Public warrants and Note 22. Related party transactions for further information related to net fair value gains for the years ended December 31, 2025, and 2024.

In December 31,2025, interest on lease liabilities amounted to $1,085 (2024: $1,213). Refer to Note 3.3. Leases - Right-of-use assets & lease liabilities for method of recognition of interest expense applied by the Group.

Net fair value gains recognized in Net finance income (expense) during December 31,2025 and 2024 are unrealized.

Note 12. Income tax

Income tax recognized through profit or loss

	2025	2024
Current year	$ 6,623	$ 4,071
Current tax expense	**6,623**	**4,071**
Origination and reversal of temporary differences	11,455	(20,358)
Deferred tax expense (income)	**11,455**	**(20,358)**
Total income tax expense	$ **18,078**	$ **(16,287)**

	2025	2024
Profit (loss) before tax	$ 27,581	$ (84,587)
Income tax (benefit) expense at corporate tax rate	4,689	(14,380)
Tax effect of expenses that are not deductible in determining taxable profit	92,309	37,671
Tax effect of income not taxable in determining taxable profit	(80,441)	(28,318)
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,470	(11,900)
Others - Includes exchange effect for reversal rates of long-term temporary differences, income taxed at differential rates, effect of change in deferred tax rate and tax discounts	(927)	684
Tax effect use of tax losses not previously recognized	(1,022)	(44)
Tax (benefit) expense for the year	**$ 18,078**	**$ (16,287)**
Effective tax rate for the year	**65.64 %**	**19.25 %**

The principal reconciling items included in the effective tax rate reconciliation are primarily composed of the tax effects associated with revenue, cost and expense items recognized by Procaps S.A. Colombia, Procaps S.A. CV and Biokemical in El Salvador. These entities represent the most significant contributors to the Group's effective tax rate reconciliation. The amounts presented correspond to the aggregated tax effect of the underlying income statement items recognized by these entities and are summarized by nature for presentation purposes, in order to provide a meaningful and concise explanation of the Group's effective tax rate without affecting the measurement of current or deferred income tax.

The tax rate used for 2025, 2024 and 2023 represents the corporate tax rate of 17% from Luxembourg on the taxable income payable by the Group, in accordance with the tax laws of said jurisdiction. Income tax for other jurisdictions is calculated based on the substantially enacted nominal tax rates prevailing in the respective jurisdictions.

The Colombian entities represent the Group’s main source of taxable income within the global income tax calculation.

In 2021, Colombia enacted Law 2155 (Social Investment Reform), which increased the general corporate income tax rate from 30% to 35%, applicable from fiscal year 2022 onwards for domestic and foreign entities, including permanent establishments and branches. This 35% rate remained in force under the subsequent 2022 Tax Reform (Law 2277).

Additionally, Law 2277 of 2022 introduced a domestic minimum taxation mechanism applicable from fiscal year 2023. Under this rule, Colombian entities, including free trade zone users, are subject to a minimum effective tax rate of 15%, calculated on adjusted accounting net income in accordance with Colombian tax regulations.

This minimum taxation regime is a domestic rule and does not constitute a formal implementation of the OECD Global Anti-Base Erosion (GloBE) Rules under Pillar II.

Additionally, Law 2277 of 2022 introduced several structural changes to the Colombian income tax regime applicable from fiscal year 2023.

The reform eliminated the possibility of claiming 100% of the industry and commerce tax (ICA) as a corporate income tax credit. As from fiscal year 2023, ICA is no longer creditable against income tax and is instead fully deductible as an expense.

The capital gains tax rate was increased from 10% to 15%, applicable from fiscal year 2023.

Furthermore, the reform introduced a general limitation on certain tax benefits. The aggregate benefit derived from non-taxable income, exempt income, special deductions, and specific tax credits may not exceed 3% of the taxpayer's annual net taxable income, calculated before applying special deductions.

Transfer pricing regimen – considering that the Company carries out transactions with related parties abroad, it is subject to the regulation that was introduced regarding transfer pricing. Due to the above, the Company prepared a technical study over the transactions performed during 2023, in which concluded that there are no conditions for affecting or adjusting income tax as from said year.

Up to date, the Company has not completed the technical study related to the transactions carried out with related parties during 2025; however, management, with the support of external advisors, has reviewed the transactions and concluded that their performance was consistent with those carried out in 2025. Accordingly, no material impact is expected on the 2025 income tax return.

Transfer pricing documentation is currently in progress. While several jurisdictions have already submitted their respective transfer pricing reports in accordance with their local filing deadlines, the Colombian documentation—the most significant jurisdiction for the Group—is still under preparation and is being finalized in line with the applicable local compliance calendar.

Global minimum top-up tax

On October 8, 2021, 136 countries reached an agreement for a two-pillar approach to international tax reform.

Specifically, Pillar Two Global Anti-Base Erosion Rules propose four new taxing mechanisms under which multinational enterprises would pay a minimum level of tax: the subject to tax rule, a tax treaty-based rule that generally proposes a minimum tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax; the income inclusion rule; the under taxed payments rule; and the qualified domestic minimum top-up tax, which generally propose a minimum tax on the income arising in each jurisdiction in which the Group operates.

The Group operates in several jurisdictions, but it has been determined that the UPE (Ultimate Parent Entity) is located in Luxembourg. Luxembourg enacted legislation to implement the global minimum top-up tax on 2024 about QDMTT (Qualified Domestic Minimum Top-up Tax) and IIR (Income Inclusion Rule). The UTPR (Undertaxed Payment Rule) has entered into force in 2025.

As the group turnover is below €750 million for periods 2023, 2024 and 2025, Pillar Two is not applicable and consequently the Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two model Rules would have no impact to the Group.

Regarding the amendments to IAS 12 (International Tax Reform-Pillar Two Model Rules), since no new legislation to implement the top-up tax was enacted or substantially enacted as of December 31, 2025 in any of the jurisdictions where the Group operates, no related deferred taxes were recognized at that date, hence the retrospective application has no impact on the Group's Consolidated Financial Statements.

Colombia domestic minimum tax

Separately from the OECD Pillar Two rules, Colombia introduced a domestic minimum tax regime though Law 2277 of 2022, effective from fiscal year 2023. Unlike the OECD framework, the Colombian minimum tax does not apply a global revenue threshold of €750 million, but rather establishes a local minimum effective tax rate requirement. This regime is accounted for as part of current income tax expense when payable, and it does not give rise to deferred tax assets or liabilities. The impact of this measure has been recognized in the Group's 2025 current tax expense.

Current tax assets and current tax liabilities:

	As of December 31			
Current tax assets		**2025**		**2024**
Income Tax Advance	$	5,849	$	7,978
Surplus in Private Liquidation		17,312		11,348
Income Tax Withholding		(45)		-
Other Taxes		1,272		2,499
Total		**24,388**		**21,825**
Current tax liabilities				
Income Tax Withholding		(2,108)		(5,396)
Income Tax Payable		(2,467)		(1,136)
Other Taxes		(194)		(173)
Total	**$**	**(4,769)**	**$**	**(6,705)**

As of December 31, 2025 and 2024, the following is the detail of the tax losses of the Group that have not been used and on which deferred tax asset has not been recognized:

	As of December 31	
	2025	2024
Unused tax losses (recognized in the DTA)	$ 12,197	$ 12,851
Total	**$ 12,197**	**$ 12,851**

The tax losses included in the deferred tax asset are mainly composed of losses incurred by Procaps Colombia, amounting to approximately USD 10 million, most of which were generated in 2024. The next most significant balance corresponds to Inversiones Henia, with tax losses of approximately USD 863 thousand, mainly generated in 2021. Under Colombian tax legislation, these tax losses may be carried forward and offset against future taxable income for up to twelve years from the year in which they were incurred.

The companies have triggered tax losses of $39,159 that have not been recognized in the DTA considering that it is not likely to recover them via taxable income, and mainly correspond to Sofgen Pharma S.A. ($23,833), Rymco Medical ($2,915) and C.I. Procaps ($1.992) these losses have a 17-year and 12- year limit for being carryforwarded respectively. As these losses were triggered in 2021, 2022 and 2024 they can be offset until 2038, 2039 and 2041 regarding Sofgen Pharma and until 2033 and 2034 regarding Rymco Medical.

Note 13. Goodwill, net

	As of December 31	
	2025	2024
Cost	$ 5,791	$ 5,791
Impairment losses	$ (5,791)	$ (5,791)
Total	**$ -**	**$ -**

No impairment test was performed in 2025 and 2024, as the Group had no remaining goodwill balances to be tested. As of December 31, 2025, all goodwill amounts had been fully impaired and written off in prior periods.

As of December 31, 2023, the Group concluded that the recoverable amount of the goodwill and related assets of the cash-generating units (CGUs) Procaps S.A. de C.V. and Biokemical S.A. de C.V. was lower than their carrying amounts. Accordingly, an impairment loss was recognized for the full amount of goodwill allocated to these CGUs. No impairment losses were identified for these CGUs in the analyses performed for the years ended December 31, 2022. However, in 2022, the evaluation performed on the Rymco CGU resulted in the recognition of a full impairment of the related goodwill.

Therefore, as of December 31, 2024 and 2023, the goodwill allocated to all three CGUs had been fully impaired.

The Group has three cash generating units ("CGUs"): Procaps, S.A. de C.V., engaged in the manufacturing and distribution of pharmaceutical products; Biokemical, S.A. de C.V., which also manufactures and distributes pharmaceutical products; and Rymco, a manufacturer and seller of syringes, needles, and infusion equipment.

As of December 31, 2024, these CGUs continue to be recognized at their recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Since 2022, the Rymco CGU has been recognized at its recoverable amount, and in 2023, the Procaps, S.A. de C.V. and Biokemical, S.A. de C.V. CGUs were also recognized at their recoverable amount.

The recoverable amount of these CGUs was determined using a value-in-use calculation based on cash flow projections derived from approved financial budgets over a defined forecast period, discounted at an appropriate annual rate. For periods beyond the forecast horizon, a terminal growth rate was applied to extrapolate the cash flows. The forecast period reflects management's assessment of the Group's long-term stable operating position; accordingly, cash flows beyond this period were extrapolated using a steady long-term growth rate.

	Procaps S.A. de C.V.	**Biokemical S.A. de C.V.**	**Rymco**
	2023	**2023**	**2023**
Post-Tax Discount Rate	16.5%	16.5%	-%
No. of years used In projection (In Years)	P5Y	P5Y	P5Y
Fixed annual growth rate[1]	4%	4%	-%
Average sales growth rate	0.9%	0.6%	-%
Average gross margin[2]	39.4%	52.8%	-%
Expected market share	-%	-%	-%

1 This rate is consistent with the growth of the pharmaceutical and medical supplies markets in the current and potential operating areas of the cash-generating units.

2 Fixed gross margins were used in the cash flow projections for Procaps S.A. de C.V.

Rymco

The impairment loss was recognized for the year ended December 31, 2023 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as Other expenses, net.

As of December 31, 2022, after impairing assets within the scope of IAS 36 by $12,175, an unallocated impairment of $17,141 remained unrecognized by the Group. As of December 31, 2023, the Rymco is fully impaired and it is recognized at its recoverable value, therefore, no further adjustments were made to this cash generating unit during the year.

During the year ended December 31, 2023, the Group permanently ceased Rymco's operations. Subsequently, in August 2024, part of its assets was sold. The remaining assets, with a carrying amount of $1,705, were subject to an independent valuation that estimated their fair value at $481.

This information constitutes objective evidence of conditions existing as of December 31, 2023. Accordingly, the Group recognized an additional impairment of $1,225, recorded in the consolidated statement of profit or loss under "Other expenses, net."

Procaps S.A. de C.V. and Biokemical S.A. de CV

As of December 31, 2023, the impairment of Procaps S.A. de C.V. and Biokemical S.A. de C.V. was primarily attributable to increased expenses associated with the cost to serve, as well as higher discounts, returns, and complimentary products granted during the period. In addition, during the year, the Company implemented a commercial strategy aimed at reducing the inventory days maintained by its distributors (customers). This initiative, which resulted in lower stock levels across these channels, reduced the frequency and volume of purchase orders, thereby significantly impacting sales for the period.

Although the impairment test is based on projections of future cash flows, such projections incorporated the anticipated negative effects of this strategy, contributing to the recognition of the impairment loss has a result of the impairment identified as of December 31, 2023, the Group assessed the assets within Procaps S.A. de C.V. and Biokemical S.A. de C.V. subject to IAS 36 and recognized an impairment loss up to the greater of the recoverable amount of the individual assets or zero. The recoverable amount of the assets is its individual Level 2 fair value less costs of disposal, which is calculated based on observable market prices for similar assets. Therefore, a total impairment loss expense of , which was allocated to the non-financial assets of Procaps S.A. de C.V. and Biokemical S.A. de C.V. as follows:
As a result of the impairment identified as of December 31, 2023, the Group assessed the assets within Procaps S.A. de C.V. and Biokemical S.A. de C.V. subject to IAS 36 and recognized an impairment loss up to the greater of the recoverable amount of the individual assets or zero. The recoverable amount of the assets is its individual Level 2 fair value less costs of disposal, which is calculated based on observable market prices for similar assets. Therefore, a total impairment loss expense of , which was Impairment of Goodwill of $5,791, with $0 remaining carrying amount;

- Impairment of Property Plan and Equipment of $5,478, with a remaining carrying amount of $11,195;
- Impairment of Right-of-use assets of $374, with a remaining carrying amount of $10; and
- Impairment of Intangible assets of $533, with $0 remaining $ 6,197 carrying amount.

As of December 31, 2023, after impairing assets within the scope of IAS 36 by $12,175, an unallocated impairment of $17,141 remained unrecognized by the Group.

Note 14. Intangible assets, net

Cost	Trademarks and sanitary records	Licenses, customers and agreements	Product development	Total
Balance as of January 1, 2024	**18,158**	**18,570**	**43,907**	**80,635**
Additions	24	695	-	719
Additions from internal developments	-	-	4,916	4,916
Derecognition of assets	(650)	-	(5,080)	(5,730)
Effect of foreign currency exchange rate changes	(1,203)	(1,737)	(5,788)	(8,728)
Reclassifications and others	-	79	(217)	(138)
Balance as of December 31,2024	**16,329**	**17,607**	**37,738**	**71,674**
Additions	15	792	-	807
Additions from internal developments	-	-	3,933	3,933
Derecognition of assets	(165)	(1,695)	(943)	(2,803)
Impairment loss	(506)	(33)	(4,473)	(5,012)
Effect of foreign currency exchange rate changes	1,096	1,544	6,265	8,905
Reclassifications and others	-	(32)	(171)	(203)
Balance as of December 31,2025	**16,769**	**18,183**	**42,349**	**77,301**

Accumulated amortization and impairment losses	Trademarks and sanitary records	Licenses, customers and agreements	Product development	Total
Balance as of January 1, 2024	**8,135**	**15,057**	**14,573**	**37,765**
Amortization expense	1,390	985	4,334	6,709
Derecognition of assets	(617)	155	(49)	(511)
Impairment loss	1,983	-	-	1,983
Effect of foreign currency exchange rate changes	(845)	(1,286)	(2,446)	(4,577)
Reclassifications and others	(141)	109	25	(7)
Balance as of December 31, 2024	**9,905**	**15,020**	**16,437**	**41,362**
Amortization expense	1,061	839	5,204	7,104
Derecognition of assets	(124)	(1,210)	-	(1,334)
Impairment loss	(781)	(33)	(3,298)	(4,112)
Effect of foreign currency exchange rate changes	871	1,209	3,216	5,296
Reclassifications and others	-	-	-	-
Balance as of December 31, 2025	**10,932**	**15,825**	**21,559**	**48,316**
As of December 31,2024				
Net book value	6,424	2,587	21,301	30,312
As of December 31,2025				
Net book value	5,837	2,358	20,790	28,985

For the years ended December 31, 2025, December 31, 2024 amortization expenses are recognized within the Consolidated Statement of Profit or Loss and Other Comprehensive Income as administrative expenses.

Impairment loss recognized as of December 31, 2025 and 2024 in Other expenses, net mainly corresponds to intangible assets related to discontinued or abandoned projects and other assets tested for value in use. Where the recoverable amount was lower than the carrying amount, an impairment loss was recognized. Management believes that the assumptions applied are reasonable and consistent with IAS 36 requirements.

Foreign currency exchange corresponds to the effect of translating the intangible asset amounts attributable to the subsidiaries of the Group whose functional currencies are different from that of the Group.

Indefinite-Lived Trademarks Impairment Assessment

The Company performed its annual impairment testing of the indefinite-lived trademarks Laboratorio López and Biokemical as of December 31, 2025, in accordance with IAS 36, *Impairment of Assets*.

The recoverable amount of each trademark was determined using the Relief-from-Royalty Method, an income-based valuation approach that estimates the value of a trademark based on the hypothetical royalty payments that would be avoided through ownership of the asset. The valuation incorporated projected revenues generated by products marketed under each brand within their respective geographic markets, an estimated royalty rate of 4.0%, applicable income taxes, a discount rate of 14.5%, and a terminal value reflecting the long-term earnings potential of the trademarks.

Based on the analysis performed, the estimated fair value of the Laboratorio López trademark was approximately $6.3 million, compared to a carrying amount of $4.9 million, resulting in excess headroom of approximately $1.5 million. The estimated fair value of the Biokemical trademark was approximately $1.7 million, compared to a carrying amount of $1.3 million, resulting in excess headroom of approximately $0.4 million.

As the estimated recoverable amounts exceeded the respective carrying values, no impairment charge was recognized for either trademark during 2025. Management believes that the assumptions applied in the impairment tests are reasonable and consistent with market participant expectations and the anticipated future performance of the underlying branded products.

Note 15. Property, plant and equipment, net

Cost	**Land and buildings**	**Machinery and equipment, furniture and fixtures**	**Projects in progress**	**Other 1**	**Total**
Balance as of January 1, 2024	**38,529**	**95,197**	**23,388**	**4,177**	**161,291**
Additions	-	1,073	14,818	71	15,962
Disposals	(23)	(652)	-	(38)	(713)
Effect of foreign currency exchange differences	(2,797)	(12,763)	(1,617)	(455)	(17,632)
Reclassification between categories	5,048	18,721	(20,374)	116	3,511
Transfers to assets held for sale	-	(1,534)	-	-	(1,534)
Balance as of December 31, 2024	**40,757**	**100,042**	**16,215**	**3,871**	**160,885**
Additions	-	979	5,411	134	6,524
Disposals	(3,087)	(9,956)	-	(1,894)	(14,937)
Effect of foreign currency exchange differences	2,561	14,178	1,053	335	18,127
Reclassification between categories	1,638	12,247	(15,102)	72	(1,145)
Balance as of December 31,2025	**41,869**	**117,490**	**7,577**	**2,518**	**169,454**

Accumulated depreciation and impairment losses	Land and buildings	Machinery and equipment, furniture and fixtures	Projects in progress	Other 1	Total
Balance as of January 1, 2024	**13,931**	**51,961**	**507**	**3,910**	**70,309**
Disposals	(23)	(585)	-	(37)	(645)
Depreciation expense	1,079	5,786	-	105	6,970
Effect of foreign currency exchange differences	(576)	(6,568)	(68)	(425)	(7,637)
Reclassification between categories	(3,365)	2,503		26	(836)
Transfers to assets held for sale	-	(995)	-	-	(995)
Balance as of December 31,2024	**11,046**	**52,102**	**439**	**3,579**	**67,166**
Disposals	(1,097)	(7,382)	-	(1,839)	(10,318)
Depreciation expense	1,197	7,505	-	158	8,860
Effect of foreign currency exchange differences	389	7,526	76	302	8,293
Balance as of December 31,2025	**11,535**	**59,751**	**515**	**2,200**	**74,001**
As of December 31, 2024					
Net book value	29,711	47,940	15,776	292	93,719
As of December 31,2025					
Net book value	30,334	57,739	7,062	318	95,453

1. ‘Other’ includes computer equipment and other office furniture and equipment.

For the year ended December 31, 2025, depreciation expense was recognized as follows: $7,654 was recognized as Cost of sales (2024: $6,285), for manufacturing costs, and $1,206 (2024: $1,128) within Administrative expenses.

Financial Commitments.

As of year-end December 31, 2025, the Group has commitments to acquire capital expenditures for $ 5,572 (2024: $1,354).

Note 16. Leases

The Group has leases of office and warehouse buildings, land, vehicles, machinery and computer hardware. Rental contracts are for fixed terms varying between one and seven years.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Reconciliation of asset balances:

	Land and Buildings [1]	Equipment and Machinery	Vehicles	Computers	Total
Balance as of January 1, 2023	**42,443**	**2,462**	**204**	**1,550**	**46,659**
Addition to right-of-use asset	6,409	1,104	117	1,088	8,718
Depreciation	(4,289)	(1,170)	(139)	(768)	(6,366)
Derecognition of contracts	(46)	-	-	-	(46)
Reclassifications and others	(3,658)	(93)	-	-	(3,751)
Effect of foreign currency exchange differences	(4,191)	(450)	(44)	(181)	(4,866)
Balance as of December 31, 2024	**36,668**	**1,853**	**138**	**1,689**	**40,348**
Addition to right-of-use asset	3,301	55	181	-	3,537
Depreciation	(4,075)	(871)	(95)	(635)	(5,676)
Derecognition of contracts	(3,528)	-	-	-	(3,528)
Reclassifications and others	350	239	-	-	589
Effect of foreign currency exchange differences	4,526	(139)	(77)	138	4,448
Balance as of December 31, 2025	**37,242**	**1,137**	**147**	**1,192**	**39,718**

[1] Includes net right-of-use assets of $439 (2024: $1,670) with related party WM Partners, LP.

As of December 31, 2025 depreciation expense was recognized as follows: $206 was recognized within costs (2024: 275) for manufacturing costs, and $5,470 (2024: $6,076) within expenses.

Lease Liabilities

The Group's lease liabilities are guaranteed by the lessor's title to the leased assets. As of December 31, 2025 and 2024 the Group maintains the following opened balances:

	2025	2024
Non-current	$ 19,533	$ 23,790
Current	5,138	6,528
Total	**$ 24,671**	**$ 30,318**

The remaining contractual maturity and repayment periods of the Group's leases liabilities are exhibited in Note 32. Financial Instruments.

Carrying amounts of lease liabilities are included in Borrowings' balance, refer to Note 25. Borrowings.

Amounts recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended December 31	
	2025	2024
Interest on lease liabilities	$ 1,085	$ 1,213
Expense relating to leases of low-value assets	220	436
Expense relating to short-term leases	866	317

Amounts recognized in Consolidated Statements of Cash Flows

The total cash outflow for leases amounts to December 31, 2025 $7,587 and (2024: $5,362). The principal amount of the lease liabilities and estimated interest payments contractual maturity and repayment periods are included in Note 32. Financial instruments.

Note 17. Investment in joint ventures

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company	
			As of December 31,2025	As of December 31, 2024
Promedical S.A.	Marketing and Pharmaceuticals	Santa Cruz de la Sierra, Bolivia	50%	50%

Promedical S.A. is accounted for using the equity method in these Consolidated Financial Statements. Pursuant to a shareholder agreement, the Group has the right to cast 50% of the votes at shareholder meetings of Promedical S.A.

The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS financial statements of the joint venture, not the Procaps Group share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

Summarized financial information of Promedical S.A is set out below. The summarized financial information below represents amounts in the Promedical S.A.'s financial statements prepared in accordance with IFRS Accounting Standards, adjusted by the Group for equity accounting purposes.

	As of December 31	
	2025	2024
Current assets	$ 8,181	$ 9,202
Non-current assets	2,333	2,505
Current liabilities	6,982	8,157
Non-current liabilities	1,016	1,092
Equity	2,516	2,458

	For the year ended December 31	
	2025	2024
Revenue	22,254	20,938
Profit / (Loss) of the year	790	(762)
Total comprehensive loss	790	(762)

	As of December 31	
	2025	2024
Net assets of Promedical S,A,	$ 2,516	$ 2,458
Proportion of the Group's ownership interest in Promedical S,A,	1,258	1,229
. Unrealized gains on upstream and downstream transactions with equity-method investees	(11)	306
Carrying amount of the Group's interest in Promedical S,A,	**$ 1,247**	**$ 1,535**

Note 18. Deferred tax, net

The deferred tax assets and liabilities by type of temporary difference are as follows:

	As of December 31,	
	2025	2024
Net deferred tax asset (liability)		
Trade and other receivables	$ 11,650	$ 7,999
Inventories	6,447	5,368
Property, plant and equipment	(2,066)	(2,380)
Intangibles	(2,931)	(2,247)
Borrowings and trade and other payables	(8,463)	8,346
Provisions and other liabilities	2,138	3,603
Tax losses	4,057	4,750
Others	11,161	2,128
Total net deferred tax asset (liability)	**$ 21,993**	**$ 27,567**

	As of December 31	
	2025	2024
Deferred tax asset	$ 22,016	$ 28,260
Deferred tax liability	(23)	(693)
Net deferred tax asset	**$ 21,993**	**$ 27,567**

The deferred tax assets are ordinary in nature and arise primarily from deductible temporary differences related to impairment of trade receivables for financial reporting purposes; differences between the carrying amount and the tax base of inventories, property, plant and equipment, intangibles, right-of-use assets and provisions, as well as unused tax losses in certain entities.

In assessing the recoverability of deferred tax assets, management considered that one of the main operating entities incurred accounting losses in two of the last three financial years, which constitutes negative evidence under IAS 12.35. Management evaluated this negative evidence in conjunction with positive evidence, including the expected reversal of taxable temporary differences and entity-level financial projections reflecting improved operating performance. Based on this combined assessment, management concluded that it is probable that sufficient future taxable profits will be available to utilize the deductible temporary differences and tax losses.

This assessment is based on the expected reversal of taxable temporary differences and on forward-looking taxable profit projections prepared at the individual legal entity level, which reflect management's current business plans and expected operating performance. As the utilization of deferred tax assets depends on the generation of taxable income by each entity, recoverability is assessed on an entity-by-entity basis rather than on consolidated results.

Tax losses recognized as deferred tax assets may be carried forward for up to 12 years under Colombian income tax law. Based on the expected timing of reversal of temporary differences and projected taxable profits, it is expected that such losses to be utilized within the applicable carryforward period.

Note 19. Cash and cash equivalents

	As of December 31	
	2025	**2024**
Cash on hand	32,092	25,901
Cash equivalents	403	4,388
Tax refund securities[1]	535	28
Total cash and cash equivalents	**$ 33,030**	**$ 30,317**

1. The balance as of December 31, 2025 and 2024 relates to tax refund securities (Colombian Tax Reimbursement Certificates) that are securities issued by the Colombian Ministry of Finance and Public Credit which are highly liquid and tradeable. They must be redeemed within one year with the tax authority to compensate payable taxes.

As of December 31, 2025 and 2024, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 20. Trade and other receivables, net

	As of December 31	
	2025	**2024**
Trade receivables, net of discounts [1]	$ 116,043	$ 88,416
Other receivables	9,890	6,167
Impairment of trade and other receivables [2]	(25,104)	(16,265)
Trade receivables, net of discounts and impairment	**$ 100,829**	**$ 78,318**

[1] Discount and return provision amounts to $29,975 (2024: $38,735)

[2] Total impairment balance is comprised of $24,779 (2024: $16,183) for trade receivables and $325 (2024: $82) for other receivables.

Refer to Note 32. Financial instruments for the Group's disclosures on credit risk management and expected credit losses. The Group has entered into factoring arrangements to sell certain trade receivables to third parties under recourse programs, retaining all risk and rewards incidental to the trade receivables, so no derecognition of the financial assets has been performed. Trade receivables which collateralize factoring obligations as of December 31, 2025 amount to $3,928 (2024: 1,356).

The movements in the allowance for doubtful trade and other receivables are as follows:

	2025		2024	
Balance as of January 1	$	(16,265)	$	(16,910)
Impairment		(1,758)		(2,619)
Write-offs		4,908		2,665
Reclassification[1]		(11,590)		-
Effect of foreign currency exchange differences		(399)		599
Balance as of December 31	**$**	**(25,104)**	**$**	**(16,265)**

[1] During 2025, the Company reclassified certain accounts receivable balances that had been presented as amounts due from related parties in prior periods. Following an updated assessment of the nature of these relationships and the classification of the counterparties as of December 31, 2025, these balances were reclassified to trade and other receivables from third parties.

Accordingly, the related allowance for expected credit losses of $11.6 million was reclassified from the allowance for receivables from related parties to the allowance for receivables from third parties. This reclassification had no impact on profit or loss, equity, or the total allowance for expected credit losses recognized by the Company and reflects only a change in the presentation and classification of the underlying receivable balances.

The reclassification resulted from a reassessment of the counterparties' status under the Company's related-party identification procedures and did not represent a change in management's estimate of credit risk or the recoverability of the related receivables.

Note 21. Inventories, net

	As of December 31			
	2025		2024	
Raw materials and supplies	$	58,292	$	45,146
Products in process		1,222		2,377
Finished products and merchandise		51,189		38,271
Inventory in transit		3,698		3,694
Subtotal		**114,401**		**89,488**
Less: Provision		(17,263)		(12,946)
Total	**$**	**97,138**	**$**	**76,542**

Inventories recognized as cost of goods sold during the year ended December 31, 2025 amounted to $182,370 (2024: $182,316). Inventories used as samples for the year ended December 31, 2025 amounted to $4,330 (2024: $4,008) were recognized as marketing expenses.

The movements in the inventory provision recognized for write-downs to net realizable value and obsolescence adjustments are as follows:

	2025	2024
Balance as of January 1	$ (12,946)	$ (8,228)
Provision for the year	(11,568)	(16,574)
Write-offs	9,085	10,674
Effect of foreign currency exchange differences	(1,834)	1,182
Balance as of December 31	**$ (17,263)**	**$ (12,946)**

Note 22. Related party transactions

Balances and transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed below.

Outstanding activities

During the year, the Group entities carried out the following transactions with joint ventures and other related parties:

	2025	2024
Sale of finished products	$ 2,106	$ 2,396
Revenue from services and consulting	$ -	$ 531
Purchases of raw materials and other services	$ 9,903	$ 20,200

For the year ended December 31, 2025 and 2024 there were no interest expense derived from related parties.

For the year ended December 31, 2025 other expenses derived from related party transactions are comprised of donations $0 (2024: $730), leases $ 168 (2024: $492), and others $ 26 (2024: $532), which are recognized as other expenses in profit or loss.

The following current amounts were outstanding at the reporting date:

	As of December 31	
	2025	2024
Trade and other receivables by related parties	$ 2,401	$ 14,611
Loans owed by related parties	-	986
Less: provisions	(986)	(12,490)
Amounts owed by related parties, net	**$ 1,415**	**$ 3,107**

The movements in the provision for doubtful accounts receivable from related parties are as follows:

	2025	2024
Balance as of January 1	(12,490)	(11,838)
Reversals (Impairment)	68	(739)
Reclassification[1]	11,590	-
Effect of foreign currency exchange differences	(154)	87
Balance as of December 31	**(986)**	**(12,490)**

[1] During 2025, the Company updated its identification of related parties in accordance with the criteria established in IAS 24, resulting in the inclusion of new related parties and the exclusion of certain parties previously identified as related parties in 2024.

Accordingly, balances with third parties were reclassified to reflect their appropriate classification, with no impact on the profit or loss for the period.

	As of December 31			
	2025		2024	
Trade and other payables to related parties	$	16,607	$	7,095
Loans owed to related parties		60		60
Amounts owed to related parties	**$**	**16,667**	**$**	**7,155**
Current	$	16,667	$	7,155
Non-current	$	-	$	-

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within two months of the reporting date. None of the balances are secured. No expense has been recognized in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

Loans from related parties

Loans from related parties	2025		2024	
Balance as of January 1	**$**	**-**	**$**	**-**
Loan received (repayments)		-		5,071
Capitalizations effect on share premium account		-		(5,071)
Balance as of December 31	**$**	**-**	**$**	**-**

As of December 31, 2025 and 2024, the Group had no outstanding loan balances with related parties.

No loss allowance was recognized in expense in 2024 or 2023.

Transactions with directors and executive board management members

Total management compensation included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are as follows:

	2025		2024	
Short-term employee benefits	$	1,800	$	3,127
Consulting fees		904		2,410
Total	**$**	**2,704**	**$**	**5,537**

Note 23. Shareholder's equity

Note 23.1. Authorized and issued shares

The authorized shareholder's equity is represented by 2,608,500,000 (2024: 800,000,000) Ordinary Shares with a par value of one cent each, of which 2,312,365,312 (2024: 112,824,184) are issued and outstanding as of December 31,2025. Ordinary Shares grant one vote per share and one right to dividends. Also, 4,000,000 Redeemable A Shares are issued and held in treasury by the Group and 4,500,000 Redeemable B Shares are issued and held in treasury by the Group.

Reconciliation of share capital and share premium related to the reverse reorganization:

Ordinary authorized and issued shares	**Number of shares**	**Share capital amount**		**Share premium**	
As of December 31, 2023	**101,109,572**	**$**	**1,011**	**$**	**375,493**
Treasury shares acquired	-		-		(823)
Effect of Master Termination and Release Agreement	-		-		18,161
Other	-		-		20
As of December 31, 2024	**101,109,572**		**1,011**		**392,851**
Issue of share capital (a)	2,191,041,129		21,911		112,684
As of December 31, 2025	**2,292,150,701**	**$**	**22,922**	**$**	**505,535**

(a) *Private Capital Raise and Conversion of the Secured Convertible Notes*

On April 3, 2025, the Group entered into the 2025 Subscription Agreements with several investors for them to subscribe and purchase Ordinary Shares of the Group as follows:

a. an aggregate subscription amount of US$37,822,500 by Chemo Project S.A. and Becaril S.A., collectively,
b. an aggregate subscription amount of US$37,822,500 by Flying Fish Ventures L.P., Saint Thomas Commercial S.A. and Santana S.A., collectively,
c. a subscription amount of US$10,000,000 by Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A.,
d. a subscription amount of US$2,105,000 by BTG Pactual Chile S.A. Corredores de Bolsa,
e. a subscription amount of US$1,500,000 by BTG Pactual Chile S.A. Corredores de Bolsa, and
f. a subscription amount of US$750,000 by Corales, LLC.

Following these subscriptions, these shareholders together now hold approximately 90% of the outstanding shares of the Group.

On April 9, 2025 the Company issued (i) 1,425,629,653 Ordinary Shares to the investors under the 2025 Subscription Agreements at a price per share of U.S.$0.06313, (ii) 633,613,175 Ordinary Shares issued upon conversion of the Secured Convertible Notes, which amounted to U.S.$41,104,097 including total principal and accrued interest as of that date; as a result of certain amendments to the Secured Convertible Notes, Hoche assigned part of its rights to Chemo Project S.A. and Flying Fish Ventures L.P.: accordingly, of the Ordinary Shares issued upon conversion, 11,497,438 and 11,497,437 were issued to those entities, respectively; and (iii) Warrants in an aggregate "face amount" of $10 million in connection with the conversion of the Secured Convertible Notes, and (iv) 131,798,311 Ordinary Shares to other shareholders.

Note 23.2. Reserves

	As of December 31	
	2025	2024
Legal [1]	$ 5,082	$ 5,082
Working Capital [2]	37,268	42,425
General [3]	9,585	9,585
	$ 51,935	**$ 57,092**

	2025	2024
Balance as of January 1	**$ 57,092**	**$ 50,238**
Increase in working capital reserves	(5,157)	216
Increase in legal reserves	-	184
Increase in general reserves	-	6,454
Balance as of December 31	**$ 51,935**	**$ 57,092**

1 *Legal Reserves* – Includes the appropriate values from net income to comply with legal provisions related to asset protection according to applicable jurisdictions with cumulative earnings.

2 *Reserves for working capital* – These are eventually used to transfer earnings from the retained earnings for appropriation purposes.

3 *General reserves* – These are eventually used to transfer earnings from the retained earnings for fulfilling various business needs, like enhancing the working capital, distributing dividends to the shareholders, meeting various kinds of other contingencies, etc.

Note 24. Secured convertible note

	2025		2024
Proceeds of issue of secured convertible notes	-	$	40,000
Transaction costs	-		(1,386)
Net proceeds from issue of secured convertible notes	-		38,614
Equity component	-		192
Transaction costs relating to equity component	-		(6)
Secured convertible note	-		186
Liability component at date of issue (net of transaction costs)	-		38,428
Interest charged (using effective interest rate)	-		319
Secured convertible note	**-**	**$**	**38,747**

On November 29 and December 29, 2024, Hoche Partners Pharma Holding S.A. subscribed for two secured convertible notes issued by the Company, each with a nominal amount of $20,000, for an aggregate principal amount of $40,000.

The notes are secured by a pledge of the shares of Crynssen Pharma Group Ltd. pursuant to a Pledge Agreement, which may be enforced in the event of a default or other breach of the contractual obligations under the notes.

The notes are convertible into ordinary shares of the Group upon the occurrence of certain events and subject to the terms and conditions set forth in the executed Secured Convertible Note Agreement.

Interest on the notes accrues at an annual rate of 8.5%, calculated on a daily basis and compounded quarterly. Accrued interest is quarterly capitalized and added to the principal balance rather than paid in cash. -

The notes include two conversion mechanisms:

a) Automatic conversion
The notes are subject to automatic conversion if the Company raises new financing from third-party investors in an amount of at least USD 35,000 prior to maturity, in which case the conversion price is contractually fixed at USD 0.75 per share.
b) Optional conversion
The holder may elect to convert all or a portion of the outstanding principal amount, including accrued interest, at any time up to the last five (5) business days prior to June 30, 2025.

Upon conversion, the Group is required to issue warrants equal to 0.25 times the number of ordinary shares issued upon such conversion.

In March 2025, an amendment to the agreement was executed, modifying the conversion price of the shares to USD 0.6313 per share. Thereafter, in April 2025, these notes were converted into ordinary shares through a private offering (private offering of Ordinary Shares). Refer to Note 23. Shareholder’s equity.

Note 25. Borrowings

	2025	2024

Borrowings at amortized cost [1]				
Syndicated term loans [1]	$	60,787	$	54,940
Other term loan [2]		36,610		63,352
Lease liabilities [3]		24,671		30,318
Factoring obligations [4]		-		4,277
Bank overdrafts [5]		7		79
Senior Notes [6]		114,444		115,000
Total borrowings	**$**	**236,519**	**$**	**267,966**
Current	**$**	**24,947**	**$**	**226,559**
Non- Current	**$**	**211,572**	**$**	**41,407**

1 Borrowings at amortized cost are unsecured, with the exception of factoring obligations which are collateralized by trade receivables. Refer to Note 20. Trade and other receivables, net.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in Note 32. Financial Instruments.

The balance as of December 31, 2025, includes an amortized cost of (8,064) for Category 4 obligations, distributed as follows:

	Contractual Debt Balance	**Amortized Cost**	**Balance as of Dec 31,2025**
Syndicated term loan (Club Deal)	64,971	(4,184)	60,787
Other term loans	18,611	(1,836)	16,775
Senior Notes	116,488	(2,044)	114,444
Total	**200,070**	**(8,064)**	**192,006**

In April 2025, the Company completed a comprehensive restructuring of its principal financial indebtedness through the execution of four Amended and Restated agreements (the "A&R Agreements") with its senior creditor group, governing an aggregate principal of approximately US$204.9 million outstanding at the restructuring effective date. The restructuring was effected as a condition to the waiver by the creditor group of certain pre-existing payment defaults under the legacy instruments, and was designed to extend maturities, harmonize the covenant package and collateral arrangements across instruments, and provide the Company with operational flexibility during its financial stabilization period.

Accounting Treatment of the Debt Restructuring. In connection with the execution of the A&R Agreements, the Company evaluated the debt restructuring in accordance with IFRS 9 to determine whether the revised arrangements should be accounted for as a modification of the existing financial liabilities or as an extinguishment and replacement of those liabilities. Management concluded that the restructuring represented a substantial modification of the original debt instruments based on both quantitative and qualitative factors. As part of its assessment, the Company performed the quantitative test required by IFRS 9 and determined that the difference between the present value of the contractual cash flows under the new arrangements and the present value of the remaining cash flows of the original instruments exceeded the 10% threshold. In addition, the Company considered several qualitative factors, including significant extensions of maturities, changes in repayment profiles, amendments to pricing and payment terms, modifications to covenant requirements, revisions to collateral arrangements, and other substantive changes to the contractual rights and obligations of the parties. Based on the combined effect of these quantitative and qualitative factors, the Company concluded that the restructuring should be accounted for as an extinguishment of the existing financial liabilities and the recognition of new debt instruments.

Accordingly, the original debt obligations were derecognized and the new debt instruments were recognized on the restructuring date, with the resulting gain or loss recognized in profit or loss in accordance with IFRS 9.

Restructured Instruments, Creditors and Principal Amounts.

The restructuring perimeter comprises four A&R Agreements executed on a pari passu basis under a common Intercreditor Agreement, with the creditors collectively defined therein as the "Category 4 Lenders":

Instrument	**Governing Law**	**Creditors**	**Original Date**	**Principal at Restructuring (US$)**
A&R Note Purchase and Guarantee Agreement (NPA)	New York	Prudential, Fortitude, Cigna	Nov 5, 2021	116,488
A&R Club Deal Loan Agreement [1]	Colombia	Bancolombia, Davivienda	Aug 16, 2023	55,629
A&R BTG Colombia Loan Agreement [1]	Colombia	Banco BTG Pactual Colombia S.A.	Jun 24, 2022	18,059
A&R BTG Cayman Loan Agreement	Colombia	Banco BTG Pactual S.A. – Cayman Branch	Aug 18, 2023	14,778
Aggregate				**204,954**

[1] Reference Rate for COP-Denominated Debt as of the Restructuring Date (April 09, 2025).

GLAS Americas LLC acts as Collateral Agent across all instruments, administering the shared security package on behalf of the creditor group pursuant to the Intercreditor Agreement.

Maturity, Amortization and Pricing

The A&R Agreements extended the final maturity dates of the underlying obligations, deferred near-term amortization, and reset pricing to reflect the restructured risk profile. The principal economic terms by instrument are summarized below.

- **Final maturity:** December 31, 2029.
- **Amortization:** quarterly principal installments commencing upon expiry of the grace period, with the first installment due in March 2028, in accordance with the repayment schedule.
- **Pricing:** from the Restructuring Date through December 31, 2026, 0.00% per annum (interest-free period); from January 1, 2027 through final maturity, interest shall accrue and be payable quarterly in accordance with the applicable debt agreement.
- **Pre-restructuring accrued interest:** Subject to settlement via an equity issuance to the relevant creditors within a defined window following the Restructuring Date. As of December 31, 2025, the equity issuance had been completed for the NPA, while the issuance to the remaining three creditors was still pending. If a creditor does not deliver the required notice within such window (as it may be extended), the related pre-restructuring accrued interest is forgiven and extinguished by notarial deed.

Instrument	**Creditors**	**Contractual Interest Rate**
A&R Note Purchase and Guarantee Agreement (NPA)	Prudential, Fortitude, Cigna	6. 75% fixed

A&R Club Deal Loan Agreement	Bancolombia, Davivienda	IBR + 4.00%
A&R BTG Colombia Loan Agreement	Banco BTG Pactual Colombia S.A.	IBR + 4.00%
A&R BTG Cayman Loan Agreement	Banco BTG Pactual S.A. – Cayman Branch	SOFR + 3.50%

Collateral, Guarantees and Guarantor Perimeter

The restructuring consolidated and harmonized the collateral and guarantee package across all four instruments on a pari passu basis. The guarantor perimeter at the Restructuring Date comprises Sofgen Pharma S.A. (Luxembourg) as Parent Guarantor, Procaps S.A. (Colombia) as Borrower, and the following material subsidiaries as guarantors: C.I. Procaps S.A., Diabetrics Healthcare S.A.S., Funtrition S.A.S., Colbras Indústria e Comércio Ltda (Brazil), Procaps S.A. de C.V. (El Salvador), Industrias Kadima S.A.S., Inversiones Jades S.A.S., Inversiones Ganeden S.A.S., Colombiana de Suministros Médicos Hospitalarios Limitada — COLMED LTDA., Rymco Medical S.A.S., Inversiones Henia S.A.S., Inversiones Crynssen S.A.S., Pharmayect S.A., Crynssen Pharma S.A.S., Biokemical S.A. de C.V. (El Salvador), Sofgen Pharmaceuticals LLC (Florida), Crynssen Pharma Group Ltd (Malta), Pharmarketing S.A. (Panama), Unimed del Perú S.A., Funtrition LLC (Florida), Allophane Holdings, S.L. (Spain), CDI S.A. (Guatemala), Pharmarketing Costa Rica S.A., Pharmarketing Dominicana S.R.L., Roddome Pharmaceutical S.A. (Ecuador), Unimed Farmaceutica Holding S.L. (Spain), and Sofgen Pharma LLC (Delaware).

The shared security package includes guarantees from the foregoing guarantors, share pledges over the equity of designated subsidiaries (including 100% of the share capital of certain Colombian subsidiaries through share pledge agreements), and pledges over designated assets of the obligor group. GLAS Americas LLC, as Collateral Agent, holds and administers the security on behalf of the creditor group pursuant to the Intercreditor Agreement.

Affirmative, Negative and Financial Covenants

The A&R Agreements contain customary affirmative covenants, including delivery of audited annual and unaudited interim financial statements, delivery of quarterly compliance certificates, maintenance of corporate existence, properties and insurance, compliance with applicable laws, payment of taxes, inspection and information rights, and maintenance and perfection of the collateral package.

The A&R Agreements also include a customary package of negative covenants restricting, subject to specified exceptions and baskets, the ability of the obligor group to incur additional indebtedness, create liens, make restricted payments (including dividends), effect mergers or fundamental changes, dispose of material assets outside the ordinary course, enter into non-arm's-length affiliate transactions, modify the nature of its business, and prepay or modify the terms of other indebtedness.

The A&R Agreements include a financial covenant package, tested at the consolidated level on the dates specified in each agreement, comprising:

- **Leverage ratio (Total Consolidated Debt / Consolidated EBITDA):** starting at 5.00:1 in March 2027 and gradually decreasing to 3.50:1 by December 2029.
- **Interest coverage ratio (Consolidated EBITDA / Consolidated Interest Expense):** starting at 2.00:1 in March 2027 and gradually increasing to 2.50:1 by September 2028 and for each fiscal quarter-end thereafter.
- **The Consolidated EBITDA for the Relevant Period** ending on such Determination Date is equal to or greater than the corresponding amount set forth below:

Fiscal Quarter Ending -	Consolidated EBITDA
March 31, 2026	US $25,000,000
June 30, 2026	US $30,000,000
September 30, 2026	US $35,000,000
December 31, 2026	US $40,000,000

- **Obligor Coverage**
  No Obligor will permit, as of each June 30 and December 31 of each year, (a) beginning with June 30, 2025, the total combined assets of the Obligors (other than the Parent Guarantor and the Intermediate Parent) as of such applicable date

(excluding assets constituting Equity Interests in other Obligors), determined for each such Obligor on an uncombined and unconsolidated basis, to comprise less than 95% of Consolidated Total Assets as of such applicable date, or (b) beginning with June 30, 2027, the portion of Consolidated EBITDA for the period of four consecutive fiscal quarters of the Parent Guarantor ending on such applicable date that is contributed by the Obligors (other than the Parent Guarantor and the Intermediate Parent), determined for each Obligor on an uncombined and unconsolidated basis, to comprise less than 95% of Consolidated EBITDA for such period. The foregoing is to be measured and tested based on the consolidated financial statements of the Parent Guarantor delivered to the holders for the relevant testing date or period in accordance with Section 7.1(a) or Section 7.1(b).

Mandatory Prepayment Mechanisms

The A&R Agreements contain the following mandatory prepayment provisions, applied on a pari passu basis across the Category 4 creditor group:

- **Excess Cash Flow Sweep:** within 20 calendar days following the last day of each fiscal quarter, commencing with the fiscal quarter ending March 31, 2027, the Borrower must offer to prepay, pari passu with the other Category 4 creditors, an amount equal to 100% of consolidated Excess Cash Flow for such quarter, multiplied by each creditor's pro rata share of the aggregate outstanding Category 4 Indebtedness. The offer is accompanied by an Officer's Certificate detailing the Excess Cash Flow calculation.

- **Expropriation and Insurance Proceeds Sweep (Club Deal, BTG Colombia and BTG Cayman):** Net Cash Proceeds in excess of US$15 million (or equivalent in another currency) from expropriation indemnities or insurance proceeds must be applied to prepayment of the relevant Indebtedness within 10 business days of receipt, subject to a 120-day reinvestment right in operating assets of the type generally used in the business of the obligor (subject to creditor approval of a Reinvestment Plan during the continuation of any Default).

- **Asset Sale Sweep:** Net Cash Proceeds from designated dispositions, in excess of specified de minimis thresholds and subject to reinvestment rights, must be applied to prepayment of the Notes. The corresponding clauses in the Club Deal and BTG Cayman are reserved and do not contain an asset sale sweep mechanism, resulting in an operational asymmetry across instruments: voluntary asset dispositions trigger mandatory prepayment only with respect to the Notes.

Voluntary prepayments under the BTG Cayman Facility (and the other Category 4 instruments) are permitted on a pari passu basis, subject to minimum amounts (US$500,000 in the case of BTG Cayman) and notice requirements (10–60 days). Mandatory prepayments under the NPA are subject to the make-whole / yield-maintenance provisions applicable to the Notes.

Cross-Default and Events of Default

The A&R Agreements include customary events of default, including payment defaults, covenant breaches, breach of representations, insolvency events, judgment defaults and change of control. Cross-default and cross-acceleration provisions apply among the four restructured instruments via the Intercreditor Agreement, such that an Event of Default under any one Category 4 instrument may, subject to applicable thresholds and grace periods, trigger remedies under the others.

1. Syndicated term loan

(In thousands of USD)	**Principal currency**	**Range of Interest**	**Maturity Year**	**2025**	**2024**
A&R Club Deal Loan Agreement	COP	IBR +4% (Variable) (2024: IBR+8.5%)	2029	60,787	54,940

2. Other term loans

Principal currency	**Range of Interest**	**Maturity Year**	**2025**	**2024**

Other term loans1	COP	23.00-26.40% -32.00%A.N. (Fixed))	2026	$ 532	$ 12,553
	COP	IBR+2.71%-7% - DTF+5.42%(2024: IBR+5.95%)	2026-2029	11,728	10,516
	Soles	8.00% - 14.00% A.N.	2025	0	3,441
	Reales	25.34%-28.63% A.N.	2026	722	628
	USD	SOFR+ 3.5%-4.15% (2024: SORF+3.5%-5.80%)	2026-2029	15,555	17,478
	USD	8.41%-18% A.N.	2026	8,073	18,736
Total Other term loans				**$ 36,610**	**$ 63,352**

1. Other term loans includes reverse factoring transactions. The balance of reserve factoring as of December 31, 2025 and 2024 was of $175 and $13,933, respectively.

Supplier finance arrangements (Reverse factoring)

The Company operates the following types of supplier finance arrangements, primarily in Colombia, through Procaps S.A:

The company entered into supplier finance arrangements that permit the suppliers to obtain payment from the financial entities subject to an average discount of up to 2.2% M.N per cent. The discount represents less than the trade discount for early repayment commonly used in the market. The arrangements permit the financial entities to settle invoices of up to $ 3.0 million average per month until second quarter.

In some cases, the supplier obtains payment prior to the invoice due date and the company repays the financial entities the full invoice amount on the scheduled payment date as agreed with the financial entities As the arrangements do not necessarily extend finance from the financial entities by paying them later than the company would have paid its suppliers, and the company do not incur in additional expenses, the company considers amounts payable to the financial entities should be presented as part of trade and other payables. As of 31 December 2025, less than 0.5% of trade payables were amounts owed under these arrangements.

The remaining financial amount assigned under these agreements are presented as part of borrowings due to they met the following criteria 1) the assignment is contractually initiated and decided by the company, 2) it extends the period in which the company regularly pays the supplier, 3) the amount of the invoices is paid to the financial entities, and 4) the supplier re charges the company for the discount withheld by the financial entity.

	As of December 31
	2025
Carrying amount of the financial liabilities that are subject to supplier finance arrangements	
Presented as part of “Trade and other payables”, including:	
Trade payables for which suppliers have already received payment from the finance provider	49
Presented as part of “Borrowings”, including:	

Borrowings for which suppliers have already received payment from the finance provider	175
Range of payment due dates	Days
For liabilities presented as part of "Trade and other payables":	
Liabilities that are part of supplier finance arrangements	45-60
Comparable trade payables that are not part of supplier finance arrangements	30-180
For liabilities presented as part of "Borrowings":	
Liabilities that are part of supplier finance arrangements	30-180
Comparable trade payables that are not part of supplier finance arrangements	30-180

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities. The group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the group's access to other sources of finance on similar terms.

3. Lease liabilities

(In thousands of USD)	**Principal currency**	**Range of Interest**	**Maturity Year**	**2025**	**2024**
Lease liabilities	COP	IBR+3.82%-6.14%-7.30% (Variables)	2026 - 2031	$ 9,352	$ 9,553
	COP	IBR+4.20%-8.00%-8.20%, (Variable) 4.51%-20.26%(Fixed)	2026-2031	7,403	8,816
	USD [1]	2.89%-9.00%	2027-2032	6,584	10,450
	Reales	24.31% EA	2026-2029	1,332	1,499
Total Lease liabilities				**$ 24,671**	**$ 30,318**

[1] Includes lease liabilities of $602 (2024: $1,331) with related party WM Partners, LP.

4. Factoring obligations

(In thousands of USD)	**Principal currency**	**Range of Interest**	**Maturity Year**	**2025**	**2024**
Portfolio factoring	COP	DTF + 8.00%	2024	$ -	$ -
	COP	2.15% A.N (2023: 15%-27% A.N.)	2025	-	929
	Reales	15.96% - 18.00% A.N.	2025	-	3,123
	USD	9.50% A.N.(2023: 9.95% A.N.)	2025	-	225
Total Factoring obligations				**$ -**	**$ 4,277**

5. Bank overdraft

(In thousands of USD)	**Principal currency**	**Range of Interest**	**Maturity Year**	**2025**	**2024**

Overdrafts and credit cards	COP	32.00% A.E. (Fixed)	2025	$ -	$ 21
	USD	17.00% -32.00% A.E. (Fixed)	2026	7	58
Total Overdrafts and credit cards				**$ 7**	**$ 79**

6. Senior Notes

(In thousands of USD)	**Principal currency**	**Range of Interest**	**Maturity Year**	**2025**	**2024**
The Prudential Insurance Company Of America	USD	8.50% A.N.(Fixed)(2024: 8.50% A.N.)	2029	$ 59,733	$ 60,020
Fortitude Life Insurance & Annuity Company	USD	8.50% A.N.(Fixed) (2024: 8,50% A.N.)	2029	29,837	29,980
Healthspring Life & Health Insurance Company, Inc	USD	8.50% A.N.(Fixed)	2031	-	18,350
CIGNA Health and Life Insurance Company	USD	8.50% A.N.(Fixed) (2024:8,50% A.N.)	2029	24,874	6,650
Total Senior Notes				**$ 114,444**	**$ 115,000**

Working capital

Reconciliation of liabilities arising from financing activities

	January 1, 2024	**Payment cash flows**	**New liabilities [1]**	**Other changes [2]**	**December 31, 2024**
Syndicated term loans	64,275	(877)	-	(8,458)	54,940
Other term loan	80,717	(96,246)	82,882	(4,001)	63,352
Lease liabilities	35,247	(5,697)	3,849	(3,081)	30,318
Factoring obligations	4,111	(34,456)	35,566	(944)	4,277
Bank overdrafts	153	(4,041)	3,970	(3)	79
Notes	115,000	-	-	-	115,000
Secured convertible notes	-	-	40,000	(1,253)	38.747
|Total liabilities from financing activities	**$ 299,503**	**$ (141,317)**	**$ 166,267**	**$ (17,740)**	**$ 306,713**

1. New liabilities include non-cash activities for invoices from suppliers financed via reverse factoring $40,739 and new lease liabilities for $3,849.
2. Other changes mainly include foreign currency exchange differences of $16,488 and cost amortization of $70.

	January 1, 2025	**Payment cash flows**	**New liabilities [1]**	**Other changes [2]**	**December 31, 2025**
Syndicated term loans	54,940	-	-	5,847	60,787
Other term loan	63,352	(47,079)	19,041	1,296	36,610
Lease liabilities	30,318	(7,586)	1,448	491	24,671

Factoring obligations	4,277	(6,299)	1,854	168	-
Bank overdrafts	79	(1,216)	1,146	(3)	6
Notes [3]	115,000	-	1,488	(2,044)	114,444
Secured convertible notes	38,747	-	-	(38,747)	-
Total liabilities from financing activities	**$306,713**	**$ (62,180)**	**$ 24,977**	**$ (32,992)**	**$ 236,518**

1. New liabilities include non-cash activities for invoices from suppliers financed via reverse factoring $16,582.
2. Other changes mainly include foreign currency exchange differences of $15,905, cost amortization of ($7,529), the derecognition of lease liabilities recognized under IFRS 16 (2,622) and the conversion of the Secured Convertible Notes.
3. Includes $1,488 arising from the activation of the make-whole provision under the applicable debt instrument.

Note 26. Employee benefit liabilities

	As of December 31	
	2025	**2024**
Post – employement benefits		
Pension	$ 1,778	$ 1,742
Voluntary retirement plan	1,971	1,877
Other plans	1,140	909
Subtotal	**4,889**	**4,528**
Salarie and other short terms employee benefits	11,073	10,098
Total	**15,962**	**14,626**
Current	**11,073**	**10,098**
Non- Current	**$ 4,889**	**$ 4,528**

The Group contributes to the following post-employment defined benefit plans:

a) Ecuador Retirement Plan entitles employees who provide services continuously for 20 years or more to retirement and to receive the employee benefits granted by the Social Security Public Institute (IESS, for its acronym in Spanish), which requires the Group to pay an amount equivalent to 25% of the employee’s monthly salary multiplied by the years of service rendered at the time of retirement. This plan is applicable to the Group’s subsidiary in Ecuador, Roddome Pharmaceutical. The El Salvador Voluntary Retirement Plan establishes a compensation for employees who voluntarily retire after completing at least two years of full and continuous service. The benefit consists of an economic compensation equivalent to fifteen days of base salary for each year of service, subject to a cap equal to twice the current legal daily minimum wage applicable to the Group’s corresponding economic activity sector. Procaps Colombia grants a bonus payment to employees who have reached retirement age, 57 years for women and 62 years for men, and have been employed by the Group for a minimum of five years. The bonus is calculated based on the employee’s years of service and the last salary paid at the time of retirement.

Changes in net defined benefit liability

The movement in the periods with respect to the defined benefit obligation is as follows:

	2025	2024
Balance as of January 1	**$ 4,528**	**$ 4,464**
Included in profit or loss		
Current service cost	677	622
Interest cost	319	227
Subtotal	**5,524**	**5,313**
Included in OC		
Actuarial (gain) loss resulting from change in demographic assumptions	215	37
Actuarial (gain) loss resulting from change in financial assumptions	190	217
Adjustment	(257)	238
Subtotal	**148**	**492**
Benefits paid	(1.729)	(1.199)
Effect of foreign currency exchange differences	946	(78)
Subtotal	**(783)**	**(1.277)**
Balance as of December 31	**$ 4,889**	**$ 4,528**

Actuarial assumptions

The following were the main actuarial assumptions at the reporting date (expressed as weighted averages):

2025	Colombia	Ecuador	Salvador
Discount rate	10.00%	5.63%	5.67%
Expected salary increase	5.50%	2.25%	4.00%
Unified basic salary (SBU)	-	USD 470,00	-
Pension increase rate	-	0.40%	-
Mortality Table	RV 08	TM General IESS–2002	CSO 80
Turnover Table	129% SOA 2003	TR Risko–2025	37.47%

2024	Colombia	Ecuador	Salvador
Discount rate	9.50%	5.38%	5.52%
Expected salary increase	5.50%	2.50%	4.00%
Unified basic salary (SBU)	-	USD 460,00	-
Pension increase rate	-	0.40%	-
Mortality Table	RV 08	TM General IESS–2002	CSO 80
Turnover Table	128.58% SOA 2003	TR Risko–2024	32.86%

Note 27. Trade and other payables

	As of December 31	
	2025	2024
Trade payables	**$ 50,859**	**$ 83,093**
Other payables		
Interest payable	16,698	15,762
Withholdings and payroll contributions	2,550	2,560
Others	5,910	5,576
Total other payables	**25,158**	**23,898**
Total accounts payable	**$ 76,017**	**$ 106,991**

Note 28. Provisions and contingencies

	2025	2024
Balance as of January 1	**$ 316**	**$ 142**
Effect of foreign currency exchange rate changes	46	(34)
Provisions made	3,211	595
Provisions used	(83)	(387)
Balance as of December 31	**$ 3,490**	**$ 316**

Provisions

The Group recognizes provisions for contingencies that are probable of requiring an outflow of resources due to adverse effects. The Group recognized the estimated probable losses against the company for labor, administrative and litigation, which are calculated based on the best estimate of the disbursement required to settle the obligation at the date of preparation of the Consolidated Financial Statements. Such contingencies are disclosed with possible adverse effects for the entity, as follows:

Legal provisions

Procaps legal proceedings: The total balance of $1,170 (2024: $157) is comprised of labor and administrative litigation. In 2025, the provision for contingencies increased, mainly due to a $995 increase associated with proceedings initiated by the UGPP (Pension and Parafiscal Management Unit) regarding inaccuracies in contributions to the Social Protection System for the 2016 fiscal year.

Softcaps legal proceedings: The total balance of $ 382 (2024: $159) is comprised of labor, civil, administrative and tax litigation. As of December 31, 2024, no provisions for tax litigation had been recorded.

In 2025, Procaps Salvador recognized a provision of $811 related to income tax disputes in 2021; Similarly, Rymco SA recognized a provision of $594.

The remaining balance of $532 is for litigation for cover outstanding amounts related to unpaid invoices to HSMY in Rymco Medical.

Contingencies

Administrative proceeding against Procaps S.A. de C.V.: The General Directorate of Taxes of El Salvador (DGII) determined that the company failed to report taxable and deemed income derived from revenue earned and loans granted to non-resident companies in 2018; the proposed tax assessment and penalty amount to $1,086. Furthermore, the DGII determined that the company committed the offense of unintentional tax evasion due to the incorrect filing of the "VAT" returns for 2019. The proposed amount of the tax assessment and fine totals $348 as of December 31, 2025.

Furthermore, in 2024, the DGII notified and determined that the company failed to report taxable income and deducted ineligible costs and expenses. Additionally, the company filed the information after La diferencia corresponde a el efecto del gasto y diferencia en cambio producido por las partes relacionadas que ahora son tercerosthe established deadlines and did not provide the information required for the 2021 income tax return. As a result, the proposed tax assessment and penalty amount to $2,783.

However, the Group's external advisor indicates that this claim is remote to succeed, and therefore no provision has been set aside to address this contingency.

Diabetrics is a party to tax proceedings related to the 2018 income tax, currently pending before the Administrative Court of Atlántico.

The proceedings involve claims for annulment and restoration of rights against administrative acts issued by the DIAN.

According to legal counsel, the probability of an adverse outcome is classified as possible; consequently, no provision has been recognized in accordance with IAS 37.

In the event of an unfavorable outcome, the Company could be required to recognize additional taxes, penalties, and interest in the amount of $6,654.

Note 29. Warrant Liabilities

	As of December 31	
	2025	**2024**
Public warrants	$ 2	$ 840
Private warrants	-	127
Warrants (Issue of share capital 2025)	3,317	-
	$ 3,319	**$ 967**

Note 29.1. Public warrants

	2025	**2024**
As of January 1	**$ 840**	**$ 2,600**
Fair value remeasurement	(838)	(1,760)
As of December 31	**$ 2**	**$ 840**

Public warrants were issued by the SPAC to certain shareholders whereas prior to the Transaction such public warrants (together with the private warrants issued to the SPAC sponsors) were exchanged, on a one per one basis, for warrants in the Group's Ordinary Shares. The public warrants have the following terms:

- Each whole warrant entitles the holder to purchase one ordinary share at an exercise price of $11.50
- The warrant is exercisable post Transaction and expires on the earlier of:
  - 5 years after the completion of the Transaction, i.e., September 29, 2026
  - the Redemption Date, or
  - the liquidation of the Group.
- The Group may redeem the outstanding warrants, in whole and not in part, at a price of $0.01 per warrant at any time while the warrants are exercisable upon a minimum of 30 days prior written notice of redemption:
  - if, and only if, the last sales price of the common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalization and the like) on each of twenty (20) trading days within any thirty (30) trading day period ending on the third trading day prior to the date on which notice of redemption is given.
  - however, that if and when the Public Warrants become redeemable by the Group, the Group may not exercise such redemption right if the issuance of Ordinary Shares upon exercise of the Public Warrants is not exempt from registration or qualification under applicable state blue sky laws or the Group is unable to effect such registration or qualification.

The Public Warrants may be exercised, for cash (or on a "cashless basis") at any time after notice of redemption shall have been given by the Group and prior to the Redemption Date. The Public Warrants are redeemable on the occurrence of change in control (merger, re-organization, tender offer, exchange), and the Group does not have an unconditional right to avoid delivering cash, the Public Warrants meet the criteria for classification as a financial liability. In addition, Warrants may be settled in a variable number of shares in case of cashless basis of exercise. Therefore, the Public Warrants meet the criteria for classification as financial liability.

Additionally, Public Warrants also meet the definition of a derivative, which may be settled other than by the exchange of a fixed amount of cash for a fixed number of the entity's shares. Therefore, Public Warrants are classified as derivatives and financial liabilities, these shall be initially measured at fair value, with subsequent changes in fair value recognized in profit or loss. Refer to Note 11. Net finance (expense) income.

Note 29.2. Private warrants

	2025		2024	
As of January 1	**$**	**127**	**$**	**439**
Fair value remeasurement		(127)		(312)
As of December 31	**$**	**-**	**$**	**127**

Simultaneously with the closing of the initial public offering of the SPAC, the SPAC consummated the sale of 6,250,000 warrants (the "SPAC Private Placement Warrants") at a price of $1.00 per warrant in a private placement to the SPAC Sponsors, generating gross proceeds of $6,250. Pursuant to the Business Combination Agreement, the Group entered into an Assignment, Assumption and Amendment Agreement with SPAC and the Warrant agent to amend and assume SPAC's obligations under the existing Warrant Agreement and to give effect to the conversion of SPAC public warrants and SPAC Private Placement Warrants to Holdco public warrants and Holdco private warrants (the “Private Warrants”), respectively.

Additionally, immediately prior to the consummation of the Transaction, the SPAC Sponsors forfeited 2,875,000 SPAC Private Placement Warrants and, in connection with consummation of the Transaction, placed 2,875,000 Private Warrants in escrow.

The Private Warrants have the following terms:

- Each warrant entitles the holder to purchase one ordinary share at an exercise price of $11.50 per share. Only whole warrants are exercisable.

- Exercisable post Transaction and expires on the earlier of:

    – 5 years after the completion of the Transaction,

    – the Redemption Date, or

    – the liquidation of the Group.

- Redemption for cash shall not apply.

The Private Warrants are redeemable on the occurrence of change in control (merger, re-organization, tender offer, exchange), and the Group does not have an unconditional right to avoid delivering cash, the Private Warrants meet the criteria for classification as a financial liability. In addition, Warrants may be settled in a variable number of shares in case of cashless basis of exercise. Therefore, the Private Warrants meet the criteria for classification as a financial liability.

Additionally, Private Warrants are classified as derivatives and financial liabilities, these shall be initially measured at fair value, with subsequent changes in fair value recognized in profit or loss. Refer to Note 11. Net finance (expense) income.

Warrants in escrow

On September 30, 2021, concurrently with the execution of the Business Combination Agreement, the SPAC, Holdco, OpCo, certain OpCo Shareholders and certain shareholders of the SPAC prior to the consummation of the Transaction (including the SPAC Sponsors), entered into the Transaction Support Agreement, pursuant to which the SPAC Sponsors agreed to forfeit of their Private Placement Warrants immediately prior to the Merger and to subject certain of their Holdco Ordinary Shares and Private Warrants to certain restrictions by depositing such securities in an escrow account.

Warrants in Escrow shall be treated as follows:

- First Level Release Target: The escrow agent shall hold 1,437,500 SPAC Sponsor Private Warrants (the “First Level Sponsor Escrow Warrants”) in escrow until the earlier to occur of (a) the date on which the closing price of the Holdco Ordinary Shares on the Nasdaq Stock Market equals or exceeds $12.50 per Holdco Ordinary Share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-day trading period, or (b) the date that is the fifth (5th) anniversary of the closing of the Transaction (the “Five Year Expiration Date”).

- Second Level Release Target: The escrow agent shall hold 1,437,500 SPAC Sponsor Private Warrants (the “Second Level Sponsor Escrow Warrants”) in escrow until the earlier to occur of (a) the date on which the closing price of the Holdco Ordinary Shares on the Nasdaq Stock Market equals or exceeds $13.00 per Holdco Ordinary Share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-day trading period, or (b) the Five-Year Expiration Date.

- Automatic Release: if Group shall consummate a liquidation, merger, stock exchange or other similar transaction which results in all of the holders having the right to exchange their Holdco Ordinary Shares for cash, securities or other property, then the escrow agent shall (subject to customary escrow notification provisions) promptly release all the First Level Sponsor Escrow Warrants and Second Level Sponsor Escrow Warrants to the SPAC Sponsors.

- Cancellation: On the Five-Year Expiration Date, any First Level Sponsor Escrow Warrants and Second Level Sponsor Escrow Warrants that have not been released and remain in escrow, shall be released by the escrow agent to the Group for cancellation.

Private Warrants issued by the Holdco which are deposited in escrow and are subject to cancellation if certain conditions are not met are recorded as contingent consideration and therefore initially measured at fair value. Further, since they are liability classified instruments, subsequent changes in fair value are recognized in profit or loss as Net finance (expense) income. Refer to Note 11. Net finance (expense) income.

Note 30. Shares in an escrow

Holdco Ordinary Shares in an escrow are subject to an arrangement that is applicable to 1,250,000 Holdco Ordinary Shares issued to the SPAC Sponsors and 10,464,612 Holdco Ordinary Shares issued to certain Opco Shareholders.

Certain market conditions will be required to be met after the Transaction for these securities in escrow to be released to the eligible securities owners. If the market conditions wouldn't be met within a defined time period (five years for warrants in escrow and ten years for Holdco Ordinary Shares in escrow), such securities in escrow would be forfeited.

a) Sponsors' Holdco Ordinary Shares in escrow: On the closing of the Transaction, 1,250,000 Holdco Ordinary Shares received in exchange for the equivalent number of SPAC Ordinary Shares upon the consummation of the Merger (the "Sponsor Escrowed Securities") held by the SPAC Sponsors were deposited in escrow. Fifty percent (50%) of the Sponsor Escrowed Securities will be released to the SPAC Sponsors if the closing price of the Holdco Ordinary Shares on the Nasdaq Stock Market equals or exceeds $12.50 per Holdco Ordinary Share for any 20 trading days within any 30-day trading period, and the remaining 50% of the Sponsor Escrowed Securities will be released to the Sponsors if the closing price of the Holdco Ordinary Shares on the Nasdaq Stock Market equals or exceeds $13.00 per Holdco Ordinary Share for any 20 trading days within any 30-day trading period (in each case, subject to any applicable lock-up restrictions under the Registration Rights and Lock-Up Agreement or any other applicable escrow arrangement).

b) Eligible Procaps Shareholders Holdco Ordinary Shares in escrow: On the closing of the Transaction, 10,464,612 Holdco Ordinary Shares received in the Exchange (the "ECS Escrowed Securities") by certain OpCo Shareholders were deposited in escrow. Fifty percent (50%) of the ECS Escrowed Securities will be released to such OpCo Shareholders if the closing price of the Holdco Ordinary Shares on the Nasdaq Stock Market equals or exceeds $12.50 per Holdco Ordinary Share for any 20 trading days within any 30-day trading period, and the remaining 50% of the ECS Escrowed Securities will be released to such OpCo Shareholders if the closing price of the Holdco Ordinary Shares on the Nasdaq Stock Market equals or exceeds $13.00 per Holdco Ordinary Share for any 20 trading days within any 30-day trading period.

If the market conditions wouldn't be met within a defined time period (ten years for Ordinary Shares in escrow), such securities in escrow would be forfeited. All dividends payable, whether in cash, stock or other non-cash property with respect to the Sponsor Escrowed Securities and the ECS Escrowed Securities while such securities are held in escrow will be delivered to the escrow agent to hold and distribute in the same manner as the Sponsor Escrowed Securities and the ECS Escrowed Securities held in escrow.

If OpCo consummates a liquidation, merger, stock exchange or other similar transaction which results in all of its shareholders having the right to exchange their Holdco Ordinary Shares for cash, securities or other property, then all Sponsor Escrowed Securities and the ECS Escrowed Securities will be released to the SPAC Sponsors and those certain OpCo Shareholders. Any Sponsor Escrowed Securities and the ECS Escrowed Securities not released from escrow within ten years from the date of the closing of the Transaction will be released by the escrow agent to Holdco for cancellation.

Shares held in escrow subject to cancellation if certain conditions are not met, are recorded as contingent consideration and therefore, initially measured at fair value. Because the shares held in escrow will be settled in a variable number of the Group's own equity instruments, they are classified as a liability. As a result, subsequent changes in fair value are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as *Net finance (expense) income*. Refer to Note 11. Net finance (expense) income.

	2025		2024	
As of January 1	$	16,231	$	28,877
Fair value remeasurement	$	(16,187)	$	(12,646)
As of December 31,	**$**	**44**	**$**	**16,231**

Note 31. Non Current Other non-financial liabilities

	2025		2024	
Customer advances	$	3,894	$	2,063
Other non-financial liabilities	$	115	$	92
As of December 31,	**$**	**4,009**	**$**	**2,155**

Note 32. Financial instruments

32.1 Accounting classification and fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Group uses observable market data whenever possible. Fair values are categorized into different levels in a hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs are observable either directly (e.g. as prices) or indirectly (e.g. derived from prices).
- Level 3: fair value measurements incorporate significant inputs that are based on unobservable market data.

The following table shows the carrying amounts of financial assets and financial liabilities. The amortized cost basis of the financial assets and liabilities not measured at fair value approximates their fair value.

As of December 31,2024	**Carrying amount**			**Fair value**		
	FVTPL	**FVOCI**	**Amortized Cost**[1]	**1**	**2**	**3**
Financial assets not measured at fair value						
Trade and other receivables, net	$ -	$ -	100,829	$ -	$ -	$ -
Amounts owed by related parties, net	-	-	1,415	-	-	-
Cash and cash equivalents	33,030	-	-	-	-	-
Other financial assets	-	-	216	-	-	-

Total financial assets not measured at fair value	**$ 33,030**	**-**	**$ 102,460**	**$ -**	**$ -**	**$ -**
Financial liabilities measured at fair value						
Warrant liabilities	3,319	-	-	-	3,319	-
Shares held in escrow	44	-	-	-	44	-
Total financial liabilities measured at fair value	**$ 3,363**	**-**	**-**	**$ -**	**$ 3,363**	**-**
Financial liabilities not measured at fair value						
Borrowings	-	-	236,519	-	236,519	-
Trade and other payables	-	-	76,017	-	-	-
Amounts owed to related parties	-	-	16,667	-	-	-
Total financial liabilities not measured at fair value	**$ -**	**$ -**	**$ 329,203**	**$ -**	**$236,519**	**$ -**

As of December 31,2024	**Carrying amount**			**Fair value**		
	FVTPL	**FVOCI**	**Amortized Cost[1]**	**1**	**2**	**3**
Financial assets not measured at fair value						
Trade and other receivables, net	$ -	$ -	78,318	$ -	$ -	$ -
Amounts owed by related parties, net	-	-	3,107	-	-	-
Cash and cash equivalents	30,317	-	-	-	-	-
Other financial assets	-	-	184	-	-	-
Total financial assets not measured at fair value	**$ 30,317**	**-**	**$ 81,609**	**$ -**	**$ -**	**$ -**
Financial liabilities measured at fair value						
Warrant liabilities	967	-	-	-	967	-
Shares held in escrow	16,231	-	-	-	16,231	-
Total financial liabilities measured at fair value	**$ 3,363**	**-**	**-**	**-**	**$ 3,363**	**-**
Financial liabilities not measured at fair value						
Borrowings	-	-	267,966	-	267,966	-
Secured convertible note	-	-	38,747	-	38,747	-
Trade and other payables	-	-	106,991	-	-	-
Amounts owed to related parties	-	-	7,155	-	-	-
Total financial liabilities not measured at fair value	**$ -**	**$ -**	**$ 420,859**	**$ -**	**$306,713**	**$ -**

[1] The amortized cost approximates fair value as of December 31,2025 and December 31, 2024, respectively.

32.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk, including: currency and interest rate risk

32.2.1. Risk management framework

The Group analyzes each of these risks individually as well as on a combined basis and defines strategies to manage the economic impact on the Group's performance in line with its financial risk management policy. The Group does not subscribe to or negotiate hedging instruments.

The Group's Financial Administrative Unit ("UAC", for its Spanish initials) supports, monitors and manages financial risks through internal reports, which are analyzed individually in each country depending on the degree and magnitude of the risks thereof. The Financial UAC periodically reports to the shareholders the conclusions of such risk monitoring and proposes the plans and policies necessary to mitigate exposures.

32.2.2. Credit risk

Credit risk refers to the risk that one of the parties fails to comply with its contractual obligations, resulting in a financial loss for the Group. As a corporate policy, the Group conducts business only with strong financial institutions and credit institutions with renowned national and international prestige. For banks, only independently rated parties with a minimum rating of 'A' are accepted.

The Group only makes transactions with financial entities that have risk certifications and/or that are monitored by the relevant authorities in each country. The information provided by rating agencies is consistently monitored and, if not available, the Group uses other available financial information and its own business records to qualify its main customers and finance providers. Before accepting any new customer, the Group uses a rating system to assess the credit quality of the potential customer and defines the credit limits for each customer. Limits and ratings attributed to customers are reviewed twice a year. Trade accounts receivable that are not past due or impaired have the best credit rating according to the credit rating system used by the Group.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure of the Group. The carrying amount is presented net of impairment losses. None of the receivable balances as of December 31,2025 or December 31, 2024 constitutes a significant concentration of credit risk. There are no other single customers representing more than 10% of total gross trade receivables for the years ended December 31, 2025 and December 31, 2024.

Expected credit losses

The average credit period on the sale of medicines is 60 to 120 days. In some cases, depending on market conditions and strategy, longer payment periods are granted. No interest surcharge is made on commercial accounts receivable. Refer to Note 3.4. Financial Instruments for further information on financial instruments significant accounting policies.

The Group has recognized a provision for doubtful accounts. The Group evaluates the impairment of its accounts receivable for the expected credit loss model, where it determines its value based on the probability of default, the loss due to default (i.e., the extent of the loss in case of default) and the exposure, by the application of the 'simplified method' for trade receivables without a significant financing component. The assessment of the probability of default and the loss due to default is mainly based on historical data and adjust historical loss rates to reflect information about current conditions and reasonable and supportable forecasts of future economic conditions.

The following table provides information about the exposure to credit risk and expected credit losses for Trade and other receivables and Amounts owed by related parties as of December 31,2025 and December 31, 2024:

December 31,2025	**Current (not past due)**	**1-30 days past due**	**31-60 days past due**	**61-90 days past due**	**91-120 days past due**	**More than 120 days past due**	**Total**
Weighted-average loss rate	1.41%	7.40%	11.81%	10.30%	6.08%	71.56%	16.48%
Gross carrying amount	103,090	12,024	4,633	4,505	2,492	31,565	158,309
Impairment loss allowance	(1,450)	(890)	(547)	(464)	(152)	(22,586)	(26,089)
	101,640	**11,134**	**4,086**	**4,041**	**2,340**	**8,979**	**132,220**

December 31, 2024	**Current (not past due)**	**1-30 days past due**	**31-60 days past due**	**61-90 days past due**	**91-120 days past due**	**More than 120 days past due**	**Total**
Weighted-average loss rate	3.80%	12.99%	8.58%	13.58%	13.69%	61.88%	19.31%
Gross carrying amount	87,647	9,197	6,827	3,858	5,165	36,221	148,915
Impairment loss allowance	(3,329)	(1,195)	(586)	(524)	(707)	(22,414)	(28,755)
	84,318	**8,002**	**6,241**	**3,334**	**4,458**	**13,807**	**120,160**

For the year ended December 31,2025, additions of $1,758 (2024: $2,619) to the impairment loss allowance were recognized within Sales and marketing expenses and these amounts includes reversal of $68 (2024: $739) of impairment losses recognized for balances in connection with related parties and others, net $1,690 (2024: $3,358).

Foreign currency risk

The Group carries out transactions denominated in foreign currency, mainly imports, exports and indebtedness; thereby generating exposures to exchange rate fluctuations. The Group does not usually cover exposures to the exchange rate, but rather monitors frequently the foreign exchange market as a strategy to prevent significant loss in the short- and medium-term.

	Assets		**Liabilities**	
	2025	**2024**	**2025**	**2024**

COP	1,575,486	463,426	(863,649)	(388,308)
Reales	9,431	17,399	(8,968)	(11,684)
Cordoba	1,483	2,037	(2,694)	(14,446)
Quetzales	1,751	1,352	(3,992)	(14,830)
Soles	4,183	4,825	(444)	(164)
Dominican Peso	954	1,228	(1,839)	(817)
Colones	7,555	6,714	(41,911)	(253,826)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

The following table details sensitivity per company to a 10% increase and decrease in the U.S. dollar against the relevant foreign currencies. The sensitivity analysis includes only the outstanding monetary items denominated in foreign currency and adjusts its conversion at the end of the period for a 10% change in exchange rates.

	+10% Impact to profit or loss before tax		**-10% Impact to profit or loss before tax**	
	2025	**2024**	**2025**	**2024**
COP	(17)	(1,549)	21	1,893
Reales	(8)	(84)	9	103
Cordoba	3	31	(4)	(38)
Quetzales	27	159	(32)	(194)
Soles	(90)	(77)	110	94
Dominican Peso	1	(609)	(2)	744
Colones	6	44	(8)	(54)

Unrealized Foreign Exchange Differences and Deferred Tax Exposure

In addition to the impact of foreign exchange fluctuations on earnings, the Group is exposed to changes in deferred tax balances arising from USD-denominated financial obligations held by its Colombian operations. Under IFRS Accounting Standards, unrealized foreign exchange gains and losses resulting from the remeasurement of these liabilities at the reporting date are recognized in profit or loss. However, under Colombian tax regulations, such unrealized foreign exchange differences are not immediately recognized for tax purposes.

As of December 31, 2025, the carrying amount of these financial obligations was COP$ 493,177 million, while their tax basis amounted to COP$ 583,360 million. Consequently, the Group recognized a taxable temporary difference of COP$ 90,183 million and a related deferred tax liability of COP$ 31,564 million.

The following table presents the sensitivity of the temporary difference and the related deferred tax liability to a ±10% change in the COP/USD exchange rate, assuming all other variables remain constant:

Scenario	**Carrying amount of liability (COP millions)**	**Temporary difference (COP millions)**	**Deferred tax liability (COP millions)**
Closing exchange rate at December 31, 2025	493,177	90,183	31,564

10% increase in COP/USD exchange rate	542,494	40,865	14,303
10% decrease in COP/USD exchange rate	443,859	139,500	48,825

An increase in the U.S. dollar exchange rate against the Colombian peso would increase the carrying amount of U.S. dollar-denominated financial obligations and reduce the related temporary difference, resulting in a lower deferred tax liability. Conversely, an appreciation of the Colombian peso against the U.S. dollar would decrease the carrying amount of such obligations and increase both the temporary difference and the related deferred tax liability.

Management continuously monitors movements in the COP/USD exchange rate and periodically assesses the potential effects of exchange rate fluctuations on earnings and deferred tax balances arising from foreign currency-denominated financial obligations.

Interest rate risk

The Group is exposed to interest rate risks because it borrows money at both fixed and variable interest rates connected with Secured Overnight Financing Rate ("SOFR") and IBR/DTF (according to its Spanish acronym of "Indicador bancario de referencia" which is the benchmark banking indicator, in Colombia). The risk is managed by the Group, by monitoring the macroeconomic variables that determine the variation of the interest rates and generating an appropriate mix between fixed rate and variable rate loans.

The following sensitivity analyses have been determined based on exposure of financial liabilities to the highlighted variable interest rates:

	December 31, 2025			December 31, 2024		
	Carrying amount	**1%**	**-1%**	**Carrying amount**	**1%**	**-1%**
IBR/DTF	91,744	92,662	90,827	80,766	81,573	79,958
SOFR	16,698	16,865	16,531	17,478	17,653	17,303
Total	**108,442**	**109,527**	**107,358**	**98,244**	**99,226**	**97,261**

$108,442 or 45.85% as of December 31, 2025 and 98,244 or 36.66% as of December 31, 2024, of the Group's interest-bearing financial liabilities bears interest at a variable rate. An increase of 1% in interest rates for the year ended December 31, 2025 would have decreased profit before tax by $1,084 in December 31,2025 and decreased profit before tax by $982 in December 31, 2024. A decrease of 1% will have an equal and opposite effect on profit before tax. This sensitivity does not include the balance of financial obligations with a fixed rate.

32.2.3. Liquidity risk

The Group's Financial UAC has ultimate responsibility for the liquidity management of each of the companies and has established an appropriate framework so that Management can make decisions on short-, medium- and long-term financing, as well as liquidity management. The Group manages liquidity risk by maintaining reserves, adequate financial and loan facilities, continuously monitoring projected and actual cash flows, and reconciling the maturity profiles of financial assets and liabilities. In the same sense, financial assets to afford obligations represent cash and trade receivables intended to be collected in short term, net of the expectations of recoverability.

The following table details the most representative remaining contractual maturity and repayment periods of the Group's financial liabilities. This reflects the undiscounted cash flows of financial liabilities, considering the date on which the Group must make the final payments.

As of December 31, 2025

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	211,848	272,072	21,146	20,236	28,186	202,504	-
Trade and other payables and amounts owed to related parties	92,685	92,685	92,685	-	-	-	-
Lease liabilities	24,671	34,214	8,247	6,237	5,444	4,823	9,463
	329,204	**398,971**	**122,078**	**26,473**	**33,630**	**207,327**	**9,463**

As of December 31,2024

	Carrying amount	Contractual cash flows	Less than 1 year [1]	1-2 years	2-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	$ 237,648	$ 333,616	$ 314,144	$ 19,472	$ -	$ -	$ -
Trade and other payables	106,991	106,991	106,991	-	-	-	-
Lease liabilities	30,318	40,524	10,184	6,702	5,480	12,111	6,047
Amounts owed to related parties	7,155	7,155	7,155	-	-	-	-
Secured convertible note	38,747	38,747	38,747	-	-	-	-
	$ 420,859	**$ 527,033**	**$ 477,221**	**$26,174**	**$ 5,480**	**$ 12,111**	**$ 6,047**

[1.] As mentioned in Note 25. Borrowings, as of December 31,2024, $164,324 in the aggregate were classified as payable in less than 1 year as a result of a breach in certain covenants included under the NPA, BTG and the New Banco Credit Agreement.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern, while maximizing returns to its shareholders through the optimization of debt and asset balances. The Group's capital structure consists of net debt (loans offset by cash and bank balances) and Group assets (comprised of issued and paid-in capital, reserves, retained earnings and non-controlling interests).

The Group is not subject to any externally imposed capital requirement. The main indebtedness of the Group is associated with the balances of a Syndicated Loan, a BTG Loan and the Notes Purchase Agreement and are subject to covenants that obligate it to comply with a series of financial indicators, primarily financial leverage (Debt/EBITDA), and EBITDA on interest expense. These financial indicators serve as local management parameters.

The executive members of the UAC of the Group, who provide support for the analysis and management of capital risk to the Group, review their capital structure on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group is reviewed in an internal administrative manner, with the same covenants that apply to the Syndicated Loan, a BTG Loan and the Notes Purchase Agreement of Procaps S.A. The main financial covenant is determined in 2026 by the Consolidated EBITDA Amount measured over a trailing twelve-month period (Relevant Period) and from 2027 onward as the ratio of debt to EBITDA and EBITDA on interest expense generated by the Group.

Indebtedness Index

The indebtedness index for the reporting period is the following:

	2025	**2024**
Total assets [1]	451,008	411,693
Total liabilities [2]	361,801	463,780
Liabilities to assets ratio	1.25	0.89

1 Defined as short-term assets plus long-term assets

2 Defined as short-term liabilities plus long-term liabilities

Note 33. Events after the reporting period

Management is responsible for the evaluation of events occurring after the reporting date. In fulfilling this responsibility, an assessment was performed through date of authorization of the financial statements, concluding that no subsequent events have occurred that would materially affect the Group’s financial position, results of operations, or cash flows, nor are there any events that require additional disclosure in the accompanying financial statements.