



**GRUPO INTEGRAL DE ASESORIA FISCAL
Y ADMINISTRATIVA, S. C.**

**Report of the Auditors Independent to the shareholders
of Lupin Mexico, S.A. de C.V.**

Opinion

We have audited the accompanying financial statements of Lupin Mexico, SA de CV, which comprehend the statement of financial position as of March 31, 2024 and the comprehensive income statement, changes in stockholders' equity and cash flows corresponding to the period from April 1, 2023 to March 31, 2024, as well as a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present reasonably, in all its important aspects, the financial situation of Lupin Mexico, SA de CV, as of March 31 of 2024, as well as its results and its corresponding cash flows from April 1, 2023 to March 31, 2024, according to the Mexican Financial Information Standards.

Opinion's Basis

Our audit was performed according to the International Auditing Standards. Our responsibilities under these standards are described with further details in the "Responsibilities of the auditors in relation to the audit of the financial statements" of our report. We are independent from the Entity according to the Professional Ethics Code of the Instituto Mexicano de Contadores Publicos, A.C., and we have fulfilled our other ethic responsibilities in conformity with these requirements. We consider that the audit evidence we obtained is enough to provide a reasonable basement for our opinion.

Responsibilities of the management and the govern managers in relation to the financial statements.

The management of the company responsible of the elaboration and reasonable presentation of the financial statements attached in conformity to the Mexican Financial Information Standards, as well as the inner control that it consider necessary in order to allow the elaboration of financial statements free of significant errors, whether because of fraud or error.

In the elaboration of the financial statements, the management is responsible of evaluating the capacity of the company to continue as a Business in progress, revealing, as appropriate, the related issues, unless the management proposes to liquidate the Company or cease their operations, or if it doesn't have another alternative more realistic to do it.

The govern managers of the Company, are responsible of supervising the elaboration process of the financial reports of the same.

Responsibilities of the auditors in relation to the audit of the financial statements

Our objectives consist of obtaining a reasonable security about whether the financial statements are free of material errors, whether because of fraud or error, and to emit an audit report that contain our opinion. Reasonable security is a high-level security, but is not guarantee that an audit is realized according to International Auditing Standards it will always detect material errors if they exist. Mistakes can surge because of fraud or error and are considered materials if, individually or together, it can be expected reasonably that they will influence the economic decisions of the users, taken on basis of the financial statements.

During the realization of an audit in conformity to the International Auditing Standards, we apply our professional judgment and we maintain an attitude of professional skepticism. Likewise, also:

We identify and evaluate the risks of material misstatement in the financial statements, whether for fraud or error, design and apply audit procedures to respond to those risks, and obtain audit evidence sufficient and adequate to support our opinion. The risk of not detecting a material error resulting from fraud is higher than one resulting from unintentional error, as fraud may involve collusion, forgery, deliberate omissions, intentionally misleading statements or circumvention of internal controls.

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

We evaluate the ownership of the accounting policies applied and the reasonableness of the accounting estimates and the corresponding information disclosed by the Administration.

We evaluate whether it is appropriate for the Administration to use the presumption of business in progress to prepare the financial statements and whether, based on the audit evidence obtained, there is material uncertainty regarding events or conditions that generate significant doubt about the ability to The Company to continue as a going concern. If we conclude that there is material uncertainty, it is required that we draw attention in our audit report to the corresponding information disclosed in the financial statements or, if those disclosures are inadequate, that we express a modified opinion. Our findings are based on the audit evidence obtained so far from our audit report. However, future events may cause the Company to cease to be a going concern.

We evaluate the overall presentation, structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events, making a reasonable presentation. We communicate to the Company's officers, among other matters, the scope and timing of the audit and the significant findings of the audit, as well as any significant deficiencies in internal control that we identified in the course of our audit.

Grupo Integral de Asesoría Fiscal y Administrativa, S.C.

C.P.C. María del Socorro Torres García.
Mexico City
April 8, 2024.

LUPIN MEXICO S.A DE C.V.
STATEMENTS OF FINANCIAL POSITION
Mexican pesos

	March 31	
	2024	2023
ASSETS		
IN THE SHORT TERM ASSETS		
BANKS	\$ 1,106,778	\$ 1,143,844
VARIOUS DEBTORS (Notes 3b y 4)	838,666	838,666
RESERVE FOR UNBEATABLE ACCOUNTS (Notes 3b y 4)	-838,666	-838,666
TAX TO RETRIEVE (Note 3c)	721,735	716,622
	<u>1,828,513</u>	<u>1,860,466</u>
LONG-TERM ASSETS		
INVESTMENT IN SHARES (Note 5)	2	2
FURNITURE AND EQUIPMENT (Notes 3d y 6)	1	50
	<u>3</u>	<u>52</u>
TOTAL ASSETS	1,828,516	1,860,518
PASSIVE		
PASSIVE IN A SHORT TIME		
SUPPLIER	23,760	11,874
TOTAL PASSIVE	23,760	11,874
STOCKHOLDERS EQUITY		
SHARE CAPITAL (Notes 3f y 7)	11,329,300	11,329,300
LOSSES PREVIOUS YEARS	-9,480,656	-9,425,114
RESULT FOR THE YEAR	-43,888	-55,542
	<u>1,804,756</u>	<u>1,848,644</u>
TOTAL PASSIVE PLUS CAPITAL	\$ 1,828,516	\$ 1,860,518

FINANCIAL STATEMENTS AUTHORIZED FOR ISSUE APRIL 5, 2024

DR. LUIS GUILLERMO CORTES PELÁEZ
MANAGING DIRECTOR

LUPIN MEXICO S.A DE C.V.
COMPREHENSIVE INCOME STATEMENTS
Mexican pesos

	2024	March 31	2023
SALES	\$	0	\$ 0
OPERATING EXPENSES		43,888	55,542
RESULT FOR THE YEAR	\$	<u>-43,888</u>	<u>\$ -55,542</u>

FINANCIAL STATEMENTS AUTHORIZED FOR ISSUE APRIL 5, 2024

DR. LUIS GUILLERMO CORTES PELÁEZ
MANAGING DIRECTOR

LUPIN MEXICO S.A DE C.V.
STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
Mexican pesos

	SHARE CAPITAL	ACCUMULATED RESULTS	RESULT FOR THE YEAR	STOCKHOLDERS EQUITY
BALANCES AT MARCH 31, 2022	\$ 11,329,300	\$ -9,382,402	\$ -42,712	\$ 1,904,186
TRANSFER OF RESULT FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022		-42,712	42,712	0
LOSS IN THE PERIOD 1 APRIL 2022 MARCH 31, 2023			-55,542	-55,542
BALANCES AT MARCH 31, 2023	<u>\$ 11,329,300</u>	<u>\$ -9,425,114</u>	<u>\$ -55,542</u>	<u>\$ 1,848,644</u>
TRANSFER OF RESULT FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023		-55,542	55,542	0
LOSS IN THE PERIOD 1 APRIL 2023 MARCH 31, 2024			-43,888	-43,888
BALANCES AT MARCH 31, 2024	<u>\$ 11,329,300</u>	<u>\$ -9,480,656</u>	<u>\$ -43,888</u>	<u>\$ 1,804,756</u>

FINANCIAL STATEMENTS AUTHORIZED FOR ISSUE APRIL 5, 2024

DR. LUIS GUILLERMO CORTES PELÁEZ
MANAGING DIRECTOR

LUPIN MEXICO S.A DE C.V.
STATEMENTS OF CASH FLOWS
Mexican pesos

	<u>March 31</u>	
	2024	2023
OPERATING ACTIVITIES		
RESULT FOR THE YEAR	\$ -43,888	\$ -55,542
ITEMS THAT DID NOT REQUIRE USE OF CASH		
DEPRECIATION	49	302
RESULT OF OPERATION	<u>-43,839</u>	<u>-55,240</u>
(INCREASE) TAX TO RETRIEVE	-5,113	-9,964
INCREASE (DECREASE) DEBTS TO PAY	<u>11,886</u>	<u>-8,289</u>
	<u>6,773</u>	<u>-18,253</u>
NET CASH FLOWS OPERATING ACTIVITIES	<u>-37,066</u>	<u>-73,493</u>
DECREASE IN CASH	<u>-37,066</u>	<u>-73,493</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,143,844	1,217,337
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,106,778</u>	<u>\$ 1,143,844</u>

FINANCIAL STATEMENTS AUTHORIZED FOR ISSUE APRIL 5, 2024

DR. LUIS GUILLERMO CORTES PELÁEZ
MANAGING DIRECTOR

LUPIN MEXICO, S.A. DE C.V.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND MARCH 31, 2023
Figures expressed in Mexican pesos

Note 1 - Activity of the Company

The Company was incorporated on August 17, 2010, its main activity marketing in general, manufacture, sale, distribution, export, import and purchase of all kinds of chemicals, pharmaceutical chemistry, analytical chemical reagents, reagents for clinical diagnosis, bacteriological reagents, insecticides, cosmetics and the like, as well as the purchase of equipment for clinical and laboratory use.

Note 2 - Authorization and Bases of preparation

Authorization of financial statements:

The accompanying financial statements and notes were authorized for issuance on April 5, 2024, by Dr. Luis Guillermo Cortes Peláez, Managing Director; therefore, these do not reflect events that occurred after said date.

In accordance with the General Law of Mercantile Companies (LGSM), the financial statements are subject to the approval of the Ordinary Shareholders' Meeting of the Company; and they can be modified after their issuance if they so decide.

Bases of preparation

Financial Reporting Standards

The accompanying financial statements as of March 31, 2024 and March 31, 2023 fully comply with the provisions of the Financial Information Standards, issued by the Mexican Council of Financial Information Standards. The NIF establish that the International Financial Reporting Standards (IFRS), International Accounting Standards, Interpretations to the International Financial Reporting Standards and the interpretations committee are additionally part of the NIF, when the absence of NIF requires it.

Reporting, functional and reporting currency

The aforementioned financial statements are presented in Mexican peso reporting currency, which is equal to the recording and functional currency. For disclosure purposes in the notes to the financial statements, when reference is made to pesos or "\$", they are Mexican pesos.

Effects of inflation on financial information

Under the provisions of MFRS B-10 "Effects of inflation", from January 1, 2008, the Mexican economy is in a non-inflationary environment, when cumulative inflation of the last three years below 26 % (maximum limit to define that an economy should be considered as inflationary), therefore, from that date recognizing the effects of inflation on financial information.

Consequently, the figures as of March 31, 2024 and March 31, 2023 of the attached financial statements are presented in historical pesos.

Note 3 - Summary of significant accounting policies

The following significant accounting policies are summarized more, which have been applied consistently in the years presented, unless otherwise specified.

IFRS require the use of certain accounting estimates in the preparation of financial statements. It is also requires management to exercise its judgment to define the accounting policies applied by the Company.

a. Cash and cash equivalents

Cash and cash equivalents include bank deposits with low risk for changes in value.

b. Accounts receivable

Accounts receivable represent amounts due from third parties for services not received. (See Note 4).

c. Taxes in favor

This account represents the amount in favor of the Company for federal and / or local contributions, such amounts are recognized from the date of the statements. As of March 31, 2024 and March 31, 2023 the balance of this account relates to Value Added Tax Recoverable.

d. Furniture and equipment

The acquisition cost decreased furniture and equipment residual value is depreciated systematically using the straight-line method based on the useful lives of the components of furniture and equipment; for this purpose, the rate of 10% established in the ISR law applies. (See Note 6).

e. Debts to pay

This item includes liabilities for purchases of goods or services purchased in the normal course of operations of the Company. When it is expected to pay them over a period of one year or less from the date of closing, they are presented in short-term liabilities. Failure to meet the above are presented in long-term liabilities.

f. Stockholders' equity

This item for capital and retained earnings is integrated, which are stated at their historical value. (See Note 7).

g. Comprehensive Income Statement

The Company presents the comprehensive result in a single statement that includes only the items that make up the net profit or loss and is called the "Comprehensive Income Statement", because during the fiscal year and the immediately preceding fiscal year that is presented for comparative purposes, the Company did not generate Other Comprehensive Results (ORI).

h. Presentation of costs, expenses and other items in the statement of comprehensive income

The Company presents costs and expenses in the statement of comprehensive income under the classification criterion based on the function headings, which has as its central feature separate cost of sales of other costs and expenses. In addition, for a better analysis of your financial situation, the company has considered necessary to the amount of operating income separately in the statement of comprehensive income, because such information is a common practice in the industry to which the Company belongs.

i. Revenue recognition

During the period from April 1, 2023 to March 31, 2024 the company did not obtain own income from its operation.

j. Income taxes

In accordance with the provisions of the Financial Reporting Standards, NIF D-4, the Company has the obligation to recognize in its records the Deferred Income Tax on the tax losses pending amortization; likewise, IAS 12 (International Accounting Standard) establishes: "An asset for deferred taxes should be recognized, provided that they can be offset, with fiscal gains of subsequent periods, losses or tax credits not used so far, but only to the extent in which the availability of future tax profits is likely, against which to charge those losses or unused tax credits.

As mentioned in the previous paragraph, and because the Company has not obtained its own income in recent years, there is the uncertainty of obtaining future tax profits that are the basis of such tax, for this reason Deferred Income Tax is not recognized.

Note 4 - Accounts receivable

As of March 31, 2024, and March 31, 2023, this item represents the balance receivable from Avant Sante Research Center, S.A. de C.V. for services of clinical analysis paid during the year 2014, which were not provided. On January 27, 2016 credit note is generated for Lupin Mexico, S.A. de C.V. for this concept.

In March 2018, the Company created a reserve for uncollectible accounts due to the age of said balance.

Note 5 - Investment in Shares

The Company owns 2 (two) shares of the capital stock of Laboratorios Grin, S.A. of C.V. with a nominal value of \$ 1.00 (One peso 00/100 M.N.) each; this shareholding is minimal, since the total capital of the subsidiary company amounts to \$ 187,000,000.00 (one hundred and eighty seven million pesos 00/100 M.N.); for this reason there is no update of the value of these shares.

Note 6 - Furniture and equipment

	<u>March 31</u>	
	<u>2024</u>	<u>2023</u>
Acquisition Cost	\$3,017	\$3,017
Accumulated depreciation	3,016	2,967
Total Neto	<u>\$ 1</u>	<u>\$ 50</u>

Depreciation recorded in the income statement is recognized in operating expenses.

Note 7 - Stockholders' equity

As mentioned in Note 1, the Company was incorporated on August 17, 2010, and its capital of constitution the amount of \$ 50,000.00 (Fifty thousand pesos / 100 pesos).

As of March 31, 2024 and March 31, 2023, the capital stock is integrated as follows:

Number of Actions	Description	Amount
500	Common shares of Series "A" representing the fixed capital	\$ 50,000
22,226	Common shares of Series "B 1" representing variable capital	2,222,600
25,231	Common shares of Series "B 2" representing variable capital	2,523,100
65,336	Common shares of Series "B 3" representing variable capital	6,533,600
113,293		\$ 11,329,300

The capital stock is fully subscribed and paid by its shareholders Nanomi B.V. (113,292 shares) and Laboratorios Grin, S. A. de C. V. (1 share).

The profit for the year is subject to the legal provision that requires that at least 5% of the amount of each year be allocated to increase the legal reserve until it is equal to one fifth of the amount of paid capital stock

In case of a capital reduction, the procedures established by the Law of Income Tax (Income Tax Law) have to be given to any excess of stockholders' equity over the capital contributions the same tax treatment as applicable to dividends

Note 8 - Income taxes

Income taxes incurred during the year are determined in accordance with current tax provisions, which are presented and classified in the results of the period.

As shown in the income statement, the Company has not obtained income in the periods ended March 31, 2024 and March 31, 2023, therefore the results obtained are tax losses.

The accounting and fiscal loss obtained during the fiscal year from January 1 to December 31 differs mainly due to the effect of the inflationary adjustment and the deduction of investments.

As of December 31, 2023 and December 31, 2022, the results obtained are as follows:

	2023	2022
Accounting Loss	\$ 48,220	\$ 59,718
Deductible inflation adjustment	125,186	213,511
Investment tax deduction	125	451
Investment accounting deduction	(125)	(302)
Expenses that do not meet tax requirements	0	(952)
Tax Loss	<u>\$ 173,402</u>	<u>\$ 272,426</u>

Note 9 – Other Tax Information

The company shows the following tax information in the annual declaration corresponding to the fiscal years of the periods January 1 to December 31, 2023 and January 1 to December 31, 2022.

	2023	2022
Accumulated Tax losses	\$ 9,543,806	\$12,562,041
Contribution Capital Account	\$ 18,147,486	\$17,343,804
Profit Coefficient to be applied in subsequent years	0.0000	0.0000

The amount of tax losses pending amortization as of December 31, 2023 corresponds to the period from 2013 to 2022. In accordance with the provisions of article 57 of the Income Tax Law, during the year 2024 the fiscal loss corresponding to fiscal year 2013, amounting to \$2,388,340; since said ordinance establishes that "The fiscal loss that occurred in one fiscal year may be reduced from the fiscal utility of the following ten fiscal years until it is exhausted."

Note 10 – Improvements to NIF 2024

In December 2023, the CINIF issued the document called "Improvements to the NIF 2024", which contains specific modifications to some existing NIFs. The main improvements that generate accounting changes are the following:

"Entities of public interest"

NIF A-1, Conceptual Framework of Financial Reporting Standards

- Based on the disclosure requirements of the different users of financial information, the following types of entities are identified:
 - a) public interest entities; and
 - b) entities that are not of public interest.
- A public interest entity is one that has a public obligation to render accounts because it is in one of the following cases:
 - a) its debt and/or equity financial instruments are traded on a public market;
 - b) holds assets in a fiduciary capacity for a broad group of third parties as one of its core businesses; either
 - c) their decisions could have a systemic risk with repercussions on the national or regional economy in which the entity operates.
- The public obligation to account is generated when there is a large group of external users of the financial statements of an entity (other than the owners and managers) such as current and potential investors and creditors, who for their decision making depend mainly on the financial information issued by the entity, but they lack the power to demand it for themselves.

"Producing biological assets"

NIF C-6, Property, plant and equipment

- This NIF should not apply to: "biological assets related to agricultural activity other than biological assets; That is, this NIF applies to producing biological assets, but not to the products obtained from them.

NIF D-6, Capitalization of the comprehensive financing result

- This NIF does not consider attributable costs derived from stockholders' equity as subject to capitalization. This is due to the fact that this cost is not recognized in the financial information. Likewise, biological assets are not included in this NIF, which are recognized at their fair value, in accordance with the provisions of the specific relative NIF.
- They are not qualifying assets, among others, biological assets valued at fair value.

NIF E-1, Agricultural activities

- The producing animals are intended mainly to produce an agricultural product that is obtained from them in the years in which their productivity is adequate. They must be valued in accordance with the provisions of NIF C-6 at their acquisition cost.
- The acquisition cost of the producing biological assets must include, where applicable, the comprehensive financing result accrued from their birth to the date on which they are ready to begin producing in accordance with the provisions of NIF D-6, Capitalization. of the comprehensive financing result.

“Hedge of capital financial instruments whose fair value valuation is recognized in the OCI”

NIF C-10, Derivative financial instruments and hedging relationships

- In the case of hedging a foreign currency risk, a non-derivative financial instrument denominated in that currency may be designated as a hedging instrument, provided that it is not an equity instrument for which an entity has elected to present the changes in fair value in other comprehensive income in accordance with NIF C-2.
- A fair value hedge must meet the criteria to qualify as such, and must be recognized as follows:
 - a) the hedging instrument must be recognized at its fair value with effect on the net profit or loss for the period, or, in other comprehensive income, if the hedging instrument covers an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income in accordance with NIF C-2;
 - b) the gain or loss from hedging the hedged risk of the hedged item must be recognized, adjusting its book value through the net profit or loss of the period. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income in accordance with FRS C-2, such gain or loss must also be recognized in other comprehensive income. integrals;
- The change in the time value of an option that hedges an item whose risk is hedged for a period of time must be recognized in the OCI to the extent that it is related to the hedged item. This ORI:
 - a) it must be recycled from the date of designation of the option as a hedging instrument in a rational and systematic manner, during the period in which the hedging adjustment for the intrinsic value of the option may affect the net profit or loss; If the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income in accordance with FRS C-2, the OCI of the derivative must be reclassified to the OCI of the equity instrument.
 - b) In fair value hedging relationships, the effect of the valuation of the hedging instrument must be presented in the same item that is part of the net profit or loss, or, where applicable, in the other comprehensive income, in which The adjustment of the valuation of the risk exposure of the hedged item is presented, compensating each other, in response to the objective pursued by fair value hedge accounting.

“Financial instruments to collect and sell”

NIF B-2, Cash Flow Statement

NIF C-2, Investment in financial instruments

- Changes the term financial instruments to collect or sell to financial instruments to collect and sell, understanding that according to their business model their objective is to comply with both issues; that is, collect the contractual cash flows and sell the financial asset; In the end it may not be sold due to the expected market conditions not being met, but that would not affect its initial classification.

“Deferred tax rate applicable to profits in rates for non-distribution of profits”

NIF D-4, Income taxes

- In certain cases, the income tax is caused at a rate higher or lower than the rate enacted and established in the current tax provisions, when part or all of the net income or retained earnings is paid as dividends. In other cases, income tax may be refunded or paid if some or all of the net income or retained earnings is paid as dividends. In these circumstances, the assets and liabilities for caused and deferred taxes must be determined with the rate that will be applicable to the profits not distributed in the period, when they are paid as dividends in future periods.
- The entity must disclose the nature and estimated amount of the potential income tax consequences that could arise if dividends were paid.

DR. LUIS GUILLERMO CORTES PELÁEZ
MANAGING DIRECTOR

These notes are an integral part of the financial statements of Lupin Mexico, S. A. de CV as of March 31, 2024 and March 31, 2023.