

**NANOMI B.V.
AT OLDENZAAL**

FINANCIAL REPORT 1 APRIL 2023 UNTIL 31 MARCH 2024

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MANAGEMENT BOARD'S REPORT

NANOMI B.V.
OLDENZAAL

MANAGEMENT BOARD'S REPORT

The Company makes use of the exemption to draw up the management report for 1 April 2023 until 31 March 2024 as referred to article 2:396 paragraph 7 of the Dutch Civil Code.

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 MARCH 2024

(Before distribution of result)

		31-03-2024	31-03-2023
		\$	\$
ASSETS			
FIXED ASSETS			
Tangible fixed assets	1		
Buildings		254,498	424,060
Plant and equipment		2,477,368	3,082,178
Property, plant and equipment under construction and prepayments of property, plant and equipment		1,334,841	1,309,133
		<u>4,066,707</u>	<u>4,815,371</u>
Financial assets	2		
Participations in group companies	3	1,056,166,071	1,059,453,436
Amounts due from group companies	4	-	8,000,000
		<u>1,056,166,071</u>	<u>1,067,453,436</u>
CURRENT ASSETS			
Receivables	5		
Amounts due from group companies	6	8,000,000	-
Receivables, prepayments and accrued income	7	555,491	691,944
		<u>8,555,491</u>	<u>691,944</u>
Cash and cash equivalents	8	3,895,228	2,670,172
Total assets		<u><u>1,072,683,497</u></u>	<u><u>1,075,630,923</u></u>

		31-03-2024		31-03-2023	
		\$	\$	\$	\$
EQUITY AND LIABILITIES					
EQUITY					
	9				
Issued and paid-up capital	10	335,162,000		323,162,000	
Share premium reserve		447,063,050		438,663,050	
Other reserves		277,888,300		297,399,343	
Result for the year		-23,437,318		-19,511,043	
		1,036,676,032		1,039,713,350	
LONG-TERM LIABILITIES					
Liabilities to group companies	11	22,000,000		20,200,000	
Other long-term liabilities	12	5,458,500		5,467,500	
		27,458,500		25,667,500	
CURRENT LIABILITIES					
Trade creditors	13	1,619,714		1,875,507	
Liabilities to group companies	14	378,073		849,640	
Taxes and social security premiums	15	48,322		47,424	
Other liabilities and accrued expenses	16	6,502,856		7,477,502	
		8,548,965		10,250,073	
Total equity and liabilities		1,072,683,497		1,075,630,923	

INCOME STATEMENT FOR THE PERIOD 01-04-2023 UNTIL 31-03-2024

		2023 / 2024		2022 / 2023	
		\$	\$	\$	\$
Wages and salaries	17	2,010,277		1,635,241	
Social security premiums and pension costs	18	537,225		503,028	
Depreciation of tangible fixed assets	19	1,548,236		1,738,772	
Other operating expenses	20	12,429,111		10,416,790	
Sum of expenses			16,524,849		14,293,831
Operating result			-16,524,849		-14,293,831
Result on participations / subsidiaries	21	2,737,132		1,603,059	
Interest and similar income	22	602,449		325,178	
Impairment of financial fixed assets	23	-3,301,978		-6,083,277	
Interest and similar expenses	24	-1,621,014		-1,062,172	
Financial income and expense			-1,583,411		-5,217,212
Result before tax			-18,108,260		-19,511,043
Taxation on result from ordinary business activities			-		-
			-18,108,260		-19,511,043
Share in result from participations	25		-5,329,058		-
Result after tax			-23,437,318		-19,511,043

NOTES TO THE FINANCIAL STATEMENTS

ENTITY INFORMATION

Registered address and registration number trade register

The registered and actual address of Nanomi B.V. is Zutphenstraat 51, 7575 EJ in Oldenzaal. Nanomi B.V. is registered at the Chamber of Commerce under number 34270847.

GENERAL NOTES

The most important activities of the entity

Main activity of Nanomi B.V. (the Company) is as a holding and financing company. In addition to the main activity the Company is involved in development of medical and pharmaceutical products.

Disclosure of going concern

Financial situation

Nanomi B.V. does not have enough free cash at the end of the 2023-2024 financial year to meet all short-term payment obligations. The Company has no unused credit facility with Lupin Atlantis Holdings SA.

This situation is caused by the losses that the Company has suffered in recent years because of major investments made in research & development which must lead to products that generate positive cash flows.

Measures

Nanomi's 100% shareholder Lupin Limited will provide the funding required to enable the Company to continue its business as going concern and to meet all Nanomi's liabilities as they due. Lupin Limited has provided the Company with a letter of support. In the letter of support Lupin Limited has confirmed that it shall provide with requisite support to meet its obligations and liabilities to operate as a going concern during the year ending March 31, 2025 and for the period upto May 31, 2025.

Expectations

The primary goal of the Company is the development of generic versions of complex injectables. These activities take a long time span and by nature carry a risk. For this reason the investments in the R&D activity are not activated. The management of the Company believes that there is no uncertainty related to going concern. Management expects positive cashflows for the long term which will exceed the investments made in the past years and years to come.

Going concern

Based on the expectations and measures taken the financial statements have been prepared on going concern assumption.

Disclosure of group structure

The Company is a member of the Lupin Group. The ultimate parent company of the group is Lupin Limited, Established and registered in Mumbai, India (Lupin Limited). The financial statements of the Company are included in the consolidated financial statements of Lupin Limited.

The exemption of consolidation in connection with the application of Section 2:408

Consolidated Financial Statements have not been prepared, as is permitted by Article 408, Book 2 of the Dutch Civil Code. Pursuant to the conditions of this article, the Company will file with the consolidated financial statements of its ultimate parent company, Lupin Limited, with the Trade Register of the Chamber of Commerce in Amsterdam.

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Conversion of amounts denominated in foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in US Dollar, which is the functional and presentation currency of the Company.

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Leases

The Company may enter into financial and operating leases. A lease contract where the risks and rewards associated with ownership of the leased property are transferred substantially all to the lessee, is referred to as a financial lease. All other leases are classified as operating leases. In classifying leases, the economic reality of the transaction is decisive rather than its legal form.

Operating leases

If the Company acts as lessee in an operating lease, then the leased property is not capitalised. Lease payments regarding operating leases are charged to the profit and loss account on a straight-line basis over the lease period.

Financial instruments

Financial instruments comprise primary financial instruments, such as receivables and payables. For the principles applying to the primary financial instruments, please refer to the treatment of each relevant balance sheet item. The Company uses derivative financial instruments such as foreign exchange forward contracts are only used for hedging purposes to manage its exposure to foreign exchange risk.

ACCOUNTING PRINCIPLES

Property, plant and equipment

Plant and equipment and other fixed operating assets are stated at cost, less accumulated depreciation and impairment losses. The cost consists of the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Depreciation is calculated as a percentage of the acquisition costs on a straight-line basis over the estimated useful life. Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.

Financial assets

Participating interests, including majority investments where significant influence can be exercised, are stated at acquisition cost in accordance with Article 214.325 of the Guideline for Annual Reporting in the Netherlands as issued by the Dutch accounting Standards Board, with reference to Part 9, Book 2, Article 408 of the Dutch Civil Code or in case of a permanent impairment of the value of the shares, it is measured at impaired value; any write-offs are disclosed in the income statement.

Other financial fixed assets (including securities) dedicated to serve the operations of the Company permanently, are valued at the lower of cost and market value.

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are taken into account.

Impairment of non-current assets

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the income statement.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised. A reversal of an impairment loss is recognised immediately in the income statement.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown as part of debts to lending institutions in current liabilities on the balance sheet. Cash and cash equivalents are carried at face value.

Equity

Financial instruments taking the legal form of shareholders' equity instruments are presented under shareholders' equity. Distributions to the holders of these instruments are deducted from shareholders' equity after deduction of any related benefit related to tax on profit.

Financial instruments taking the legal form of a financial obligation are presented under loan capital. Interests, dividends, income and expenses related to these financial instruments are taken to the profit and loss account.

Share premium

The share premium reserve relates to the part of the issued and paid-up capital, which is higher than the nominal value of the issued shares.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Wages

The benefits payable to personnel are recorded in the income statement on the basis of the employment conditions.

Applied policy of pension costs

The group has a pension plan which is financed through contributions to an insurance company. The pension obligations are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. Based on the administrative regulations the group has no obligation to make additional contributions in the event of a deficit.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as the Company has acquired the right to them.

Income tax expense

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.
A provision for deferred tax liabilities is recognised for taxable temporary differences.

For deductible temporary differences, unused loss carry forwards and unused tax credits, a deferred tax asset is recognised, but only in so far as it is probable that taxable profits will be available in the future for offset or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are stated at nominal value.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

1 Tangible fixed assets

	Buildings	Plant and equipment	Property, plant and equipment under construction and prepayments of property, plant and equipment	Total
	\$	\$	\$	\$
Balance as at 1 April 2023				
Purchase price	2,022,884	14,775,145	1,309,133	18,107,162
Accumulated depreciation	-1,598,824	-11,692,967	-	-13,291,791
Book value as at 1 April 2023	424,060	3,082,178	1,309,133	4,815,371
Movements				
Additions	1,333	512,739	285,500	799,572
Depreciation	-170,895	-1,291,216	-	-1,462,111
Accelerated depreciation	-	-86,125	-	-86,125
Finished	-	259,792	-259,792	-
Balance movements	-169,562	-604,810	25,708	-748,664
Balance as at 31 March 2024				
Purchase price	2,024,217	15,547,677	1,334,841	18,906,735
Accumulated depreciation	-1,769,719	-13,070,309	-	-14,840,028
Book value as at 31 March 2024	254,498	2,477,368	1,334,841	4,066,707

The depreciation rate is 20%.

2 Financial assets

<u>31-03-2024</u>	<u>31-03-2023</u>
\$	\$

3 Participations in group companies

Hormosan Pharma GmbH (Germany)	19,877,866	19,877,866
Pharma Dynamics Ltd (South Africa)	116,617,237	116,617,237
Multicare Pharmaceutical Philippines Inc (Philippines)	4,145,913	4,145,913
Generic Health Pty Ltd (Australia)	20,036,589	20,036,589
Lupin Mexico SA de CV (Mexico)	764,581	764,581
Lupin Philippines Inc. (Philippines)	998,044	998,044
Generic Health Sdn Bhd (Malaysia)	151,040	136,427
Medquimica Industria Farmaceutica LTDA (Brazil)	7,574,800	10,876,778
Lupin Inc. (US)	886,000,001	886,000,001
	<u>1,056,166,071</u>	<u>1,059,453,436</u>

	<u>Aquisition cost</u>	<u>Impairment</u>	<u>Carrying value</u>
	\$	\$	\$
Name, (Registered office)			
Hormosan Pharma GmbH (Germany) - 100%	19,877,866	-	19,877,866
Pharma Dynamics Ltd (South Africa) - 100%	116,617,237	-	116,617,237
Multicare Pharmaceutical Inc (Philippines) - 51%	4,145,913	-	4,145,913
Generic Health Pty Ltd (Australia) - 100%	20,036,589	-	20,036,589
Lupin Mexico SA de CV (Mexico) - 100%	764,581	-	764,581
Lupin Philippines Inc. (Philippines) - 100%	998,044	-	998,044
Generic Health Sdn Bhd (Malaysia) - 100%	151,040	-	151,040
Medquimica Industria Farmaceutica LTDA (Brazil) - 26,12%	18,939,348	-11,364,548	7,574,800
Lupin Inc. (US) - 100%	886,000,001	-	886,000,001
Total	<u>1,067,530,619</u>	<u>-11,364,548</u>	<u>1,056,166,071</u>

<u>2023 / 2024</u>	<u>2022 / 2023</u>
\$	\$

Hormosan Pharma GmbH (Germany)

Book value as at 1 April	19,877,866	19,877,866
Balance movements	-	-
Book value as at 31 March	<u>19,877,866</u>	<u>19,877,866</u>

Multicare Pharmaceutical Philippines Inc (Philippines)

Book value as at 1 April	4,145,913	4,145,913
Balance movements	-	-
Book value as at 31 March	<u>4,145,913</u>	<u>4,145,913</u>

	<u>2023 / 2024</u>	<u>2022 / 2023</u>
	\$	\$
<i>Medquimica Industria Farmaceutica LTDA (Brazil)</i>		
Book value as at 1 April	10,876,778	16,960,055
Impairment	-3,301,978	-6,083,277
Book value as at 31 March	<u>7,574,800</u>	<u>10,876,778</u>
<i>Generic Health Sdn Bhd (Malaysia)</i>		
Book value as at 1 April	136,427	136,427
Investments	14,613	-
Book value as at 31 March	<u>151,040</u>	<u>136,427</u>
<i>Generic Health Pty Ltd (Australia)</i>		
Book value as at 1 April	20,036,589	20,036,589
Balance movements	-	-
Book value as at 31 March	<u>20,036,589</u>	<u>20,036,589</u>
<i>Lupin Mexico SA de CV (Mexico)</i>		
Book value as at 1 April	764,581	764,581
Balance movements	-	-
Book value as at 31 March	<u>764,581</u>	<u>764,581</u>
<i>Lupin Philippines Inc. (Philippines)</i>		
Book value as at 1 April	998,044	998,044
Balance movements	-	-
Book value as at 31 March	<u>998,044</u>	<u>998,044</u>
<i>Pharma Dynamics Ltd (South Africa)</i>		
Book value as at 1 April	116,617,237	116,617,237
Balance movements	-	-
Book value as at 31 March	<u>116,617,237</u>	<u>116,617,237</u>
<i>Lupin Inc. (US)</i>		
Book value as at 1 April	886,000,001	801,000,001
Investments	-	85,000,000
Book value as at 31 March	<u>886,000,001</u>	<u>886,000,001</u>

During financial year 2022/2023 Nanomi made a contribution in cash to its wholly owned subsidiary Lupin Inc. in the amount of USD 85,000,000 which is regarded as an equity injection. As a result, Lupin Inc. issued 8,500 new shares to its shareholder (the Company) with a nominal value of USD 10,000 each.

	<u>31-03-2024</u>	<u>31-03-2023</u>
	\$	\$
4 Amounts due from group companies		
Loan Medquimica Industria Farmaceutica LTDA (Brazil)	-	8,000,000
	<u> </u>	<u> </u>

Loan Medquimica Industria Farmaceutica LTDA (Brazil)
 The loan must be repaid before March 31, 2025.
 The interest rate is 4.0% per annum.

CURRENT ASSETS

5 Receivables

Receivables > 1 year

All receivables have a remaining term of maturity of less than one year.

6 Amounts due from group companies

Loan Medquimica Industria Farmaceutica LTDA (Brazil)	8,000,000	-
	<u> </u>	<u> </u>

Loan Medquimica Industria Farmaceutica LTDA (Brazil)
 The loan must be repaid before March 31, 2025.
 The interest rate is 4.0% per annum.

7 Other receivables and accrued income

Taxes and social securities	237,630	337,226
Intercompany receivables	97,356	69,710
Prepayments and accrued income	220,505	285,008
	<u> </u>	<u> </u>
	<u>555,491</u>	<u>691,944</u>

Taxes and social securities

Value added tax	<u>237,630</u>	<u>337,226</u>
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	<u>31-03-2024</u>	<u>31-03-2023</u>
	\$	\$
8 Cash and cash equivalents		
ING Bank N.V., the Netherlands - Current Account	320,194	416,592
Citibank International PLC, the Netherlands - Current Account	887,926	2,252,616
State Bank of India, London - Current Account	29,231	964
Time deposit State Bank of India, London	2,657,877	-
	<u>3,895,228</u>	<u>2,670,172</u>

Cash and cash equivalents include deposits to the amount of 2,657,877 USD with maturities of up to April 12, 2024.

9 Equity

Movements in equity were as follows:

	Issued and paid-up capital	Share pre- mium reser- ve	Other reserves	Result for the year
	\$	\$	\$	\$
Balance as at 1 April 2023	323,162,000	438,663,050	297,399,343	-19,511,043
Result appropriation	-	-	-	19,511,043
Result for the year	-	-	-	-23,437,318
Result appropriation	-	-	-19,511,043	-
Share issuance	12,000,000	8,400,000	-	-
Balance as at 31 March 2024	<u>335,162,000</u>	<u>447,063,050</u>	<u>277,888,300</u>	<u>-23,437,318</u>

	Total
	\$
Balance as at 1 April 2023	1,039,713,350
Result appropriation	19,511,043
Result for the year	-23,437,318
Result appropriation	-19,511,043
Share issuance	20,400,000
Balance as at 31 March 2024	<u>1,036,676,032</u>

Statement of the proposed appropriation of the result

The Board of Directors proposes that the result for the financial year 2023/2024 amounting to USD 23,437,318 (negative) will be deducted from other reserves.

The financial statements do not yet reflect this proposal.

10 Issued and paid-up capital

On 29 September 2023, the Company issued 12,000 new shares with a nominal value of USD 1,000 against an issue price of USD 20,400,000. The difference between the nominal value of the issued shares and the issue price is regarded as share premium.

The Company's issued and paid capital amounts to USD 335,162,000, divided in 335,162 ordinary shares with a nominal value of USD 1,000 each.

	<u>31-03-2024</u>	<u>31-03-2023</u>
	\$	\$
11 Liabilities to group companies		
Lupin Atlantis Holdings SA	22,000,000	20,200,000
	<u>22,000,000</u>	<u>20,200,000</u>
<p>Naomi B.V. and Lupin Atlantis Holding SA concluded a credit facility. The limit of the credit line is USD 22,000,000. The credit line is granted for a duration of 36 months. The maturity date of the loan is 1 December 2025. The interest rate is 3,75% per annum.</p>		
12 Other long-term liabilities		
Milestone payment	5,458,500	5,467,500
	<u>5,458,500</u>	<u>5,467,500</u>
13 Trade creditors		
Trade creditors	1,619,714	1,875,507
	<u>1,619,714</u>	<u>1,875,507</u>
14 Liabilities to group companies		
Lupin Research Inc. (US)	34,265	328,561
Lupin Limited (India)	149,584	305,908
Lupin Atlantis Holdings SA (Swiss)	4,947	27,525
Lupin Management Inc. (US)	187,785	173,057
Hormosan Pharma GmbH (Germany)	1,492	11
Lupin Pharmaceuticals Inc. (US)	-	14,578
	<u>378,073</u>	<u>849,640</u>
15 Taxes and social security premiums		
Wage tax	34,304	28,632
Pension premiums	14,018	18,792
	<u>48,322</u>	<u>47,424</u>

	<u>31-03-2024</u>	<u>31-03-2023</u>
	\$	\$
16 Other liabilities and accrued expenses		
Bonus employees	485,671	380,857
Holiday allowance	321,724	313,642
Other amounts payable	219,079	1,315,503
Milestone payments	5,476,382	5,467,500
	<u>6,502,856</u>	<u>7,477,502</u>

Milestone disclosure:

Nanomi B.V. registered with trade register of the Dutch Chamber of Commerce under number 08124418 (Former Nanomi) was acquired by Lupin Atlantis Holdings S.A. on January 30, 2014, four milestones were defined as part of the earn-out arrangement for the Sellers , pursuant to the Share Purchase Agreement (the SPA);

The Company (formerly known as Lupin Holdings B.V.) acquired Former Nanomi on August 19, 2019 from Lupin Atlantis Holdings S.A. (the Acquisition). Prior to the Acquisition by the Company, Lupin Atlantis Holdings S.A. paid the Milestone 1 to the Sellers. During the financial year 2022/2023, the Company paid Milestone 2 in the amount of (USD 2,725,000) to the Sellers.

The remaining Milestones are (i) Milestone 3 (USD 5,458,500) and (ii) Milestone 4 (USD 5,458,500) (the Milestone Payment Obligations). These Milestone Payment Obligations will be paid as soon as the criteria of each Milestone is being met.

Off-balance-sheet rights, obligations and arrangements

Disclosure of off-balance sheet commitments

Tax losses carried forward:

Lupin Holdings B.V. and the Former Nanomi merged on 1 October 2019, with retroactive effect until 1 April 2019. In the years 2014 until 2018/2019, the Former Nanomi realised losses up to USD 56,827,578. These losses are so-called 'pre-merger losses'. The pre-merger losses can only be offset against positive results of the relevant company post-merger. In the year The Company will report a taxable profit, a profit split should be made in order to determine which amount of losses may be set off. The losses are qualified as regular losses and are available for carry forward for nine book years as from the year realised.

In the years 2019 until 2023/2024 the Company realised fiscal losses up to USD 78,632,451 (2022/2023 USD 61,409,680) after the merger took place. These losses can be set off without profit-split.

Losses incurred in financial years starting starting on or after 1 January 2019 can be carried forward for a maximum of six financial years. Losses incurred before 2019 can be carried for a maximum period of nine financial years. From financial years starting on or after 1 January 2022 (i.e. for The Company for the financial year 2022/2023), the limitation in time of loss carry forward of six years will be abolished, which means that losses will be available to offset future taxable profits for an indefinite period.

Obligations:

The Company has signed a rental contract of the property at the location Zutphenstraat 25, 27, 29, 37, 31, 45, 47, 51 and 63, 7575 EJ Oldenzaal. The rent is USD 141,000 (2022-2023 USD 260,000) annum. The rent mainly expires 14 May 2024 and 28 February 2028.

The Company has signed a various lease contracts for up to eight cars. The lease is USD 105,000 (2022-2023: USD 89,000) per annum. The lease current expires September 2028.

Bank facility:

The current account overdraft facility at the bank amounts to USD 550,000 as at 31 March 2024 (USD 550,000 as at 31 March 2023), and the interest rate is 3.08% plus the bank's current account Market mark-up plus 1-month Euribor. The security consists of right of pledge on The Company's assets.

Product funding agreement:

Based on a product funding agreement Nanomi has agreed to contingent liabilities which depend on the success of research projects. These liabilities consist of the repayment of funding which will only be due if the research projects are successful. A reliable estimate of the liabilities could not be made yet.

Off-balance sheet liabilities relating to purchase commitments

At balance sheet date, there are other obligations (purchase) for an amount of USD 715,000 (2022-2023: USD 2,310,000).

NOTES TO THE INCOME STATEMENT

	<u>2023 / 2024</u>	<u>2022 / 2023</u>
	\$	\$
17 Wages and salaries		
Gross wages and salaries	3,024,468	2,628,887
Mutation holiday allowance	9,756	-11,204
Grant received WBSO	-1,023,947	-982,442
	<u>2,010,277</u>	<u>1,635,241</u>
18 Social security premiums and pension costs		
Social security charges	373,582	360,413
Pension costs	163,643	142,615
	<u>537,225</u>	<u>503,028</u>
19 Depreciation of tangible fixed assets		
Depreciation of property, plant and equipment	<u>1,548,236</u>	<u>1,738,772</u>
Depreciation of property, plant and equipment		
Depreciation buildings	170,895	203,440
Depreciation plant and equipment	1,291,216	1,535,332
Accelerated depreciation machinery	86,125	-
	<u>1,548,236</u>	<u>1,738,772</u>
20 Other operating expenses		
Other expenses of employee benefits	365,523	265,769
Housing expenses	566,708	443,099
Car expenses	108,867	100,479
Office expenses	332,865	345,132
General expenses	1,966,744	3,552,277
R&D expenses	9,088,404	5,710,034
	<u>12,429,111</u>	<u>10,416,790</u>
21 Result on participations / subsidiaries		
Dividend received from participations / subsidiaries	<u>2,737,132</u>	<u>1,603,059</u>
Dividend received from participations / subsidiaries		
Multicare Pharmaceuticals Philippines Inc.	1,664,171	1,603,059
Lupin Philippines, Inc.	1,072,961	-
	<u>2,737,132</u>	<u>1,603,059</u>
22 Interest and similar income		
Interest income from group companies	325,338	324,449
Other interest received	277,111	729
	<u>602,449</u>	<u>325,178</u>

	<u>2023 / 2024</u>	<u>2022 / 2023</u>
	\$	\$
Interest income from group companies		
Interest income Medquimica Industria Farmaceutica LTDA	325,338	324,449
	<u> </u>	<u> </u>
Other interest received		
Exchange differences (unrealized)	97,961	-
Interest income on time deposit	178,281	-
Other interest and similar income	869	729
	<u>277,111</u>	<u>729</u>
	<u> </u>	<u> </u>
23 Impairment of financial fixed assets		
Impairment Medquimica Industria Farmaceutica LTDA (Brazil)	-3,301,978	-6,083,277
	<u> </u>	<u> </u>
24 Interest and similar expenses		
Interest liabilities to group companies	858,631	314,838
Withholding tax	273,707	160,306
Other interest expenses	488,676	587,028
	<u>1,621,014</u>	<u>1,062,172</u>
	<u> </u>	<u> </u>

	<u>2023 / 2024</u>	<u>2022 / 2023</u>
	\$	\$
Interest liabilities to group companies		
Interest Lupin Atlantis Holdings SA	858,631	314,838
	<u> </u>	<u> </u>
Withholding tax		
Interest tax authorities	273,707	160,306
	<u> </u>	<u> </u>
Other interest expenses		
Interest expense banks	488,676	516,304
Exchange differences (unrealized)	-	70,724
	<u> </u>	<u> </u>
	<u>488,676</u>	<u>587,028</u>
	<u> </u>	<u> </u>
25 Share in result from participations		
Result on sales Kyowa Pharmaceutical Industry Co Ltd	-5,329,058	-
	<u> </u>	<u> </u>

OTHER NOTES

Average number of employees

	<u>2023 / 2024</u>	<u>2022 / 2023</u>
Average number of employees over the period working in the Netherlands	43.00	41.00
Total of average number of employees over the period	<u>43.00</u>	<u>41.00</u>

Oldenzaal, 3 May 2024
Nanomi B.V.

S. Makharia
Executive Director

O. Franssen
Executive Director

T.R.A. Volle
Executive Director

J.P.V.G. Visser
Executive Director

M.D. McDade
Non-Executive Director

R.H.E. Friesen
Non-Executive Director

Auditors



To the Board of Directors and Shareholders of
Nanomi B.V.

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INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 1 April 2023 until 31 March 2024

Our opinion

We have audited the financial statements for the year ended 31 March 2024 of Nanomi B.V., based in Oldenzaal.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Nanomi B.V. as at 31 March 2024, and of its result for the period 1 April 2023 until 31 March 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 March 2024;
2. the profit and loss account for 1 April 2023 until 31 March 2024; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Nanomi B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding 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 auditor's 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 auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Almelo, May 3, 2024

Baker Tilly (Netherlands) N.V.

Original has been signed by:

drs. G.J. Kamerling RA