Zydus Nikkho Farmacêutica Ltda.
Financial Statements
Referring to the Period Ended in
December 31, 2024 and
Independent auditors' report
on the Financial Statements

Summary

REPORT OF THE INDEPENDENT AUDITOR ON FINANCIAL STATEMENTS

The shareholders of the
ZYDUS NIKKHO FARMACÊUTICA LTDA.
RIO DE JANEIRO - RJ.

Opinion

We have audited the financial statements of Zydus Nikkho Farmacêutica Ltda. Which comprise the Statement of financial position as of December 31, 2024, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended as well as the related explanatory notes, including a summary of the main accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Zydus Nikkho Farmacêutica Ltda., as of December 31, 2024, the individual performance of its operations and their respective cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) - only in cases where there are no differences between the two accounting practices.

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section, entitled "Auditor's Responsibilities for the Audit of the Financial Statements." We are independent in relation to the company, in accordance with the relevant ethical principles set forth in the Professional Code of Ethics of the Accountant and in the professional norms issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these norms. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

Responsibilities of management and governance by the financial statements.

The Company's management is responsible for the preparation and adequate presentation of the financial statements in accordance with accounting practices adopted in Brazil and with the international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB), and for the internal controls that it determined it necessary to allow the preparation of financial statements free of material misstatement, regardless of whether it was caused by fraud or error.

In the preparation of the financial statements, management is responsible for evaluating the company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless to liquidate the company or cease its operations, or has no realistic alternative to avoid closing the operations.

Responsibilities of the auditor for the audit of the financial statements.

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that the audit conducted in accordance with Brazilian and international auditing standards will always detect any relevant material misstatements. Distortions may be due to fraud or error and are considered relevant when, individually or jointly, they can influence, from a reasonable perspective, the economic decisions of the users taken based on the said financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides that:

• We identify and assess the risks of material misstatement in the financial statements, whether caused by fraud or error; We plan and perform audit procedures in response to such risks; and we obtain audit evidence appropriate and sufficient to substantiate our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of error, since fraud may involve circumvention of internal controls, collusion, falsification, omission or false intentional representations.

• We obtain an understanding of the internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but not, in order to express an opinion on the effectiveness of the company's internal controls.

• We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

• We conclude on the adequacy of the management's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may raise significant doubt regarding the Company's operational continuity company. If we conclude that there is material uncertainty, we should draw attention in our audit report to the respective disclosures in financial statements or include modification in our opinion if the disclosures are inadequate. Our findings are based on the audit evidence obtained up to the date of our report. However, future events or conditions may lead the company to no longer remain in operational continuity.

• We evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the individual financial statements represent the corresponding transactions and events in a manner consistent with the appropriate presentation objective.

• We obtain adequate audit evidence regarding the entity's financial information or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit and, consequently, for the audit opinion.

- We communicate with those responsible for governance regarding, inter alia, the planned scope, timing of the audit and significant audit findings, including any significant weaknesses in the internal controls we have identified during our work.

São Paulo, March 28, 2025

HOLDER AUDITORES INDEPENDENTES SS – EPP
CRC 2SP 034.257/O-4

MARCOS BARBOSA HENRIQUES
CRC 1SP 258.019/O-6

ZYDUS NIKKHO FARMACEUTICA LTDA
Statement of Financial Position
For the year ended on December 31, 2024
(In Real)

ASSETS	Notes	12/31/2024	12/31/2023	LIABILITIES	Notes	12/31/2024	12/31/2023
CURRENT				**CURRENT**			
Cash and cash equivalents	4	18.592.560	10.310.248	Lease liability	10	3.337.037	2.755.428
Trade and other receivables	5	57.753.208	53.306.358	Suppliers and other payables	13	122.999.509	65.743.996
Inventories	6	45.989.452	43.612.965	Other liabilities	15	11.804.831	10.971.977
Other current assets	7	24.916.915	20.684.042				
Other current financial assets	8	649.881	467.237				
Total current assets		**147.902.016**	**128.380.850**	**Total current liabilities**		**138.141.377**	**79.471.401**
NON-CURRENT				**NON-CURRENT**			
Other non-current assets	7	4.156.498	3.566.173	Lease liability	10	5.873.330	1.477.560
Other non-current financial assets	8	4.143.138	3.530.471	Provisions	16	11.665.622	10.397.897
Deferred taxes assets	9	31.092	24.036				
Right of use asset	10	8.990.343	3.974.941				
Property, plant and equipment	11	8.719.818	9.208.686				
Intangible assets	12	465.895	41.560.931				
Total non-current assets		**26.506.784**	**61.865.238**	**Total non-current liabilities**		**17.538.952**	**11.875.457**
				Net equity			
				Share capital	17	272.351.199	272.351.199
				Tax incentive reserve	18	38.758.324	38.758.324
				Accumulated losses		(292.381.052)	(212.210.293)
				Total equity		**18.728.471**	**98.899.230**
TOTAL ASSETS		**174.408.800**	**190.246.088**	**TOTAL LIABILITIES AND EQUITY**		**174.408.800**	**190.246.088**

The accompanying notes are an integral part of these financial statements

ZYDUS NIKKHO FARMACEUTICA LTDA
Statement of Income
For the year ended on December 31, 2024
(In Real)

	Notes	12/31/2024	12/31/2023
Sales revenue	19	173.015.876	169.833.954
Cost of products and goods sold	20	(99.137.877)	(107.006.457)
Gross profit		**73.877.999**	**62.827.497**
Operating (Expense) revenue			
Administrative	20	(36.815.975)	(43.017.450)
Selling expense	20	(57.847.792)	(53.908.349)
Impairment of financial assets	3.2	(3.084.937)	(537.820)
Other (expenses) revenue	21	(397.670)	(380.759)
Net foreign exchange (losses) / gains		(17.765.543)	5.789.648
		(115.911.917)	**(92.054.730)**
Operating loss before the financial result and exceptional items		**(42.033.918)**	**(29.227.233)**
Provisions for Impairment	12	(38.224.675)	-
Loss before the financial result		**(80.258.593)**	**(29.227.233)**
Financial result			
Financial revenues		1.144.307	1.770.507
Financial expenses		(1.063.529)	(1.381.905)
Net financial result	22	**80.778**	**388.602**
Loss before taxes		**(80.177.815)**	**(28.838.631)**
Income tax and social contribution taxes - deferred	9	7.056	(71.159)
Loss for the year		**(80.170.759)**	**(28.909.790)**
Other comprehensive results		-	-
Result after other comprehensive results		**(80.170.759)**	**(28.909.790)**

The accompanying notes are an integral part of these financial statements

ZYDUS NIKKHO FARMACEUTICA LTDA
Statement of changes in shareholder´s equity
For the year ended on December 31, 2024
(In Real)

	Share capital	Tax incentive reserve	Accumulated losses	Total
On december 31, 2022	**224.221.404**	**29.729.231**	**(174.271.410)**	**79.679.225**
Issuance of shares	48.129.795	-	-	48.129.795
Loss for the year		-	(28.909.790)	(28.909.790)
Transfer to tax incentive reserve	-	9.029.093	(9.029.093)	-
On december 31, 2023	**272.351.199**	**38.758.324**	**(212.210.293)**	**98.899.230**
Loss for the year	-	-	(80.170.759)	(80.170.759)
On december 31, 2024	**272.351.199**	**38.758.324**	**(292.381.052)**	**18.728.471**

The accompanying notes are an integral part of these financial statements

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ZYDUS NIKKHO FARMACEUTICA LTDA
Statement of Cash Flows
For the year ended on December 31, 2024
(In Real)

	12/31/2024	12/31/2023
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the year	**(80.170.759)**	**(28.909.790)**
Adjustments to reconcile the loss for the year with net cash		
Impairment of financial assets (Note 3.2)	(3.084.937)	537.820
Adjustment to net realizable value of inventory (Note 6)	2.268.833	(2.351.755)
Deferred taxes (Note 9)	(7.056)	71.159
Depreciation right of use asset (Note 10)	3.535.532	3.557.084
Lease liabilities - interest (Note 10)	682.283	617.397
Disposals Property, plant and equipment and Write-offs of intangible (Note 11 and 12)	2.666.118	-
Provisions for Impairment (Note 12)	38.224.675	-
Depreciation and amortization (Notes 11 and 12)	2.091.803	2.033.967
Provisions and reversals (Note 16)	1.267.725	2.856.649
Net foreign exchange losses/(gains)	17.765.543	(5.789.648)
	65.410.520	**1.532.673**
Decrease (Increase) in operating assets:		
Accounts receivable from clients	(1.361.913)	8.847.827
Inventories	(4.645.320)	3.188.181
Others assets	(5.618.510)	(4.728.619)
Increase (Decrease) in operating liabilities:		
Suppliers and other accounts payable	39.489.970	(1.472.994)
Other obligations	832.853	(13.237.439)
	28.697.080	**(7.403.044)**
Net cash generated by (invested in) operating activities (I)	**13.936.841**	**(34.780.161)**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed and intangible assets (note 11 and 12)	(1.398.691)	(927.898)
Net cash generated by (invested in) investment activities (II)	**(1.398.691)**	**(927.898)**
CASH FLOW FROM FINANCE ATIVITIES		
Lease payments (note 10)	(4.255.838)	(4.290.494)
Issuance of shares (note 17)	-	48.129.795
Net cash generated by finance activities (III)	**(4.255.838)**	**43.839.301**
INCREASE IN CASH AND CASH EQUIVALENTS (I + II + III)	**8.282.312**	**8.131.242**
Opening balance of cash and cash equivalents	10.310.248	2.179.006
Closing balance of cash and cash equivalents	18.592.560	10.310.248
INCREASE IN CASH AND CASH EQUIVALENTS	**8.282.312**	**8.131.242**

The accompanying notes are an integral part of these financial statements

Transactions that did not affect cash	**12/31/2024**	**12/31/2023**
Leasing additions (Asset and liabilities) - Note 10	8.550.934	2.685.229

1 General information

1.1 Operational context

ZYDUS NIKKHO FARMACÊUTICA LTDA. hereinafter referred to as “Zydus Nikkho” or “Company”, it is a limited liability company, headquartered in the city of Rio de Janeiro, State of Rio de Janeiro, whose purpose is the production, distribution and sale of medicines for human use, operating throughout the national territory.

The issuance of the financial statements was authorized by management on march 28, 2025.

1.2 Presentation of the financial statements

Basis of Preparation

The financial statements were prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) , and evidences all relevant information specific to the financial statements, and only that, which are consistent with those used by management in its management.

The main accounting policies applied in the preparation of these financial statements are presented in note 2

The financial statements were prepared considering the historical cost as the basis of value, which in the case of certain financial assets and liabilities has its cost adjusted to reflect the measurement at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates and also the exercise of judgment by the Company's management in the process of applying the Group's accounting policies. Those areas require a higher level of judgment and are more complex, as well as the areas in which assumptions and estimates are significant for the financial statements, are disclosed in Note 3

2 Accounting policies

2.1 Conversion into foreign currency

The financial statements are presented in Real (BRL), which is the Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates or on the valuation dates. Foreign exchange gains and losses are presented in the income statement.

2.2 Cash and cash equivalents

Include cash, bank deposits, other short-term investments with high liquidity, with original maturities of three months or less and with an insignificant risk of change in value.

2.3 Financial assets

At intial recognition Financial asset is recognised at fair value plus or minus transaction cost and subsequently it is classified at amortised cost, FVTPL or FVTOCI.

a) Financial assets at amortized cost

These assets are measured subsequently to the amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized directly in income statement. Any gain or loss on derecognition is recognized in the income statement.

b) Financial assets measured at fair value through profit or loss

These assets are subsequently measured at fair value through PL.

c) Financial assets measured at fair value through other comprehensive income

These assets are measured subsequently at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net income is recognized in other comprehensive income. Upon derecognition, the result accumulated in other comprehensive income is reclassified to the result.

d) Impairment of financial assets

Expected Credit Model (capital) for measurement and recognition of impairment loss on the following financial assets:
i Financial assets that are debt instruments, and are measured at amortised cost
ii Trade receivables or any contractual right to receive cash or another financial asset

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

e) Derecognition

The Company derecognizes a financial asset when the contractual rights to the asset's cash flows expire, or when the Company transfers the contractual rights of receipt to the contractual cash flows on a financial asset in a transaction in which substantially all risks and benefits of ownership of the financial asset are transferred or in which the Company neither transfers nor substantially maintains all the risks and benefits of ownership of the financial asset and also does not retain control over the financial asset.

2.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such at initial recognition. Financial liabilities measured at fair value against profit or loss are measured at fair value and the net result, including interest, is recognized in the income statement. Other financial liabilities are subsequently measured at amortized cost using the interest method effective. Interest expense, foreign exchange gains and losses are recognized in income statement.

a) Derecognition

The Company derecognizes a financial liability when its contractual obligation is withdrawn, canceled or expires. The Company also derecognizes a financial liability when the 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. In the derecognition of a financial liability, the difference between the extinguished book value and the consideration paid (including transferred assets that do not pass through the cash or assumed liabilities) is recognized in the income statement.

The classification of financial instruments is shown in note 3.2.

2.5 Trade and other receivables

Correspond to amounts receivable from customers for the sale of goods in the normal course of the Company's activities. If the receipt period is equivalent to one year or less, Trade and other receivables are classified in current assets. Otherwise, they are presented in non-current assets. Accounts receivable from customers are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less the allowance for doubtful accounts (impairment).

2.6 Inventories

The inventories are stated at cost or net realizable value, whichever is the lower. The cost of finished products and products in preparation comprises the costs of raw materials, direct labor, other direct costs and indirect production costs (based on operational capacity). The cost of raw materials and packaging, finished goods and in process is determined on Moving Average Method. The Net Realization Value is the estimated selling price in the normal course of business, less the estimated completion costs and the estimated costs necessary to make the sale.

2.7 Other current and non-current assets

Are presented at net realizable value, stated in current or non-current assets according to their expected realization.

2.8 Property, plant and equipment

Stated at cost, less accumulated depreciation and losses, due to impairment. Depreciation is recognized based on the estimated useful life of each asset using the straight-line method, so that the cost less its residual value after its useful life is fully written off (except for land and construction in progress). The estimated useful life, residual values and depreciation methods are reviewed at the end of each year, and the effect of any changes in estimates is accounted for prospectively. An item of property, plant and equipment is written off after disposal or when there are no future economic benefits resulting from the continued use of the asset. Any gains or losses on the sale or write-off of an item of property, plant and equipment are determined by the difference between the amounts received on sale and the carrying amount of the asset and recognized in profit or loss.

The estimated useful lives are as follows:

	Minimum Useful Life (Year)
Buildings	10
Plant and equipment	10
Furniture and fixtures	5
Vehicles	5

Impairment

Impairment of non-financial assets - Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount, which represents the higher of an asset's fair value less its disposal costs and its value in use.

The VLDP (value less its disposal costs)is generally determined based on the present value of the estimated future cash flows arising from the continued use of the asset, including any prospects for expansion and its eventual sale. The VIU (value in use) is determined by the present value of the estimated future cash flows that are expected by the continued use of the asset under its current conditions, without taking into account future developments. These premises are different from those used in the calculation of the VIU (value in use) and, consequently, the calculation of the value in use will probably give a different result from the calculation of the VLDP (value less its disposal costs).

2.9 Leases

Company recognising a right-of-use asset and related lease liability in connection with all operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

As a lessee

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration’.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a rightof-use asset and a lease liability on the balance sheet. The rightof-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received]. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the insubstance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease. Lease under which the Company assumes potentially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalised at fair value or present value of the minimum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on straight line basis in the Statement of Profit and Loss over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate lessor's expected inflationary cost increases.

2.10 Intangible

a) Goodwill

Is represented by the positive difference between the amount paid and / or payable for the acquisition of a business and the net fair value of the assets and liabilities of the acquired subsidiary. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets". Goodwill is recorded at fair value less accumulated impairment losses. Impairment losses recognized on goodwill are not reversed. Goodwill is tested annually for impairment.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGUs)). For the purposes of this test, goodwill is allocated to the Cash Generating Units or groups of Cash Generating Units that are expected to benefit from the business combination from which the goodwill originated, and are identified according to the operating segment. Goodwill is considered to be an asset with an indefinite useful life.

b) Brands trademarks and registered patents

Are stated at historical cost less amortization. The assets arising from the business combination are recorded at fair value on the acquisition date. Expenses incurred internally to develop and strengthen a brand are recognized as an expense.

Intangible assets with indefinite useful lives are tested for impairment at least once a year.

c) Software

Acquired software licenses are capitalized based on the costs incurred to acquire them and make them ready to be used.

Defined useful life

	Minimum Useful Life (Year)
Software	5

2.11 Suppliers and other accounts payable

These are Obligations payable for goods or services that were acquired in the normal course of business, and are classified as current liabilities if payment is due within a period of up to one year. Otherwise, they are classified as non-current. They are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

2.12 Other current and non-current liabilities

Stated at known or estimated amounts, plus, when applicable, the corresponding charges and / or monetary and exchange variations incurred up to the balance sheet date.

2.13 Provision for tax, civil and labor risks

The provision is recognized in the balance sheet when the Company has a legal or constituted obligation as a result of a past event, and it is probable that the economic resource will be required to settle the obligation. Provisions are recorded based on the best estimates of the specific risks of the liability and duly supported through the assessment of the likelihood of loss being made by the Company's management and legal counsel.

2.14 Income tax and Social contribution (current and deferred)

(a) Current

Income tax comprises income tax and social contribution. Income tax is calculated on the annual profit at the rate of 15%, plus an additional 10% on profits that exceed Real (BRL) 240 thousand in the period, while the social contribution is calculated at the rate of 9% on the adjusted profit. according to the law, recognized according to the accrual basis.

(b) Deferred

Deferred income and social contribution taxes are recognized, in their entirety, on the differences generated between the assets and liabilities recognized for tax purposes and corresponding to amounts recognized in the Financial Statements. However, deferred income tax and social contribution are not recognized if they are generated in the initial registration of assets and liabilities in transactions that do not affect the tax bases, except in business combination transactions. Deferred income tax and social contribution are determined considering the rates (and laws) in force on the date of preparation of the Financial Statements and applicable when the respective income tax and social contribution are realized. Deferred income tax and social contribution assets are recognized only to the extent that it is probable that there will be a positive tax base for which temporary differences can be used and tax losses can be offset.

2.15 Revenue recognition

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts, net of discounts. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed presente as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

2.16 Financial Income

Are recognized according to the elapsed period, based on the effective interest rate method and are recognized as it is expected to be realized.

2.17 Earnings per share

In accordance with IAS 33 / CPC 41 - Earnings per share, the company reconciles net income to the amounts used to calculate basic and diluted earnings per share. The company does not have instruments that have not been included in the earnings per share calculation as they are antidilutive, therefore the result per basic share is the same as the diluted one, as shown:

	12/31/2024	12/31/2023
Basic and diluted result		
Loss for the year for ordinary quotas	(80.170.759)	(28.909.790)
Average number of shares	272.351.199	248.286.302
Loss per basic quota	(0,29)	(0,12)

3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with accounting practices adopted in Brazil requires that Management uses its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include definition of the useful life of property, plant and equipment and intangible assets with defined useful life, incremental rate on financial leases, goodwill recovery value, expected losses for doubtful accounts receivable and provisions for liabilities.

The settlement of transactions involving these estimates may result in different amounts due to inaccuracies inherent in the process of their determination. Zydus Nikkho's management reviews the estimates at least annually.

3.1 Risk management

The Company's activities are exposed to several financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. Management uses the following methodologies to measure risks:

Risk	Description	Methodology Used to Measure the Impact
Market Risk - Foreign Exchange	Financial liabilities in foreign currency	Sensitivity Analysis
Market Risk - Interest Rate	Long Term Finance Lease Payable	Sensitivity Analysis
Credit risk	Cash and cash equivalents and Trade and other receivables	Maturity Analysis and Credit Assessment
Liquidity Risk	Suppliers and Leasing	Cash Flow Forecasts

3.2 Classification of financial instruments

Financial instruments were classified in the Amortized cost category.

	12/31/2024	12/31/2023
Financial assets		
Cash and cash equivalents	18.592.560	10.310.248
Trade accounts receivable	57.753.208	53.306.358
Other financial assets	4.793.019	3.997.708
Total financial assets	**81.138.787**	**67.614.314**
Financial lialbilities		
Suppliers and other payables	122.999.509	65.743.996
Financial leases	9.210.367	4.232.988
Total financial liabilities	**132.209.876**	**69.976.984**

Market risk

Foreign exchange risk

Due to its operation, the Company is exposed to foreign exchange risk, mainly in relation to the dollar currency.

The Company discloses the sensitivity analysis in relation to the variation in the dollar, which may have an impact on its income statement.

Exchange risk	In Real	In Real
	12/31/2024	**12/31/2023**
Economic scenario I - current	(17.765.543)	5.789.648
Economic scenario II - 25% U$ increase	(27.114.996)	(13.326.938)
Economic scenario III - 50% U$ increase	(54.229.993)	(26.653.877)

Credit risk

Credit risk arises from cash and cash equivalents and trade receivable, deposits with banks and other financial institutions.

Bank deposits: The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits

Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to credit losses is not significant.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision compute the expected credit loss amount.

When estimating expected credit losses (ECL), the Company considers reasonable and bearable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience, credit assessment and considering forward-looking information. The losses due to the non-recoverability of financial assets were calculated based on the credit risk analysis, which includes the: the individual situation of the clientes, like a Banckruptcies, Judicial reorganisation, Legal cases and Disputes, the situation of the economic group to which they belong, the real guarantees for debts and the assessment of legal advisors, and is considered sufficient to cover possible losses on amounts receivable, in addition to a prospective assessment that takes into account the change or expected change in economic factors that affect expected credit losses (ECL), which will be determined based on in weighted probabilities, when applicable.

Financial assets for which loss allowances is measured using the expected credit loss:

	12/31/2024	12/31/2023
Accounts receivable not due	48.808.390	47.899.432
Overdue in days:		
1 to 30	7.447.119	4.582.670
31 to 60	840.110	542.888
61 to 90	87.721	0
91 to 120	190.277	131.710
Over 120	7.830.603	4.515.732
Total	**65.204.219**	**57.672.432**

Movement	12/31/2024	12/31/2023
Opening balance	(4.366.074)	(3.828.254)
Add	(3.429.827)	(1.049.887)
Reversal provision	344.890	512.067
Ending balance	**(7.451.011)**	**(4.366.074)**

	12/31/2024	12/31/2023
Maximum exposure to credit risk	65.204.219	57.672.432
Overdue considered (ECL) (i)	(7.451.011)	(4.366.074)
Total	**57.753.208**	**53.306.358**

(i) Considered to all the banckruptcies, judicial reorganisation, legal cases and disputes.

In 2024, the Company recognized a loss in addition to those estimated in the amount of R$ 3.084.937 (R$ 537.820 in 2023), totaling a loss of financial assets in the income statement in the same amount.

Liquidity risk

The Company's Management monitors the Company's forecasts of liquidity requirements on an ongoing basis in order to seek sufficient cash to meet operating needs. The Company may need to obtain additional funds through bank loans or capital increase.

In the explanatory notes related to the Company's non-derivative financial liabilities, the balances payable between the balance sheet date and the contractual maturity date are shown by maturity.

4 Cash and cash equivalents

	12/31/2024	12/31/2023
Cash and bank accounts	54.612	105.223
Financial investments	18.537.948	10.205.025
Cash and cash equivalents	**18.592.560**	**10.310.248**

Financial investments in securities for trading include Bank Deposit Certificates and investments in bonds and securities, which are recorded at their fair value. The revenue generated by these investments is recorded as financial income.

5 Trade and Other receivables

	12/31/2024	12/31/2023
Domestic customers	65.204.219	57.672.432
Provision for i*mpairment* of accounts receivable	(7.451.011)	(4.366.074)
Total	**57.753.208**	**53.306.358**

The maximum exposure to credit risk at the balance sheet date is the book value of each class of accounts receivable mentioned above. The company does not hold any security as collateral for accounts receivable.

For further information on the Estimated Losses for Doubtful Accounts, it is recommended to read the explanatory note (Risk Management).

6 Inventories

	12/31/2024	12/31/2023
Finished goods	11.317.190	10.785.204
In-process products	739.236	1.937.205
Goods for resale	21.886.665	16.564.515
Raw materials and packaging	11.690.101	14.700.397
Goods in transit	7.811.230	4.811.781
Adjustment to net realizable value	(7.454.970)	(5.186.137)
Total	**45.989.452**	**43.612.965**

	12/31/2024	12/31/2023
Movement of net realizable value		
Opening balance	(5.186.137)	(7.537.892)
(+) Additions	(4.729.172)	(4.630.578)
(-) Reversals	2.460.339	6.982.333
Ending balance	**(7.454.970)**	**(5.186.137)**

7 Other assets

	12/31/2024	12/31/2023
Current assets	**24.916.915**	**20.684.042**
Other recoverable taxes	**21.740.536**	**18.644.529**
Federal taxes	3.285.363	1.360.857
State taxes	18.455.173	17.283.672
Advances	**1.519.390**	**856.190**
To others	129.584	110.812
To suppliers	1.389.806	745.378
Pre paid expenses	**1.656.989**	**1.183.323**
Non-current assets	**4.156.498**	**3.566.173**
Related parties - Note 14	4.142.889	3.566.173
Other	13.609	-
Total other assets	**29.073.413**	**24.250.215**

8 Other financial assets and liabilities

	12/31/2024	12/31/2023
Other current financial asset		
Other financial assets (Advances)	**649.881**	**467.237**
Other non-current financial asset		
Judicial deposits (non-current assets)	4.143.138	3.530.471
Other non-current financial assets	**4.143.138**	**3.530.471**
Total other financial assets	**4.793.019**	**3.997.708**

Judicial deposits

Labor and Tax: In some situations, due to legal requirements or the presentation of guarantees, judicial deposits are made to guarantee the continuity of the proceedings under discussion. These judicial deposits may be required for lawsuits whose likelihood of loss has been assessed by the Company, based on the opinion of its legal advisors, as probable, possible or remote.

9 Deferred taxes assets

Deferred tax arising from temporary differences in leasing - Right to use real estate.

	12/31/2024	12/31/2023
Temporary differences (non-deductible expenses at year end for tax Income)		
Opening balance	70.696	279.985
(+) Temporary additions - amortization and interest	452.473	340.887
(-) Temporary excusions - payments	(431.719)	(550.176)
Total	91.450	70.696
Tax rate	34%	34%
Total recognized	**31.092**	**24.036**

Movement in the income statement		
Opening balance	**24.036**	**95.195**
Additions	31.092	
Realization	(24.036)	(71.159)
Total balance in assets	**31.092**	**24.036**

The estimate for the recoverability of temporary differences will be made when the payments for this lease start. Soon, the deduction will be allowed in the Income tax calculation base.

10 Right of use assets

a) Right of use assets

	Vehicles	Property rental	Total
On december 31, 2022	**4.440.473**	**406.322**	**4.846.796**
Additions	2.664.176	21.053	**2.685.229**
Amortization	(3.269.427)	(287.657)	**(3.557.084)**
Write-offs	-	-	**-**
On december 31, 2023	**3.835.222**	**139.718**	**3.974.941**
Additions	7.048.244	1.502.690	**8.550.934**
Amortization	(3.209.923)	(325.609)	**(3.535.532)**
Write-offs	-	-	**-**
On december 31, 2024	**7.673.543**	**1.316.799**	**8.990.343**

The company rents vehicles for its administrative and commercial area. Depreciation varies according to the term agreed between the lessor and lessee, averaging 36 months. The amortization period is individual per asset. In addition to vehicles, the Company has a rental property for its administrative and operational area, with a 5-year contract period, with the possibility of renewal.

Current and non-current liabilities due from the lease are as follows:

b) Leasing payable

Liabilities Lease

	12/31/2024	12/31/2023
Opening balance	**4.232.988**	**5.220.856**
Additions	8.550.934	2.685.229
(-) Write-offs	-	-
(-) Payments	(4.255.838)	(4.290.494)
(-) Interest	682.283	617.397
Ending balance	**9.210.367**	**4.232.988**

Liability Lease	12/31/2024	12/31/2023
On year 2024	-	3.080.203
On year 2025	3.337.037	1.162.109
On year 2026	4.048.006	444.038
On year 2027	2.835.950	-
On year 2028	498.347	-
On year 2029	171.844	-
Total	**10.891.184**	**4.686.350**

This fee is considered risk free. The schedule presented does not include the interest to be incurred.

11 Property, plant and equipment

	Capital Work-in-Progress	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Total
Cost of fixed assets						
On december 31, 2022	**1.394.920**	**263.000**	**4.783.336**	**20.187.974**	**1.759.935**	**28.389.165**
Additions	8.957	-		916.481	2.460	927.898
Disposals	-	-	-	(1.725.772)	(620)	(1.726.392)
Transfers	(54.899)	-	-	54.899	-	-
On december 31, 2023	**1.348.978**	**263.000**	**4.783.336**	**19.433.582**	**1.761.775**	**27.590.671**
Additions	122.730	-	-	1.275.961		1.398.691
Disposals	(326.891)	-	-	(242.284)	(4.290)	(573.465)
Transfers	(294.578)	-	-	292.660	1.918	-
On december 31, 2024	**850.239**	**263.000**	**4.783.336**	**20.759.919**	**1.759.403**	**28.415.898**

	Capital Work-in-Progress	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Total
Accumulated depreciation						
On december 31, 2022	**-**	**-**	**(2.517.774)**	**(14.652.667)**	**(1.432.949)**	**(18.603.390)**
Additions	-	-	(303.358)	(1.143.778)	(57.851)	(1.504.987)
Disposals	-	-	-	1.725.772	620	1.726.392
Transfers	-	-	-	-	-	-
On december 31, 2023	**-**	**-**	**(2.821.132)**	**(14.070.673)**	**(1.490.180)**	**(18.381.985)**
Additions	-	-	(260.349)	(1.249.658)	(56.872)	(1.566.879)
Disposals	-	-	-	248.768	4.016	252.784
Transfers	-	-	-	-	-	-
On december 31, 2024	**-**	**-**	**(3.081.481)**	**(15.071.563)**	**(1.543.036)**	**(19.696.080)**
Net in 2023	**1.348.978**	**263.000**	**1.962.204**	**5.362.909**	**271.595**	**9.208.686**
Net in 2024	**850.239**	**263.000**	**1.701.855**	**5.688.356**	**216.367**	**8.719.817**

	Cost of Fixed	(-) Accumulated	Net
On december 31, 2022	**28.389.165**	**(18.603.390)**	**9.785.774**
Additions	927.898	(1.504.987)	(577.089)
Disposals	(1.726.392)	1.726.392	-
Transfers	-	-	
On december 31, 2023	**27.590.671**	**(18.381.985)**	**9.208.685**
Additions	1.398.691	(1.566.879)	(168.188)
Disposals	(573.465)	252.784	(320.681)
Transfers	-	-	-
On december 31, 2024	**28.415.897**	**(19.696.080)**	**8.719.817**

12 Intangible

	Defined useful life	Indefinite useful life			
	Softwares	GoodWill	Brands	Technical Brands	Total
Intangible cost					
On december 31, 2022	**3.904.923**	**36.724.675**	**1.552.941**	**2.345.437**	**44.527.976**
Additions	-	-	-	-	-
Write-offs	-	-	-	-	-
On december 31, 2023	**3.904.923**	**36.724.675**	**1.552.941**	**2.345.437**	**44.527.976**
Additions	-	-	-	-	-
Write-offs	-	-	-	(2.345.437) [1]	(2.345.437)
Impairment	-	(36.724.675) [2]	(1.552.941) [2]	-	(38.277.616)
On december 31, 2024	**3.904.923**	**-**	**-**	**-**	**3.904.923**
Accumulated amortization					
On december 31, 2022	**(2.385.124)**	**-**	**(52.941)**	**-**	**(2.438.065)**
Amortization	(528.980)	-	-	-	**(528.980)**
On december 31, 2023	**(2.914.104)**	**-**	**(52.941)**	**-**	**(2.967.045)**
Amortization	(524.924)	-	-	-	**(524.924)**
Impairment	-	-	52.941 [2]	-	**52.941**
On december 31, 2024	**(3.439.028)**	**-**	**-**	**-**	**(3.439.028)**

	Intangible Cost	(-) Accumulated	Net
On december 31, 2022	**44.527.976**	**(2.438.065)**	**42.089.911**
Additions		(528.980)	**(528.980)**
On december 31, 2023	**44.527.976**	**(2.967.045)**	**41.560.931**
Additions	-	(524.924)	(524.924)
Write-offs	(2.345.437)	-	(2.345.437)
Impairment	(38.277.616)	52.941	(38.224.675)
On december 31, 2024	**3.904.923**	**(3.439.028)**	**465.895**

[1] The write-off occurred because the registered value was not recoverable.

[2] The provision for Impairment of Goodwill pursuant to assessment of recoverability due to changes in external and internal economic indicators.

13 Suppliers and other payables

	12/31/2024	12/31/2023
Related parties (note 14)	108.459.985	53.307.755
National suppliers	3.384.651	1.366.078
Foreign suppliers	579.267	-
Other accounts payable	10.575.606	11.070.163
Total	**122.999.509**	**65.743.996**

14 Related party transactions

	12/31/2024	12/31/2023
Other non-current assets (i) - note 7	4.142.889	3.566.173
Suppliers - note 13	108.459.985	53.307.755
Purchases in the period	59.295.724	59.693.207

(i) Credits related to goods from Zydus Lifesciences Limited

Remuneration of management personnel

The total compensation of the company's managers is composed of fixed compensation, which includes salaries and social security contributions.

During 2024 and 2023, there was no compensation linked to post-employment benefits, employment termination benefits, other long-term benefits or share-based compensation.

15 Other liabilities

	12/31/2024	12/31/2023
Tax	4.865.157	3.815.215
Provision for vacation	3.105.151	3.375.929
Performace obligation	1.818.101	1.442.488
Restitution obligation	2.016.422	2.338.345
Total	**11.804.831**	**10.971.977**

The opening balance of the Performance Obligation was fully recognized in Revenue for the current Year. Management estimates that the liabilities related to the performance obligation will be fully recognized in income in the 2025 fiscal year.

The restitution obligation refers to the right of customers to return purchased products. At the time of sale, a refund obligation and the corresponding revenue adjustment are recognized for products that are expected to be returned.

16 Provisions

The Company is a party to lawsuits and administrative proceedings before various courts and government agencies, arising from the course of its operations, involving labor issues, civil aspects and other matters. Based on the information provided by its legal advisors, on the analysis of the pending lawsuits and, regarding labor claims, on the previous experience of the percentage of loss in relation to the amounts claimed, it constituted the constant provision below. Management considers its amount sufficient to cover the probable estimated losses from the lawsuits in progress.

Changes in the provision for civil, tax and labor risks:

	12/31/2024	12/31/2023
Provisions - Labor		
Opening balance	10.397.897	7.541.248
(+) Additions	1.267.725	2.931.648
(-) Reversals and payments	-	(74.999)
Total	**11.665.622**	**10.397.897**

17 Share capital

The Company's share capital, fully subscribed and paid in, in the amount of in Real (BRL) 272,351,199 (272,351,199 in 2023), is represented by 272,351,199 (272,351,199 in 2023) registered shares, with a nominal value of Real (BRL) 1.00 each, as follows:

	12/31/2024	12/31/2023
Zydus Netherland B.V.	272.350.629	272.350.629
Zydus France	570	570
Total	**272.351.199**	**272.351.199**

18 Tax incentive reserve

The company have a tax incentive from the Government of the State of Espírito Santo, having a tax reduction called ICMS, since january 2020.

	12/31/2024	12/31/2023
Movement of the tax incentive		
Opening balance	38.758.324	29.729.231
(+) Tax reduction denominated ICMS (i)	-	9.029.093
Final balance	**38.758.324**	**38.758.324**

(i) In accordance with Brazilian Accounting Standards (CPC 07), this

(i) In accordance with Brazilian Accounting Standards (CPC 07), this incentive must be recognized in the income statement (Net Income - No. 19) and control in a specific Shareholders' Equity account is required, until its effective realization, which must occur in accordance with the rules imposed by Brazilian legislation, until December 2023. From January 2024, the tax incentive continues to be recognized in revenue and offering taxation, without the need to incorporate this amount into the tax incentive reserve in shareholders' equity.

19 Revenue

	12/31/2024	12/31/2023
Gross revenue	567.928.451	469.017.323
Returns and discounts	(373.639.853)	(277.496.247)
Tax incentive - Note 18	11.611.715	9.029.093
Sales taxes	(32.884.437)	(30.716.215)
Net revenue	**173.015.876**	**169.833.954**

Figures of previous reporting year have been regrouped/ reclassified to conform to current year's classification.

20 Expenses

The Company presented the income statement using a classification of expenses based on their function. Information on the nature of these expenses recognized in the income statement is presented below:

	12/31/2024	12/31/2023
Cost of products sold		
Raw materials, packaging and goods for resale	84.428.420	92.516.250
Materials and energy	3.261.015	2.425.201
Personnel expense	7.242.781	7.314.005
Depreciation and amortization	915.365	926.055
Others	3.290.296	3.824.946
Total	**99.137.877**	**107.006.457**

Administrative and selling expenses		
Material analysis	2.291.287	1.908.846
Commissions and incentives	2.546.049	1.967.101
Depreciation and amortization	4.672.054	4.671.347
Freight on sale	4.568.756	4.060.067
Property lease	350.957	369.381
Marketing Expenses	11.621.386	7.766.237
Equipment rental	284.101	296.416
Vehicle rental - not related to the right of use	670.722	394.412
Maintenance of software	3.020.556	3.061.552
Maintenance	711.088	460.468
Scientific research	116.185	216.146
Personnel expense	47.760.297	47.395.123
Projects	688.051	5.781.233
Third party services	6.492.999	7.350.346
Travel expenses	3.247.280	3.337.098
Other expenses	5.621.999	7.890.026
Total	**94.663.767**	**96.925.799**

21 Other (expenses) revenue

	12/31/2024	12/31/2023
Labor causes	(1.788.495)	(3.205.262)
Disposals and Write-off - Notes 11 and 12	(2.666.118)	-
Eventual revenue	3.666.031	4.050.700
Other	390.911	(1.226.197)
Total	**(397.671)**	**(380.759)**

In eventual revenue include licenses for the use of brands assigned to customers.

22 Financial result

Financial expenses:	12/31/2024	12/31/2023
Interest on lease	(682.283)	(617.397)
Bank fees	(94.972)	(73.297)
Monetary variation	(277.181)	(16.605)
Discounts for customers when paying	(5.540)	(382.954)
Tax financial operations	(2.112)	(189.767)
Financial charge	-	(65.950)
Other financial expenses	(1.441)	(35.935)
Total	**(1.063.529)**	**(1.381.905)**
Financial income:		
Interest	37.325	166.153
Interest from financial investments	1.106.982	1.604.354
Total	**1.144.307**	**1.770.507**
Financial result	**80.778**	**388.602**

23 Income tax

	12/31/2024	12/31/2023
(Loss) / Profit before taxes	**(80.177.815)**	**(28.838.631)**
Tax effect of non-deductible expenses	72.642.890	39.973.062
Non-taxable income in determining the real profit	(12.571.885)	(13.906.362)
Tax (Loss)	**(20.106.810)**	**(2.771.931)**

The company has tax losses of BRL 89.734.907 as at December, 2024 [as at December, 2023: BRL 69.628.097] which will be available for set off against future taxable profit for indefinite period.

24 Insurance

The Company maintains insurance for certain fixed assets, as well as civil responsability and other contractual guarantees. The summary of policies in effect at December 31, 2024 is as follows:

Object	Insured Amount	Validity
Products, building and content	180.911.807	09/2024 a 09/2025
Civil responsability	4.865.304	03/2024 a 03/2025

25 Subsequent events

There are no facts or transactions that under IAS 10 - Subsequent Events have an impact on the financial statements.