Laboratorios Grin, S. A. de C. V.
(Subsidiary of Lupin Atlantis Holdings)

Financial Statements

As of March 31, 2024 and 2023

(With Independent Auditors' Report
on the financial information)

KPMG Cárdenas Dosal, S.C.
Manuel Ávila Camacho 176 P1,
Reforma Social, Miguel Hidalgo,
C.P. 11650, Ciudad de México.
Teléfono: +01 (55) 5246 8300
kpmg.com.mx

Independent Auditors' Report

The Board of Directors and Stockholders
Laboratorios Grin, S. A. de C. V.

Opinion

We have audited the financial statements of Laboratorios Grin, S. A. de C. V. (the Company), which comprise the statements of financial position as of March 31, 2024 and 2023, the statements of comprehensive (loss) income, changes in stockholders' equity and cash flows for the years then ended; and notes, comprising a summary of maerial accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Laboratorios Grin, S. A. de C. V. as of March 31, 2024 and 2023, and its results and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards (FRS).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

(Continued)

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.

KPMG CARDENAS DOSAL S.C.

Alejandro Ruiz Luna

Mexico City, May 2, 2024

Laboratories Grin, S. A. de C. V.
(subsidiary of Lupin Atlantis Holdings, S. A)

Statement of financial position

As of March 31, 2024 and March 31, 2023
(Mexican pesos)

Assets		mar-24	mar-23
Current assets			
Cash, cash equivalents and restricted cash (notes 3b and 5)	$	73,781,671	135,239,866
Accounts receivable (notes 3c and 8):		167,980,244	65,909,591
Other receivables (note 10)		169,600,457	111,252,900
Inventories - Net (notes 3d and 11)		127,948,464	101,095,183
Related parties (note 9)		3,684,300	5,388,357
Prepayments (notes 3e and 12)		27,881,163	33,318,664
Total current assets		570,876,299	472,204,561
Long term prepayments (notes 3e and 12)		9,774,995	9,774,995
Property, plant and equipment - Net (notes 3f and 13)		384,012,356	398,414,955
Intangible assets-Net (notes 3h and 14)		12,235,409	15,404,430
Right-of-use asset (notes 3g and 16)		17,843,881	10,385,279
Deferred income tax (notes 3m and 18)		61,282,516	59,813,780
Deferred employees' statutory profit sharing (notes 3m and 18)		21,625,372	19,818,159
Total assets	$	1,077,650,828	985,816,159

Liabilities and Stockholders' Equity		mar-24	mar-23
Current liabilities			
Current installments of:			
Long-term debt related parties (current portion) (note 9)	$	65,331,410	931,404
Lease liabilities, (current portion) (notes 3g and 16)		8,938,889	3,467,048
Derivative financial instruments (note 7)		-	536,165
Trade accounts payable (notes 3j)		51,985,980	70,278,169
Accruals (notes 3k and 15)		50,127,347	75,970,293
Other accounts payable and accrued expenses		22,691,872	16,044,199
Employees' statutory profit sharing (note 18c)		3,903,009	21,015,841
Related parties (note 9)		3,296,076	4,536,977
Obligations for delivery of products		6,791,717	654,089
Total current liabilities		213,066,300	193,434,185
Long-term lease liabilities, (notes 3g and 16)		9,847,402	7,031,468
Long-term debt related parties (note 9)		135,562,347	68,756,910
Employee benefits (notes 3l and 19)		32,769,096	26,686,663
Total liabilities		391,245,145	295,909,226
Stockholders's equity:			
Capital stock (note 17)		187,000,000	187,000,000
Legal reserve		37,400,000	37,400,000
Retained earnings and other capital accounts		464,992,211	468,036,096
Other comprehensive income (note 17)		(2,986,528)	(2,529,163)
Total stockholders' equity		686,405,683	689,906,933
Total liabilities and stockholders-equity	$	1,077,650,828	985,816,159

The accompanyng notes are an integral part of these financial statements.

Mr. Luis Guillermo Cortes Pelaez (CEO)

Mr. Miguel Angel Moreno Fernandez (CFO)

Laboratories Grin, S. A. de C. V.
(subsidiary of Lupin Atlantis Holdings, S. A)

Statement of comprehensive (loss) income

For the year ended on March 31, 2024 and 2023

(Mexican pesos)

		2024	2023
Net sales (notes 3n and 20)	$	581,262,087	808,728,883
Cost of sales (notes 3d and 21)		228,943,162	302,262,516
Gross profit		352,318,925	506,466,367
Other income (note 20)		3,610,180	511,434
		355,929,105	506,977,801
Expenses (note 21)			
Selling and distribution		242,570,222	222,959,323
Administrative		111,841,951	127,421,284
Research and development		10,768,650	26,515,818
Total expenses		365,180,823	376,896,425
Operating (loss) income		(9,251,718)	130,081,376
Comprehensive financing result:			
Interest Income		3,397,668	9,635,535
Interest expense LAHSA (note 9)		(7,239,603)	(4,650,891)
Interest on leasing equipment (note 16)		(2,382,553)	(352,450)
Valuation effect on financial instruments		-	(536,165)
Foreign exchange gain - net (note 6)		10,963,585	2,098,761
Comprehensive financial result - net		4,739,097	6,194,790
(Loss) Income, before income taxes		(4,512,621)	136,276,166
Income tax (note 3m and 18)		(1,468,736)	36,218,073
Net, (loss) income		(3,043,885)	100,058,093
Other comprenhensive income:			
Remeasurements of defined benefit liability (note 17b)		(457,365)	3,029,314
Comprehensive (loss) income for year	$	(3,501,250)	103,087,407

The accompanyng notes are an integral part of these financial statements.

Mr. Luis Guillermo Cortes Pelaez (CEO) Mr. Miguel Angel Moreno Fernandez (CFO)

Laboratories Grin, S. A. de C. V.
(subsidiary of Lupin Atlantis Holdings, S. A)

Statement of changes in stockholders' equity

As of March 31, 2024 and 2023

(Mexican pesos)

Concept	Capital stock	Retained: Legal reserve	Retained: Earnings	Retained: Subtotal	Other comprehensive income	Total stockholders' equity
Balances as of April 1, 2022	187,000,000	37,400,000	367,978,003	592,378,003	(5,558,477)	586,819,526
Net comprehensive income	-	-	100,058,093	100,058,093	3,029,314	103,087,407
Balances as of March 31, 2023	187,000,000	37,400,000	468,036,096	692,436,096	(2,529,163)	689,906,933
Net comprehensive (loss)	-	-	(3,043,885)	(3,043,885)	(457,365)	(3,501,250)
Balances as of March 31, 2024	$ 187,000,000	37,400,000	464,992,211	689,392,211	(2,986,528)	686,405,683

The accompanyng notes are an integral part of these financial statements.

Mr. Luis Guillermo Cortes Pelaez (CEO)

Mr. Miguel Angel Moreno Fernandez (CFO)

Laboratories Grin, S. A. de C. V.
(subsidiary of Lupin Atlantis Holdings, S. A)

Statement of cash of flows

As of March 31, 2024 and 2023

(Mexican pesos)

		March 2024	March 2023
Cash flows from operating activities:			
(Loss) Income, before income taxes	$	(4,512,621)	136,276,166
Items relating to investing activities:			
Depreciation and amortization		43,230,138	36,383,494
Gain on sale and retirement of equipment		(3,610,160)	(4,825,690)
Interest income		(3,397,668)	(9,635,535)
Interest expense		9,622,156	5,003,341
Deferred employee statutory profit sharing		(1,807,213)	(106,023)
Unrealized foreign exchange Gain		(189,250)	-
Derivative financial instruments		(536,165)	536,165
Period net cost		12,142,319	19,301,102
		50,941,516	182,933,020
Accounts receivable		(82,070,653)	41,657,346
Other receivables		(20,193,717)	(20,540,518)
Inventories, net		(26,853,281)	(12,507,614)
Prepayments		5,437,501	(24,337,297)
Trade accounts payable		(18,292,189)	17,221,912
Other liabilities		(240,647)	(24,356,124)
Accruals		(25,842,946)	1,634,828
Income taxes paid		(38,153,840)	(64,919,730)
Employee statutory profit sharing		(17,112,832)	(7,217,316)
Employee benefits		(6,517,252)	(9,597,262)
Related parties		463,156	(5,074,935)
Obligations for delivery of products		6,137,628	(19,326,446)
Net cash (used in) provided by operating activities		(172,297,756)	55,565,846
Cash flows from investing activities:			
Acquisitions of property and equipment		(18,043,309)	(56,205,549)
Long term prepayments		-	(9,774,995)
Acquisitions of intangible assets		18,678	(670,229)
Proceeds from sale of equipment		3,693,987	5,092,944
Interest received		3,397,668	9,635,535
Net cash used in investing activities		(10,932,976)	(51,922,294)
(Cash to be obtained from financing activities)			
Cash surplus to be applied in financing activities		(183,230,732)	3,643,552
Cash flows from financing activities:			
Interest paid to Lupin Atlantis Holdings S.A. (Note 9)		(5,475,600)	(4,650,891)
Payments of loan Lupin Atlantis Holdings S.A. (Note 9)		-	(45,642,541)
Proceeds from loans		129,630,690	-
Payments of loan lease obligations		(2,382,553)	(277,545)
Net cash provided (used) by financing activities		121,772,537	(50,570,977)
Net decrease in cash and cash equivalents		(61,458,195)	(46,927,425)
Cash and cash equivalents at beginning of year		135,239,866	182,167,291
Cash and cash equivalents at end of year	$	73,781,671	135,239,866

The accompanyng notes are an integral part of these financial statements.

Mr. Luis Guillermo Cortes Pelaez (CEO)

Mr. Miguel Angel Moreno Fernandez (CFO)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements.

For the years ended March 31, 2024, and 2023.

(Mexican pesos)

(1) Description of business.

Laboratorios Grin, S. A. de C. V. is an incorporated company under the laws of Mexico. The registered address of the Company is Rodriguez Saro No. 630, Col. del Valle, C.P. 03100, Mexico City. The Company is a subsidiary of Lupin Atlantis Holdings, S. A. (LAHSA), and related party of Lupin Limited and other Lupin subsidiaries with which it carries out certain transactions.

The Company is mainly involved in the manufacturing, formulation, marketing, import, export and selling of ophthalmic products and the Company operates mainly in Mexico.

Relevant events.

In December 2022, an expansion and improvement of the plant facilities was authorized by LAHSA, for a budgeted amount of US$1.5MM and an Complement of US$0.24 MM agreed in March 2023, consisting of two stages (liquids and solids production lines), each stage is planned to require 3 months to be completed, as such management of the Company produced and stoked finished goods, in order to cover clients' orders for the time of the temporarily work in progress time. At the date of issuance of the accompanying financial statements, the stage one is 100% completed and the stage 2 is 20% in progress, related final investment cost amounted US$$1.0 MM for the period ended December 2023 and US$0.1 MM for the period ended December 31, 2022. Related cost amounted US$1.1 MM as of December 31, 2023.

During October 2022, the Company received a routinely inspection visit from the government regulatory body The Federal Commission for Protection against Health Risks (COFEPRIS for its Spanish acronym), and as a result, the regulator identified 7 critical, and 13 minor findings related to quality control & clean room designs in the ophthalmic plant facilities (liquids) and caused a temporally suspension in production in the factory.

During 2023, the administration hired an external consultant expert in remediation actions with COFEPIRS and the remediation actions were fully implemented in September 2023.

As of October 11, 2023, COFEPRIS removed the temporally suspension for the production line of liquids and is currently manufacturing products at regular production capacity to comply with new client's backorders.

Management is implementing the following actions for turning back to normal historical sales and improve profitability:

1. Management established action plans in order to continue as a going concern basis for future periods to 2023, which consist of keeping the rest of the production lines in service, requesting funds from Lupin Atlantis Holdings, S. A. (Controlling Company) that consist in a credit line US$ 10,000,000., as well as a commitment from corporate to fund future cash needs for operating expenses and investment in inventories to satisfy new client's backorders.
2. Within the company's plan for the next 5 years, it is to import products of subsidiaries from India to access markets other than ophthalmic, which is the company's principal market, among these markets are Neurosciences, Dermatology, Oncology and Complements food. This fact gives strength of the company and therefore to the profitability of the company.
3. The sector is moving forward and shows no signs of future restrictions.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(2) Financial statement authorization and presentation-

Authorization.

On May 2, 2024, Luis Guillermo Cortés Peláez (CEO) and Miguel Ángel Moreno Fernández (CFO), authorized the issuance of the accompanying financial statements and related notes thereto.

In accordance with the General Corporations Law and the laws of Laboratorios Grin, S. A. de C. V., the stockholders are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Stockholders' Meeting for approval.

Basis of preparation.

a) Statement of compliance-

These financial statements as of March 31, 2024, and 2023, have been prepared in accordance with Mexican reporting Standard (FRS).

b) Use of estimates and judgments-

The preparation of the financial statements requires Management to make several estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

i. Judgements-

Information about judgments made applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in note 16, Assets under leases (Right-of-use assets) and leases liabilities, whether an arrangement contains a lease.

ii. Assumptions and estimation uncertainties-

Information about assumptions and estimation uncertainties as of March 31, 2024, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- **Note 3(n)** - Revenue from contracts with customers.
- **Note 3(l)** - Employees' benefits.
- **Note 3(m)** - Deferred Income Tax, availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.

(Continúa)

iii. Measurement of fair values-

Several of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of FRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e,. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

c) Functional and reporting currency-

The financial statements are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency. For purposes of disclosure, "pesos" or "$" means Mexican pesos, and "dollars" or "US$" means U.S. dollars.

d) Statement of comprehensive income presentation-

The Company opted for reporting comprehensive income in a single statement that includes all the items that comprise net income and other comprehensive income (OCI), entitled "Statement of Comprehensive Income".

Given, that the company is a commercial one, ordinary costs and expenses are presented based on their function, to arrive at the gross profit margin. Additionally, the "Operating income" line item is included, which results from subtracting the cost of sales and expenses from net sales, as this line item is considered to provide a better understanding of the Company's economic and financial performance.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(3) Summary of significant accounting policies-

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company:

(a) Recognition of the effects of inflation-

The accompanying financial statements have been prepared in accordance with Mexican FRS and include the recognition of the effects of inflation on the financial information through December 31, 2007, based on the Mexican National Consumer Price Index (NCPI).

Annual and cumulative inflation percentage of the last three years are as follows:

	Inflation	
March 31,	**Yearly**	**Cumulative**
2024	4.42%	19.89%
2023	6.85%	20.17%
2022	7.45%	16.12%

(b) Cash and cash equivalents-

Cash and cash equivalents consist of checking accounts, foreign currency, and other highly liquid instruments. At the date of the financial statements, interest income and foreign exchange gains and losses are included in the statement of comprehensive income.

(c) Financial instruments-

i) Recognition and initial measurement-

Financial assets and liabilities - including accounts receivable and payable - are initially recognized when these assets are originated or acquired, or when these liabilities are issued or assumed, both contractually.

Financial assets and financial liabilities (unless it is an account receivable or payable without a significant financing component) are measured and initially recognized at fair value, in the case of financial assets or liabilities not measured at fair value with changes through OCI, plus the transaction costs directly attributable to acquisition or issuance, when subsequently measured at amortized cost. An account receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement-

Upon initial recognition, financial assets are classified in the following categories, according to the business model and the characteristics of the contractual cash flows therefrom, as follows:

- Accounts receivable, which includes accounts receivable derived from the sale of goods and services and other accounts receivable derived from activities other than the sale of goods and services.

(Continúa)

- Financial instruments to collect principal and interest (FICPI), whereby the holder intends to recover the contractual cash flows that the instrument entails. The terms of the contract provide for cash flows on pre-established dates, which correspond only to payments of principal and interest (yield), typically based on the amount of the outstanding principal. The FICPI must have characteristics of a financing arrangement and be managed based on contractual performance.

- Financial instruments to collect or sell (FICS), measured at fair value with changes through other comprehensive income (FVOCI), whereby the holder intends both to collect contractual cash flows of principal and interest and to obtain a profit on sale when the opportunity arises.

- Negotiable financial instruments (NFI, measured at fair value with changes through income (FVI) that represents investments in debt or equity financial instruments, whereby the holder intends to obtain a profit through purchase and sale.

- The classification of financial assets is based on both the business model and the characteristics of the contractual cash flows therefrom. According to the business model, a financial asset or a class of financial assets (a portfolio), can be managed under:

    - A model that seeks to recover contractual cash flows (consisting of principal and interest).

    - A business model that seeks, both the recovery of contractual cash flows as in the previous model as well as obtaining profit through the sale of financial assets, necessitating a combined management model for these financial assets.

    - A model that seeks maximum return through the purchase and sale of financial assets.

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified to the new category at the time the change in the business model has occurred.

The reclassification of investments in financial instruments between categories is applied prospectively as of the date of change in the business model, without modifying any previously recognized income, such as interest or impairment losses.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not classified as measured at fair value through income:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. (Only Payment of the Principal and Interest, or SPPI for its initials).

A debt investment is measured at fair value through OCI if it meets both of the following conditions and is not classified as measured at fair value through income:

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

(Continúa)

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

All financial assets not classified as measured at amortized cost or fair value through OCI as described above are measured at fair value through income. This includes all derivative financial assets (see Note 7). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through OCI as at fair value through income if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment:

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining an interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

Financial assets - Subsequent measurement and gains and losses:

Negotiable Financial instruments (NFI)	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in income. However, for derivatives designated as hedging instruments.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are initially recognized at fair value and subsequently are measured at amortized cost. Financial liabilities arising from the contracting or issuance of financial debt instruments are initially recognized at the value of the obligation they represent (at fair value) and will subsequently be measured at amortized cost using the effective interest method, where expenses, premiums and discounts related to the issue are amortized through the effective interest rate. Interest income and gains and losses on translation of foreign currency are recognized in income.

(Continúa)

iii) Derecognition-

Financial assets.

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

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in income.

iv) Offsetting-

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v) Derivative financial instruments-

Financial instruments.

The Company holds derivative financial instruments to cover and align its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in income.

The Company designates certain derivatives forward as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

(Continúa)

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedging valuation

The cash flow hedging valuation includes the effective portion of the accumulated net change in the fair value of the hedging instruments used in cash flow hedges pending subsequent recognition in income or directly included in the initial costs of other asset values or non-financial liabilities.

Cost of hedging

The cost of hedging reflects the gain or loss on the excluded part of the designated hedging instrument that relates to forward contracts. It is initially recognized in OCI and is accounted for similarly to the gains or losses on the cash flow hedging valuation.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in income.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") is separately accounted for as a cost of hedging and recognized in a costs of hedging reserve, within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to income in the same period or periods during which the hedged expected future cash flows affect income.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging valuation remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to income in the same period or periods as the hedged expected future cash flows affect income.

(Continúa)

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging valuation and the cost of hedging reserve are immediately reclassified to income.

Net investment hedges

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, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognized in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognized immediately in income. The amount recognized in OCI is reclassified to income as a reclassification adjustment on disposal of the foreign operation. In the case of a partial or total provision of the foreign operation, together with the cumulative currency translation effect of the net investment in other comprehensive income.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes denominated in euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in income. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

Impairment

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on:

— financial assets measured at amortized cost;
— debt investments measured at fair value through OCI; and
— contract assets.

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

— debt securities that are determined to have low credit risk at the reporting date; and

— other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(Continúa)

Loss allowances for trade receivable and contract assets are always measured at an amount equal to lifetime ECLs.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, except in cases where the Company has information that the risk has not increased significantly.

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

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due, or when the Company has reasonable and supported information to consider that a longer term is a more appropriate criterion.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, about past events, current conditions, and forecasts of future economic conditions.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

— significant financial difficulty of the borrower or issuer;
— a breach of contract such as a default or being more than 90 days past due;
— the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
— it is probable that the borrower will enter bankruptcy or other financial reorganization; or

(Continúa)

(Mexican pesos)

— the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at fair value through OCI, the loss allowance is charged to income and is recognized in OCI.

Expected Credit Losses (ECL) are calculated on a yearly basis; based on collection history, as of March 31, 2024, those rates for ECL are shown in the next table.

Type of product	Channel	Up to 7 days	Up to 30 days	Up to 60 days	Up to 90 days	91 or more days	total
Standard	Wholesaler	0.82%	0.96%	1.11%	1.49%	2.31%	0.81%
Standard	Private	0.67%	0.78%	0.97%	1.04%	0.00%	0.57%
Standard	Government	0.16%	0.32%	0.41%	0.69%	0.00%	0.21%
Standard	Tender	0.57%	0.69%	1.22%	1.60%	2.05%	0.58%
Standard	Other	0.00%	0.09%	0.00%	0.85%	1.31%	0.05%
Standard	Export	0.38%	0.92%	1.15%	0.00%	0.00%	0.59%
New	Wholesaler	1.34%	0.88%	0.00%	1.47%	2.59%	1.39%
New	Private	1.34%	0.00%	0.00%	0.00%	1.97%	1.90%
Total		**0.55%**	**0.85%**	**0.80%**	**1.41%**	**2.12%**	**0.64%**

Write-off.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 360 days past due, based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(d) Inventories and cost of goods sold-

Inventories are measured at the lower of cost and net realizable value. The cost is determined using the standard cost. Unit cost is determined using the formula of average cost.

Cost of sales represents the cost of inventories at the time of sale, increased, as applicable, for reductions in the net realizable value of inventories during the year.

The Company records the necessary allowances for inventory impairment arising from damaged, obsolete, or slow-moving inventories or any other reason indicating that the carrying amount will exceed the future revenues expected from use or realization of the inventory items.

(e) Prepayments-

Mainly include prepayments for the purchase of inventories and services that are received after the date of the statement of financial position and in the ordinary course of operations, and hare presented them in the short or long term based on the remaining period.

(f) Property, plant and equipment-

The property, plant and equipment are recorded at acquisition cost, and through December 31, 2007, were adjusted for inflation by applying NCPI factors.

Depreciation on property, plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets as determined by the Company's Management. The total useful lives and annual depreciation rates of the principal asset classes are shown are as follow:

	Rates
Buildings	5%
Machinery and equipment	10%
Transportation equipment	25%
Office furniture and equipment	10%
Computer equipment	30%

Minor repairs and maintenance costs are expensed as incurred.

Property, plant and equipment are subject to annual impairment testing only when impairment indicators are identified; accordingly, these are expressed at their modified historical cost, less cumulative depreciation and, in its case, impairment losses.

(g) Leases-

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in MFRS D-5.

At commencement or on modification of a contract that contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS D-5.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

(Continúa)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in lease assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

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

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(h) Intangible assets-

Intangible assets with definite useful life mainly include licenses and trademarks. There also include sanitary permits issued for the selling of certain products by the Federal Commission for the Protection against Sanitary Risk (COFEPRIS). The factors determining the useful life of these assets are established by "Ley General de Salud." These assets are recorded at acquisition cost or development cost and amortized using the straight-line.

The total useful lives and annual amortized rates of the principal asset classes are as follows:

	Rates
Licenses and trademarks	10%
Software	15%
Sanitary Licenses	5%

(i) Impairment of property, plant and equipment, leases assets and intangible assets-

The Company evaluates the net carrying amount of property, plant and equipment, leases assets and intangible assets, to determine whether there is an indication that the carrying amount exceeds the recoverable amount.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net revenues reasonably expected to be generated by the asset. If the net carrying amount of the asset exceeds the recoverable amount, the Company records the necessary provisions.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(j) Trade Accounts payable-

This item includes obligations with suppliers for purchases of goods or services acquired in the normal course of Company's operations. They are initially recognized at the transition price for the goods and services received and tax, and any other amount the supplier has transferred to the entity on behalf of third parties.

Subsequent recognition is at amortized cost, which must include, among others, the increases due to the cash interest accrued and the decreases for the principal and interest payments and, where appropriate, the effect of any write-off obtained on the amount payable.

(Continúa)

When the payment term does not exceed one year, its amortized cost should not be determined. When collection is expected in a period of one year or less from the closing date (or in the normal operating cycle of the business if this cycle exceeds this period) they are presented as current liabilities. If the above is not met, they are presented as non-current liabilities.

(k) Accruals-

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Operating activities	A provision for operating activities and row materials are booked when a P.O has been granted and delivered to the supplier as a commitment, and reception date is under actual period
Restructuring	A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.
Audit and Consultancy services	A provision for statutory audits and consultancy services are booked base on agreements sign to provide services related with actual period.
Contractual Provision (Opex)	A provision for contractual agreements for non-operating services are booked when a P.O has been granted and delivered to the supplier as a commitment, and reception date is under actual period
Direct benefits to employees	A provision for future benefits to employees as Christmas bonus and Annual bonus are included on a monthly basis, expense is realized on annual basis.
Lawsuits	A provision for Lawsuit is booked based on each legal case and the probability of default. This probability is based on confirmation of Legal consultants and Legal Director of Laboratorios Grin as the lawyer fees as well.
Sales & Marketing	A provision for sales & marketing are booked based on obligations on costumer contracts that includes some benefits after revenue recognition process finished, as Fee for services and Fee for centralized delivery.
Other services	A provision for Utilities (Water & Electricity) is included as other services, provisions are booked based on former monthly payments.
Incentives to sales force	A provision for incentives to sales force is based on current month sales and is paid in the following month.

(Continúa)

(l) Employee benefits-

Short-term direct benefits

Short-term direct employee benefits are recognized in income of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Company has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

Long-term direct benefits

The Company's net obligation in relation to direct long-term benefits (except for deferred ESPS - see note 18(d) Income taxes and employee statutory profit sharing), and which the Company is expected to pay at least twelve months after the date of the most recent balance sheet presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to its present value. Remeasurements are recognized in income in the period in which they are accrued.

Termination benefits

A liability is recognized for termination benefits along with a cost or expense when the Company has no realistic alternative other than to make the corresponding payments or when the offer of these benefits cannot be withdrawn or when the conditions that require the recognition of restructuring costs are met, whichever occurs first.

The labor cost of current service, which represents the periodic cost of employee benefits for having completed one more year of working life based on the benefit plans, is recognized in operating costs and expenses.

Modifications to the plans that affect past service cost are recognized in income immediately in the year the modification occurs, with no possibility of deferral in subsequent years. Furthermore, the effects of events of liquidation or reduction of obligations in the period that significantly reduce future service cost and/or significantly reduce the population eligible for benefits, are recognized in income of the period.

Remeasurements (before actuarial gains and losses), resulting from differences between the projected and actual actuarial assumptions at the end of the period, are recognized when incurred as part of OCI within stockholder's equity in income of the period.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(m) Income Tax (IT), Deferred Income Tax, Employee Statutory Profit Sharing (ESPS) and Deferred ESPS-

IT and ESPS payable for the year are determined in conformity with the Mexican income tax law and regulations in effect. (Ley del Impuesto sobre la Renta).

Deferred IT and Deferred ESPS are accounted for under the asset and liability method. Deferred taxes and Deferred ESPS assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and in the case of IT, for operating loss carryforwards and other recoverable tax credits. Deferred tax and Deferred ESPS assets and liabilities are measured using enact tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax and Deferred ESPS assets and liabilities of a change in tax rates is recognized on the statement of comprehensive income in the period that includes the enactment date.

Current and deferred income taxes (and ESPS) are presented and classified in the results of operations of the period, except those arising from a transaction that is recognized in Other Comprehensive Income or directly in stockholders' equity.

(n) Revenue from contracts with customers-

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

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Sale of Goods	Customers obtain control of ophthalmic and pharmaceutical products when the goods are delivered to and have been accepted at their premises. Invoices are generated at the moment that product are dispatch in the warehouse. Invoices for major clients are usually payable within 60 -90 days. No discounts are provided for products based on volume sales goal. Invoices for other clients are usually payable within 30 days. Discounts are provided for products of ophthalmic and pharmaceutical products based on volume sales goal.	Revenue is recognized when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns which are estimated based on the historical data for specific types of ophthalmic and pharmaceutical products, etc. In these circumstances, a refund liability, and a right to recover returned goods asset are recognized. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Company reviews its estimate of expected returns at each reporting date and

(Continúa)

	Some contracts permit to the customer to return an item. Returned goods are exchanged only for new goods. No cash refunds are offered.	updates the amounts of the asset and liability accordingly.

(o) Business and credit concentration-

Sales to, Farmacias Guadalajara S.A. de C.V., Fármacos Nacionales S.A. de C.V., Nadro S.A.P. de C.V., Farmacias de Similares S.A. de C. V., Comercializadora del pacifico S.A. de C.V., Rama Farmacéutica S.A. de C.V., Grupo Farmacéutico Totalfarma S.A. de C.V., Pharma Plus, represented 88.30% at March 2024 and 84.92% at March 2023 of the company total net sales.

(p) Research and advertising costs-

Research and advertising costs are expensed as incurred.

(q) Comprehensive financial results (CFR)-

The CFR includes finance income and expense.

Finance income and expense include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and liabilities;
- Valuation effect on financial derivative instruments.

Interest income or expense is recognized using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the [consolidated] statement of comprehensive income.

(Continúa)

(r) Contingencies-

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

(4) Recently issued financial reporting standards-

In December 2023, the Consejo Mexicano de Normas de Información Financieray de Sostenibilidad, A. C. (CINIF) issued a document called "2024 FRS Revisions" containing precise modifications to some of the existing FRS. This revision made to the FRS result in accounting changes in the annual financial statements, which are shown below:

FRS A-1 Conceptual Framework of Financial Reporting Standards - Becomes effective for years beginning on or after the 1st. January 2025, allowing its early application as of 2024 if the disclosures of the particular FRS applicable to the corresponding type of entity in question are adopted early. It includes the definition of public interest entities and requires disclosure of whether the entity is considered a public interest entity or a non-public interest entity. It divides the disclosure requirements of the FRS into: i) disclosures applicable to all entities in general (public interest entities and non-public interest entities), and ii) additional disclosures mandatory only for public interest entities. Any change that it generates must be recognized in accordance with FRS B-1 *Accounting changes and error corrections.* Management estimates that the adoption of this FRS improvement shall have no significant effects.

FRS C-6, Property, plant and equipment/FRS D-6, Capitalization of comprehensive financing result/FRS E-1, Agricultural activities - Effective for fiscal years beginning on or after January 1, 2024, allowing early application in 2023. Any changes it generates must be recognized in accordance with FRS B-1 *Accounting changes and error corrections.* This improvement specifies that a producing biological asset could be a qualifying asset as long as it is not ready to start producing (intended use), and the CFR could be capitalized as part of its acquisition cost. Additionally, producing plants and animals are included within the scope of FRS C-6. Management estimates that the adoption of this FRS improvement shall have no significant effects.

FRS C-10, Derivative financial instruments and hedging relationships – Effective for years beginning on or after the 1st. January 2024, allowing its early application in 2023. Includes the accounting treatment of a hedge of equity financial instruments whose valuation at fair value is recognized in the OCI. Any change it generates must be recognized in accordance with *FRS B-1 Accounting changes and error corrections.* Management estimates that the adoption of this FRS improvement shall have no significant effects.

FRS B-2, Statement of cash flows/FRS B-6, Statement of financial position/ FRS B-17, Determination of fair value/ FRS C-2, Investment in financial instruments/FRS C-16, Impairment of instruments financial receivable/ FRS C-20, Financial instruments to collect principal and interest/ IFRS 24, Recognition of the effect of the application of the new reference interest rates- Effective for fiscal years beginning on or after January 1, 2024, allowing its early application in 2023. Changes the term financial instruments to collect or sell to financial instruments to collect and sell. Any accounting change it generates must be recognized in accordance with FRS B-1 Accounting changes and error corrections. Management estimates that the adoption of this FRS improvement shall have no significant effects.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

FRS D-4, Income taxes - Effective for fiscal years beginning on or after the 1st. January 2024, allowing its early application in 2023. This Improvement clarifies the applicable rate that should be used to recognize current and deferred income tax assets and liabilities when there were benefits in tax rates of the period to encourage the capitalization of earnings (retained earnings). In these circumstances, current and deferred tax assets and liabilities should be determined at the rate that will be applicable to undistributed earnings in the period when they are paid as dividends in future periods. Any change it generates must be recognized in accordance with *FRS B-1 Accounting changes and error corrections*. Management estimates that the adoption of this FRS improvement shall have no significant effects.

(5) Cash and cash equivalents.

Cash and cash equivalents balance on March 31, 2024, and 2023, are mainly comprised by cash, bank deposits, foreign currency balances and temporary investments, all these are high liquidity and are subject to insignificant risks of changes in value. The integration of such balance is shown as on the as follows:

		March 2024	March 2023
Cash in hands	$	7,500	7,500
Bank deposits		73,774,171	23,449,946
Temporary investments		-	111,782,419
	$	**73,781,671**	**135,239,865**

(6) Foreign currency exposure and translation.

The Company's exposure to foreign exchange rate risk at the end of the period, is expressed as follows:

	March 31, 2024		March 31, 2023	
	USD	**EUR**	**USD**	**EUR**
Short term:				
Current assets	1,820,011	-	1,152,176	881,523
Current liabilities	(511,842)	(47,192)	(1,112,427)	(680,698)
Long-term liabilities	(12,000,000)	-	(3,800,152)	-
Total liabilities	(12,511,842)	(47,192)	(4,912,579)	(680,698)
Net liabilities	**(10,691,831)**	**(47,192)**	**(3,760,403)**	**200,825**

As of March 31, 2024, and 2023, foreign exchange gain amounted $10,963,585 and $2,098,761 respectively, and booked in the income statement.

(Continúa)

The exchange rates used in the various translation processes to the reporting currency as of March 31, 2024, and 2023 were as follows:

Country of origin	Currency	Exchange rate March 2024	Exchange rate March 2023
United States of America	USD	16.5323	18.0932
European Economic Community	Euro	17.8871	19.6863

(7) Financial instruments.

Financial risk management

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

— Credit risk
— Liquidity risk
— Market risk

Risk management framework

The board of directors is the highest authority in making operational decisions and has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has established the financial department as financial risk management, which is responsible for developing and monitoring the Company's risk management policies. This management reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk	Risk exposure arising from	Risk measurement	Risk management
Exchange rate risk	Future business transactions. Recognized financial assets and liabilities not denominated in monetary units of Mexico	Cash flow forecasts. Sensitivity analysis	Foreign currency forward contracts. Revision of the natural hedge between assets and liabilities in foreign currency.
Liquidity risk	Loans and other liabilities	Cash flow forecasts	Availability of credit lines and loan facilities
Credit risk	Cash and cash equivalents, accounts receivable	Expiry analysis. Credit ratings	Diversification of bank deposits and portfolio. Establishment of credit limits and obtaining letters of credit

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivable from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Trade receivable and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in note 3(n) and 3(o).

The allowance for credit losses as of March 31, 2024, and 2023, shown as follows:

March 31, 2024		**Up to 7 days**	**Up to 30 days**	**Up to 60 days**	**Up to 90 days**	**Over 90 days**	**Total**
% allowance for credit losses		1.66%	2.07%	1.90%	3.73%	3.11%	**1.77%**
Gross carrying amount - accounts receivable	$	147,484,418	36.870,572	12,907,320	1,465,523	2,622,876	**201,350,709**
Allowance for credit losses		2,442,833	763,891	245,727	54,724	1,181,802	**4,688,977**

March 31, 2023		**Up to 7 days**	**Up to 30 days**	**Up to 60 days**	**Up to 90 days**	**Over 90 days**	**Total**
% allowance for credit losses		0.74%	0.90%	0.32%	1.49%	2.30%	**1.21%**
Gross carrying amount-accounts receivable	$	101,991,910	5,634,423	1,389,382	2,147,447	3,774,883	**114,938,045**
Allowance for credit losses		828,740	70,201	4,529	126,193	3,476,976	**4,506,639**

The allowance for expected credit losses of accounts receivable and assets for contracts is based on assumptions about the probability of default and the severity of the expected loss.

The Company uses judgment to make these assumptions; selecting key and input for the calculation of said allowance based on the history, the existing market conditions, and the prospective estimates at the end of each reporting period.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

Liquidity risk

A prudent management of liquidity risk implies having enough cash and securities of immediate realization, the availability of financing through an appropriate amount of committed credit lines and the ability to close market positions

Because of the dynamic nature of the underlying business, the Company's treasury keeps financing flexibility by keeping committed credit lines available.

Management continuously monitors cash flow projections and liquidity requirements ensuring of maintaining enough cash and temporary investments to meet operational needs. Generally, this is done locally in the operative companies and according to the limits established by the group.

Such limits vary according with the location and consider the market liquidity in which the entity operates. Also the policy on the Company's liquidity management withstand the projection of the cash flows in the main currencies and the consideration of the level of liquid assets necessary to meet such projections; the monitoring of the liquidity reasons of the statement of the financial position concerning the internal and external regulatory requirements and the financing or debt plans.

Exposure to liquidity risk

The amounts presented in the following table correspond to the undiscounted cash flows. Outstanding balances are equal their accounting balances since the impact of the discount is not significant. For interest rate swaps, cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

			Contractual cash flows				
March 31, 2024	**Carrying amount**	**Total**	**Less than 6 months**	**6 -12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade accounts payable	$ **51,985,981**	**(51,985,981)**	(51,985,981)	-	-	-	-
Loans	**200,893,757**	**(200,893,757)**	(2,506,157)	-	-	(198,387,600)	-
	$ **252,879,738**	**(252,879,738)**	**(54,492,138)**	-	-	**(198,387,600)**	-

			Contractual cash flows				
March 31, 2023	**Carrying amount**	**Total**	**Less than 6 months**	**6 -12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade accounts payable	$ **70,278,169**	**70,278,169**	(70,278,169)	-	-	-	-
Loans	**69,688,314**	**69,688,314**	(931,104)	-	-	(68,756,910)	-
	$ **139,966,483**	**139,966,483**	**(71,209,573)**	-	-	**(68,756,910)**	-

(Continúa)

Market risk

Market risk is the risk that changes in market prices - e.g., foreign exchange rates, interest rates and equity prices -will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company operates internationally and is exposed to exchange rate risk, mainly the dollar (USD). The exchange rate risk arises from future business transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. The risk is measured through a forecast of highly probable expenses in US dollars. The objective of the risk hedges is to minimize the volatility of the cost in the functional currency of the forecasted inventory purchases as highly probable.

Profit is less sensitive to movements in the US dollar exchange rate in 2023 than in 2021, due to the decrease in the amount of loans denominated in US dollars. Equity is more sensitive to movements in the US dollar exchange rate in 2023 than in 2021, due to the number of foreign currency forwards.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest-bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing borrowings will fluctuate because of fluctuations in the interest rates.

(8) Accounts receivable.

Accounts receivable integration is shown as follows:

		March 2024	March 2023
Accounts receivable	$	201,350,709	114,938,045
Allowance for doubtful accounts		(1,135,571)	(2,338,394)
Allowance for credit loss		(3,553,406)	(2,168,245)
Allowance for returns		(28,681,488)	(24,521,815)
Total accounts receivable	$	**167,980,244**	**85,909,591**

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(9) Related-party transactions and balances.

a. Balances with related parties on March 31, 2024, and 2023 are shown as follows:

		Dec 2023	March 2023
Payable:			
Lupin Limited	$	736,986	835,164
Lupin Inc		402,115	-
Lupin Management, Inc		2,156,975	3,701,813
	$	**3,296,076**	**4,536,977**

		March 2023	March 2023
Receivable:			
Lupin Limited	$	2,579,040	2,144,611
Medquimica Industria Farmaceutica		39,893	951,654
Multicare Pharmaceuticals		-	305,984
Lupin Pharma Canada Limited		6,839	118,150
Lupin Inc		372,035	606,215
Lupin Atlantis Holdings		686,493	1,261,743
	$	**3,684,300**	**5,388,357**

b. Balances payable for long term loan to Lupin Atlantis Holdings, S. A. (controlling company) as of March 31, 2024, and 2023 is comprised as follows:

		March 2024	March 2023
Long-term debt related parties (current portion) [1]	$	62,825,253	-
Interest payable		2,506,157	931,404
Total current portion		**65,331,410**	**931,404**
Long-term debt related parties [2]		135,562,347	68,756,910
	$	**200,893,757**	**69,688,314**

(Continúa)

The impact of foreign currency revaluation is included in the long-term liabilities, whereas the foreign currency variation rising due to Intercompany short-term transactions, in line with SAP methodology, is grouped separately and detailed in note 6. The balances for short term reflected above are excluding any foreign currency variations.

(1) On October 1, 2014, the Company entered into a loan up to US$15,000,000, of unsecured credit line payable to Lupin Atlantis Holdings, S. A. (Controlling Company) from which US$13,266,971 ($230,000,000 MXN) have been disposed as of December 31, 2014, bearing annual interest rate of LIBOR + 5.00 BPS (5.32%) The Company may, at any time and without penalty or premium, paid off or part of the principal amount, however with a minimum amount of US$500,000 per repayment.

The Company has made a repayment for US$9,466,819, ($184,045,284) on the follow dates:

- March 31, 2016 US$2,000,000, ($33,937,804MXN)
- March 31, 2019 US$1,000,000, ($19,013,000 MXN)
- March 31, 2020 US$1,500,000, ($28,799,000 MXN)
- March 31, 2021 US$1,000,000, ($21,995,000 MXN)
- March 31, 2022 US$2,066,743, ($41,052,130 MXN)
- July 31, 2022 US$1.900.076, ($39,248,350 MXN)

The line of credit is granted for a duration of eight years from the effective date maturing December 31, 2024.

(2) On July 24, 2023, the Company increased its credit line with Lupin Atlantis Holdings up to US$10,000,000. With a fix rate of 5% annual. The credit line is granted for a 36-month period maturing on July 24, 2026.

On July 26, 2023, the Company receives a first withdraw for an amount of US$3,500,000 (MX$59,176,250).

On October 6, 2023, the Company receives the second withdraw for an amount of US$2,699,848 (MX$45,609,882).

On December 5, 2023, the Company receives the third withdraw for an amount of US$2,000,000 (MX$33,785,000).

As of December 31, 2023, the Company has a final balance of this line credit due for US$12,000,000, ($198,387,600 MXN).

(3) During the period from April 1, 2023 to March 31 2024, Company paid interest for US$317,020 ($5,475,600 MXN). During the period from April 1, 2022, to March 31, 2023, company paid interest for and US$289,464, (4,650,891 MXN).

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(4) During the period ended March 31, 2024 and 2023, the Company carried out the following operations with related parties:

		March 2024	March 2023
Expenses:			
Expenses for services received from:			
Lupin Management Inc	$	9,296,617	11,795,259
Lupin Inc		809,706	-
Lupin Limited (ESOP Cost)		435,044	488,483
Interest:			
Lupin Atlantis Holdings, S. A.		7,239,603	4,650,891
IT expenses: Maintenance, support services and reimbursements:			
Lupin Limited		2,167,819	2,932,672
Total expenses	$	**19,948,789**	**19,867,305**
Income:			
Expense Reimbursement			
Lupin Limited	$	3,562,392	2,148,185
Medquimica Industria Farmaceutica		300,569	951,654
Multicare Pharmaceuticals		-	305,984
Lupin Pharma Canada Limited		286,152	118,150
Lupin Inc		1,572,793	606,215
Lupin Atlantis Holdings, S. A.		1,922,243	1,261,743
Total income	$	**7,644,149**	**5,391,931**

(10) Other receivables.

Other receivables consist of the following:

		March 2023	March 2023
Recoverable value-added tax (VAT)	$	118,289,801	84,829,680
Income Tax Prepayments		47,878,161	22,743,124
Employees and officers		3,432,495	3,680,096
Total other receivables	$	**169,600,457**	**111,252,900**

(Mexican pesos)

(11) Inventories.

The summary of inventories is shown as follows:

		March 2023	March 2023
Raw & package materials	$	66,270,009	67,542,332
Finished goods		77,238,935	40,495,740
Work in process		3,645,963	6,346,508
		147,154,907	**114,384,580**
Allowance for raw material		(9,989,005)	(5,059,986)
Allowance for finished goods		(7,873,689)	(6,167,794)
Allowance for work in process		(1,343,749)	(2,061,617)
Allowance for decrease in value and expired items		**(19,206,443)**	**(13,289,397)**
Total Inventories	$	**127,948,464**	**101,095,183**

As of March 31, 2024, and 2023, inventories kept in a third-party warehouse are $76,163,741 and $45,812,260, respectively.

(12) Prepayments and other.

Prepayments are comprised as follows:

		March 2023	March 2023
Insurances	$	96,397	856,027
Advances to suppliers		25,914,023	30,524,874
Guarantee deposits		437,787	413,931
Annual taxes for Land and for ownership of Company vehicles		1,432,956	1,523,832
Prepayments		**27,881,163**	**33,318,664**
Long term prepayments (1)		9,774,995	9,774,995
Total Prepayments	**$**	**37,656,158**	**43,093,659**

(1) Correspond to licenses prepayments that allow the company to obtain marketing authorization, manufacture, sale, import, promotion, and export of ophthalmological products in national territory and, in certain cases, in specific foreign countries.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(13) Property, plant, and equipment.

The detail of this item is shown below:

		March 31, 2023	March 31, 2023	April 1, 2023	Depreciation annual rate (%)
Buildings	$	211,952,055	200,249,789	200,249,789	5
Machinery and equipment		216,946,798	209,304,516	205,492,557	10
Transportation equipment		8,996,519	18,217,515	29,782,616	25
Computer equipment		15,609,731	15,475,089	13,973,664	30
Office furniture and fixtures		4,515,695	4,515,695	4,515,695	10
		458,020,798	**447,762,604**	**454,014,321**	
Less - Accumulated depreciation		(249,766,738)	(226,598,660)	(205,932,279)	
Components not subject to depreciation:					
Land		126,418,684	126,418,684	126,418,684	
Assets under construction		49,339,612	50,832,327	1,287,455	
	$	**384,012,356**	**398,414,955**	**375,788,181**	

The depreciation recorded in the Income statement as of March 31, 2024, and 2023, amounted to $32,362,100 and $33,311,521 respectively.

(14) Intangible assets.

Intangible assets include as follows:

		March 2023	March 2023	Amortization term in years
Licenses and trademarks [(1) (2)]	$	30,159,952	30,159,952	10
Other (sanitary licenses)		-	18,678	10
Software		895,657	895,657	20
		31,055,609	**31,074,287**	
Accumulated amortization		(18,820,200)	(15,669,857)	
	$	**12,235,409**	**15,404,430**	

The amortization recorded in the income statement as of March 31, 2024, and 2023, amounted to $3,150,344 and $3,071,974, respectively, which are recognized in the income statement as administration expense.

[(1)] On February 21, 2018, the Company entered a contract with "Innovaciones Biomedicas y Tenologicas, S. A. de C. V"., for the transferring of certain licenses and trademarks rights.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(2) On May 24, 2018, the company entered a contract with "Amarox Pharma S. A. de C.V" for the acquisition of certain licenses and trademarks rights

(15) Analysis of liability provisions (accruals)

The analysis of the most significant provisions is presented as follows:

		Balances as of March 31, 2023	Increases	Applications	Balances as of March 31, 2023
Employee benefits	$	19,993,667	24,568,536	19,993,667	24,568,536
Sales Incentives		1,014,930	1,960,308	1,014,930	1,960,308
Lawsuits		837,514	-	200,000	637,514
Sales & Marketing		7,875,919	9,578,973	7,875,919	9,578,973
Consultant & Audit		8,230,281	8,562,597	8,230,281	8,562,597
Opex & Operations		32,800,953	3,797,005	32,800,953	3,797,005
Property consolidation		3,800,000	-	3,800,000	-
Utilities		667,029	1,022,414	667,029	1,022,414
COFEPRIS remediation		750,000	-	750,000	-
	$	**75,970,293**	**49,489,833**	**75,332,779**	**50,127,347**

(16) Assets under leases (Right-of-use assets) and leases liabilities.

The Company leased IT equipment with contract terms of one to three and a half years, also lease vehicle equipment for 3 years. Information about leases for which the Company is a lessee is presented below:

Right of use assets related to lease IT equipment and vehicles that do not meet the definition of investment property comprise the following:

Lease Assets (Right of use assets)		Vehicles	Machinery and Equipment	Total
Balance as of April 1, 2023	$	-	238,037	**238,037**
Assets uploaded on period Apr22 – Mar23		11,544,782	-	**11,544,782**
Depreciation charge on period Apr22 – Mar23		(1,159,503)	(238,037)	**(1,397,540)**
Balance as of April 1, 2023		**10,385,279**	-	**10,385,279**
Assets uploaded on period Apr23 – Mar24		13,197,270	1,979,026	**15,176,296**
Depreciation charge on period Apr23 – Mar24		(6,998,048)	(719,646)	**(7,717,694)**
Net Balance on March 31, 2024	**$**	**16,584,501**	**1,259,380**	**17,843,881**

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

Lease Liabilities		**Vehicles**	**Machinery and Equipment**	**Total**
Lease Liabilities period Apr22 – Mar23 (short term)	$	3,467,048	-	**3,467,048**
Lease Liabilities period Apr22 – Mar23 (long term)		7,031,467	-	**7,031,467**
Balance on March 31, 2023		**10,498,515**	-	**10,498,515**
Lease Liabilities period Apr23 – Mar24 (short term)		8,210,675	728,214	**8,938,889**
Lease Liabilities period Apr23 – Mar24 (long term)		9,235,669	611,733	**9,847,402**
Balance on March 31, 2024	**$**	**17,446,343**	**1,339,947**	**18,786,291**

Total Interest charged to income statement for leases during the years ended on March 31, 2024, and 2023 were $2,382,553 and $352,450 of interest, respectively.

(17) Stockholders' equity.

The principal characteristics of Stockholders' equity are described as follows:

a) Structure of capital stock.

Company's capital stock on March 31, 2024, and 2023 is composed as follows:

Shares	**Description**		**Amount**
50,000	Series "A", representing the fixed portion of capital stock	$	50,000
186,950,000	Series" B", representing the unlimited variable portion of the capital stock		186,950,000
187,000,000	**Capital stock on March 31, 2024**	$	**187,000,000**

The principal characteristics of Stockholders' equity are described as follows:

- On March 31, 2014, Lupin Atlantis Holdings and its legal delegate Dr. Amrut Naik acquired the 100% of the shares of Laboratorios Grin, S. A. de C. V. from Infrema, S. A. de C. V., becoming from this date the new controlling company who will consolidate its financial information

- The Company's capital stock on March 31, 2015, was represented by 187,000,000 common, registered shares, with a par value of one peso, which 186,999,999 shares belonged to Lupin Atlantis Holdings, and one share belonged to Amrut Diwakar Naik.

- At the Stockholders' Meeting held on September 6, 2017, a resolution was passed with effect of Amrut Diwakar Naik, gratuitously giving in its shareholding on Laboratorios Grin, S. A. de C. V. to Lupin Mexico, S.A. de C. V.

- At the Stockholders' Meeting held on August 18, 2018, a resolution to the stockholder meeting Lupin Atlantis Holdings, transmits give in 1 shareholding in Lupin Mexico, S. A. de C. V.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

- After the aforementioned activity, the Company's capital stock on March 31, 2019, is represented by 187,000,000 common, registered shares, with a par value of one peso, which 186,999,998 shares belong to Lupin Atlantis Holdings, S.A. and 2 shares belongs to Lupin Mexico, S. A. de C. V.
- As of March 31, 2024, total stockholders' equity is represented as follows.

	Series A shares	Series B shares
Lupin Atlantis Holdings S.A.	49,999	186,949,999
Lupin Mexico S.A. de C.V.	1	1
Total	**50,000**	**186,950,000**

(b) Other comprehensive income (OCI).

Other comprehensive income, which is presented in the statements of changes in stockholders' equity, represents the result of measurement of actuarial on changes in stockholders' equity, represents the result of measurement of actuarial (gain) losses and movements in exchange rates. Last Actuarial labor study has been performed on March 31, 2023 (D3), actuarial labor study has been performed at March 31, 2024.

As of March 31, 2024. and 2023, OCI are comprised as follows:

		March 2024	March 2023
Initial loss arising from experience adjustments	$	2,529,163	5,558,477
Remeasurement (gain) arising from experience adjustments		457,365	(3,029,314)
Total	$	**2,986,528**	**2,529,163**

(c) Restrictions on stockholder's equity.

In accordance with the General Corporations Law, five percent of net income for the year must be appropriated to the statutory reserve, until it reaches one-fifth of capital stock. As of March 31, 2024, the statutory reserve amounts to $37,400,000, amount that has comply with the portion aligned to Corporations Law.

(18) Tax on earnings (Income Tax (IT) and employee statutory profit sharing (ESPS))

Income Tax Law effective as of January 1, 2014, imposes an Income Tax rate of 30% for 2014 and thereafter.

a) Income Tax (IT)

The Income tax provision is analyzed as follows:

		Mar 2024	Mar 2023
Current income tax	$	-	34,339,137
Deferred income tax		(1,468,736)	1,878,936
	$	**(1,468,736)**	**36,218,073**

Income tax expense attributable to income from continuing operations before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30%. Income Tax to profit before tax (PBT), as a result of the items shown below.

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

		Mar 2024	Mar 2023
Computed "expected" tax expense (benefit)	$	(1,353,786)	40,882,850
Increase (reduction) resulting from:			
Effects of inflation, net		(4,925,220)	(5,243,041)
Non-deductible expenses		4,758,153	1,732,380
Others, net		52,117	(1,154,116)
IT expense	$	**(1,468,736)**	**36,218,073**

As of March 31, 2024, and 2023, the effective tax rate recognized in income was 33% and 27% respectively.

b) Deferred Income Tax.

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities, as of March 31, 2024, and 2023 are presented as follows:

		March 2024	March 2023
Deferred tax assets:			
Property, plant and equipment	$	20,213,859	19,375,961
Intangible assets		1,209,747	1,285,185
Right-of-use asset		282,723	-
Employee Benefits (D-3)		9,830,729	7,247,250
Accruals		30,811,276	35,486,444
Revenue Recognition		2,037,515	196,227
ESPS		1,170,903	6,304,752
Tax losses carryforward		1,723,108	-
Invoices not paid (Natural persons, Civil Association, Civil Society)		949,074	726,976
Customer Advances		-	20,689
Total gross deferred tax assets		**68,228,934**	**70,643,484**
Deferred tax liabilities:			
Prepaid expenses		458,806	719,561
Transportation equipment (Non-deductible)		-	684,881
Buildings (Non-deductible)		-	3,479,815
Deferred ESPS		6,487,612	5,945,447
Total gross deferred tax liabilities		**6,946,418**	**10,829,704**
Net deferred tax assets	$	**61,282,516**	**59,813,780**

In assessing the realizability of deferred tax assets, Management of the company considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period which those temporary differences become deductible.

Management of the company considers the scheduled reversal of deferred tax liabilities, projected future taxable income in future years.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

c) Employee Statutory Profit Sharing (ESPS)

The Company is subject to the payment of ESPS, which is calculated by applying the procedures established in article 9 of the Income tax law, in which taxable income for income tax purposes is considered as a tax base, without reducing the ESPS paid of the fiscal year, nor the tax losses applied. Additionally, the non-deductible part of the exempt social security provision referred to in section "XXX" (30) of article 28 of the Income tax law must be deducted from cumulative income.

As of March 31, 2024, and 2023, the Company recognized in income statement an ESPS provision of $2,433,734 and $11,704,580, respectively.

ESPS taxable base differs from the accounting income mainly due to the differences in the time in which some items are accumulated or deducted for income tax purposes and for the effects of the current ESPS, as well as those items that only affect the accounting income or the current ESPS of the year.

d) Deferred ESPS

The ESPS effects of temporary differences that give rise to significant portions of the deferred ESPS assets and liabilities, are presented below.

		March 2024	March 2023
Deferred tax assets:			
Property, plant and equipment	$	6,737,953	6,458,654
Intangibles		403,249	428,395
Right-of-use asset		94,241	-
Employee benefits (D3)		3,276,910	2,415,750
Accruals		10,270,425	11,828,815
Deferred revenue		679,172	65,409
NP, SC & AC invoices not paid		316,358	242,325
Customer advances		-	6,896
Total gross deferred ESPS assets		**21,778,308**	**21,446,244**
Deferred ESPS liabilities:			
Prepaid expenses		152,935	239,853
Transportation equipment (Non-deductible)		-	228,294
Buildings (Non-deductible)		-	1,159,938
Total gross deferred ESPS liabilities		**152,935**	**1,628,085**
Net deferred ESPS asset	**$**	**21,625,372**	**19,818,159**

Caused ESPS rate

The caused ESPS rate in 2024 and 2023 was 10%, respectively, and is the result of dividing the amount of the caused ESPS in the period according to the current legal rate (10%) and the limits established in the applicable legislation, between the amount of ESPS determined by applying the legal rate (10%) and multiplying the result by that same current legal rate.

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(19) Employees´ benefits (Labor actuarial calculation – MFRS D-3)

The components of defined benefit cost for the years ended on March 31, 2024, and 2023 are shown below:

The value of the DBO (Defined Benefit Obligation) on March 31, 2024, and 2023, amounted to $32,769,096 and $26,686,663, respectively.

The financial position between the DBO present value and the PA (Plan Assets) fair value and the A/L NDB (Net Defined Benefit Asset/Liability) recognized in the statement of the financial position is presented as follow:

	Seniority premium		Termination indemnity		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Defined Benefit Obligation as of March 31, 2024	(5,862,241)	(4,910,002)	(26,906,855)	(21,776,661)	(32,769,096)	(26,686,663)

Reconciliation of net defined benefit Liability.

		Seniority premium		Termination indemnity		Total	
NDBL		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
(Liability)/Asset at the beginning of the period	$	(4,910,002)	(4,147,869)	(21,776,661)	(15,864,289)	(26,686,663)	(20,012,158)
Period net cost		(1,231,409)	(2,398,252)	(10,910,910)	(16,902,850)	(12,142,319)	(19,301,102)
Benefits Paid by company		422,777	982,540	6,094,475	8,614,743	6,517,252	9,597,283
Remeasurements of (NDBL)/NDBA recognized in OCI*		(143,607)	653,579	(313,759)	2,375,735	(457,366)	3,029,314
Defined Benefit Obligation as of March 31, 2024	$	**(5,862,241)**	**(4,910,002)**	**(26,906,855)**	**(21,776,661)**	**(32,769,096)**	**(26,686,663)**

*Other Comprehensive Income

(Continúa)

(Mexican pesos)

Period Net Cost

An analysis of the period net cost by plan type:

		Seniority premium		Termination indemnity		Total	
		2024	2023	2024	2023	2024	2023
Present service cost	$	(702,656)	(1,701,263)	(8,695,893)	(14,590,493)	(9,398,549)	(16,291,756)
Net interest on DB Obligation /(Asset) not founded		(391,076)	(332,008)	(1,644,365)	(1,202,707)	(2,035,441)	(1,534,715)
Recycling of (Gain)/Loss recognized in OCI		(137,677)	(364,981)	(570,652)	(1,109,650)	(708,329)	(1,474,631)
PNC recognized in P&L	$	**(1,231,409)**	**(2,398,352)**	**(10,910,910)**	**(16,902,850)**	**(12,142,319)**	**(19,301,102)**

		Seniority premium		Termination indemnity		Total	
Actuarial Gains and Losses		2024	2023	2024	2023	2024	2023
Actuarial gains and losses at the beginning of the period	$	664,335	1,317,914	1,864,828	4,240,563	2,529,163	5,558,447
(Gain)/Loss of the DBO		281,284	(288,598)	884,411	(1,237,294)	1,165,695	(1,525,892)
Recycling of (Gain)/Loss of the DBO		(137,677)	(269,691)	(402,898)	(889,007)	(540,575)	(1,158,698)
Recycling of (Gain)/Loss of the Liability due to Settlement/Curtailment		-	(95,290)	(167,755)	(249,434)	(167,755)	(344,724)
(AGL) at the end of the period	$	**807,942**	**664,335**	**2,178,586**	**1,864,828**	**2,986,528**	**2,529,163**

Assumptions	**2024**	**2023**
Discount rate (net of inflation)	9.60%	9.60%
Rate of minimum wage increase	15.00%	15.00%
Long-term rate of minimum wage increase	5.00%	5.00%
Duration remaining employee labor life	5 years	5 years

(20) Analysis of income

An analysis of the sales nature is shown as follows:

		Mar 2024	Mar 2023
Sales	$	654,974,694	890,689,075
Allowance for returns		(30,526,388)	(13,053,235)
Discounts and rebates		(43,186,219)	(68,906,957)
Net Sales		**581,262,087**	**808,728,883**
Other Income		3,610,180	511,434
Total Income	$	**584,872,267**	**809,240,317**

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

(21) Analysis of costs and expenses

Analysis of the nature of relevant costs and expenses classified by function in the income statement is as follows:

Costs of sales		Mar 2024	Mar 2023
Raw material		95,972,363	149,294,988
Salaries and related cost		72,877,895	78,815,419
Maintenance and other		24,652,727	37,823,898
Depreciation and amortization		27,026,497	25,787,480
Insurances		7,715,521	6,058,007
Consultancy		698,159	-
Employee statutory profit sharing		-	4,482,724
	$	**228,943,162**	**302,262,516**

Selling and distribution expenses		Mar 2024	Mar 2023
Salaries and related cost	$	87,049,480	85,457,190
Promotional and advertising		43,190,357	36,778,315
Maintenance and other		52,757,729	51,321,085
Sales incentives		20,895,875	17,248,390
Employee statutory profit sharing		-	3,134,123
Medical samples		8,581,352	6,802,805
Depreciation and amortization		11,039,479	7,384,631
Insurances		4,548,629	4,771,899
Consultancy		7,906,461	8,265,866
Product developments		6,600,860	1,795,019
	$	**242,570,222**	**222,959,323**

Administrative expenses		Mar 2024	Mar 2023
Salaries and related cost	$	79,493,218	60,820,721
Consultancy		10,988,396	10,201,061
Maintenance and other		8,000,039	22,856,383
Depreciation and amortization		3,962,875	3,533,643
Insurances		3,955,068	2,709,960
Employee statutory profit sharing		4,372,041	3,766,345
Bank charges		169,023	171,113
Products Development		901,291	6,208,080
Deferred ESPS		-	(106,022)
Other taxes and fees		-	17,260,000
	$	**111,841,951**	**127,421,284**

(Continúa)

Laboratorios Grin, S. A de C. V.
(Subsidiary of Lupin Atlantis Holdings, S. A.)

Notes to Financial Statements

(Mexican pesos)

Research and development expenses		**Mar 2024**	**Mar 2023**
Analytical and Development	$	622,179	7,660,301
Salaries and related cost		7,665,353	7,359,724
Maintenance and other		908,863	6,428,779
Depreciation		1,201,287	1,075,282
Insurances		370,968	413,944
Consultancy		-	3,256,400
Employee statutory profit sharing		-	321,388
	$	**10,768,650**	**26,515,818**

(22) Contingencies and commitments

a. There is a contingent liability arising from the labor obligations mentioned in note 19.

b. The Company is involved in a number of lawsuits and claims arising in the normal course of business. It is expected that the final outcome of these matters will not have significant adverse effects on the Company's financial position and income (loss).

c. In accordance with Mexican Income Tax law, the tax authorities have the possibility to raise an audit Company transactions and amounts submitted for all tax items carried out during the last five years prior to the most recent income tax return filed, In this part we have worked to review the points that affect us for tax purposes, proof of this is that the electronic accounting from January to November 2023 was presented to the tax authority.

d. In accordance with the Mexican Income Tax Law, companies carrying out transactions with related parties are subject to comply with several requirements to the determination of transfer prices, technical and labor conditions, and ultimate tax jurisdictions of the group holding Company and submit information related to tax authorities to be able to consider related parties expenses as deductible, at this point, work has been done so that intercompany transactions become deductible and tax withholdings are being reviewed.

e. The tax authorities require a preliminary settlement of the credit of certain Income Tax Corporation payments by the Universal compensation method, using the VAT credit for this purpose. As of December 31, 2023, there is a final agreement with the Tax Authorities which was favorable for us. Therefore, there are no economic results for the Company.