

Alembic Pharmaceuticals SpA

ANNUAL REPORT

As of March 31, 2025, and 2024

Independent Auditor's Report

Board of Directors and Shareholders of Alembic Pharmaceuticals SpA

Opinion

We have audited the attached financial statements of Alembic Pharmaceuticals SpA, which comprise the statement of financial position as of March 31, 2025, and 2024, as well as the related statements of comprehensive income, changes in equity, and cash flows for the year ended on that date, and the related notes to the financial statements.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of Alembic Pharmaceuticals SpA as of March 31, 2025, and 2024, and the results of its operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Our Opinion

We conducted our audit in accordance with generally accepted auditing standards in Chile. Our responsibilities under these standards are described in the section "Auditor's Responsibilities in Auditing the Financial Statements" of our report. In accordance with relevant ethical requirements related to our audit of the financial statements, we are required to be independent of Alembic Pharmaceuticals SpA and to comply with all other ethical responsibilities under such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to assess whether there are any events or conditions that, individually or collectively, may cast significant doubt on Alembic Pharmaceuticals SpA's ability to continue as a going concern, at least for the twelve months following March 31, 2025.

Auditor's Responsibility for Auditing the Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that expresses our audit opinion. Reasonable assurance is a high, but not absolute, level of assurance and, therefore, does not guarantee that an audit conducted in accordance with generally accepted auditing standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, forgery, deliberate omission/serious negligence, concealment, misrepresentation, or the override of controls by management. A misstatement is considered material if, individually or in the aggregate, it could influence the judgment of a reasonable user based on these financial statements.

As part of an audit conducted in accordance with generally accepted auditing standards in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, and design and perform audit procedures to address those risks. Such procedures included the review, as evidence, of the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design appropriate audit procedures for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alembic Pharmaceuticals SpA's internal control. Consequently, we do not express such an opinion.
- Evaluate the appropriateness of significant accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

We are required to communicate to those charged with governance, among other matters, the planned timing and scope of the audit, as well as the significant audit findings, including any significant deficiencies and material weaknesses in internal control that we have identified during the audit.



Carlos Almarza L.
Partner - KLCE Group Consultores y Auditores Limitada

Santiago, April 30, 2025

Alembic Pharmaceuticals SpA

Annual report

As of March 31, 2025 and 2024

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Alembic Pharmaceuticals SpA

Statements of financial position

For the years ended March 31, 2025 and 2024

	Note	31.03.2025 \$	31.03.2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	681.944.329	119.714.806
Trade Receivables	4	3.242.540.630	442.093.590
Inventories, net	5	5.105.554.373	1.491.032.801
Other Current Assets	6	979.205.436	400.507.301
Other Financial Assets	7	68.937.100	15.709.443
Total current assets		10.078.181.868	2.469.057.941
Non Current assets			
Property, plant and equipment - Net	8	41.333.672	45.272.276
Deferred tax assets	9	513.258.396	352.265.694
Total non-current assets		554.592.068	397.537.970
Total assets		10.632.773.936	2.866.595.911
EQUITY			
Capital and reserves			
Share capital	12	291.692.059	291.692.059
Current Year Result		(380.602.417)	(665.379.615)
Retained earnings (losses)		(926.631.000)	(261.251.385)
Total equity		(1.015.541.358)	(634.938.941)
LIABILITIES			
Current liabilities			
Financial liabilities-Borrowings	10	4.211.943.380	1.225.197.340
Accounts payable	11	5.339.959.307	2.188.765.593
Provisions	12	73.538.168	44.710.319
Other Financial Liability	13	34.631.513	29.854.063
Other current liabilities	14	17.141.773	13.007.537
Interest on Loan from Parent Company		79.101.153	-
Total Current liabilities		9.756.315.294	3.501.534.852
Non Current liabilities			
Financial Liabilities - Borrowings from Parent Company		1.892.000.000	-
Total equity and liabilities		10.632.773.936	2.866.595.911

Statement of Profit or Loss and Other Comprehensive Income
For the years ended March 31, 2025 and 2024

	Note	31.03.2025 \$	31.03.2024 \$
Operating Income			
Revenues	19	6.067.622.519	694.621.925
Operating Income		6.067.622.519	694.621.925
Costs			
Cost of sales	20	(5.296.957.835)	(702.394.327)
Gross Profit		770.664.684	(7.772.402)
Administrative expenses	21	(1.124.847.020)	(662.078.633)
Other Operating Gain/(Loss)			
Operational result		(354.182.336)	(669.851.035)
Earnings Before Interest, Taxes, Depreciation, and Amortization		(354.182.336)	(669.851.035)
Interest		(198.160.064)	(47.789.057)
Depreciation Expenses		(7.771.047)	(4.840.949)
Other operating income or loss	22	18.518.328	(195.052.130)
Profit (loss), before tax		(541.595.119)	(917.533.171)
Deferred Tax		160.992.702	252.153.556
NET RESULT		(380.602.417)	(665.379.615)

Statement of Changes in Equity
For the years ended March 31, 2024 and 2023

	Share Capital	Accumulated Result	Total Equity
	\$	\$	\$
At July 13, 2022	291.692.059	-	291.692.059
Profit for the year	-	(261.251.385)	(261.251.385)
Ending Balance March 31, 2023	291.692.059	(261.251.385)	30.440.674

	Share Capital	Accumulated Result	Total Equity
	\$	\$	\$
Beginning balance April 1, 2023	291.692.059	(261.251.385)	30.440.674
Profit for the year	-	(665.379.615)	(665.379.615)
Ending Balance March 31, 2024	291.692.059	(926.631.000)	(634.938.941)

	Share Capital	Accumulated Result	Total Equity
	\$	\$	\$
Beginning balance April 1, 2024	291.692.059	(926.631.000)	(634.938.941)
Profit for the year		(380.602.417)	(380.602.417)
Ending Balance March 31, 2025	291.692.059	(1.307.233.417)	(1.015.541.358)

Statement of Cash Flows
For the years ended March 31, 2025 and 2024

	Note	31.03.2025 \$	31.03.2024 \$
Cash flows from operating activities			
Profit / loss		(380.602.417)	(665.379.615)
Non-monetary adjustments			
Vacation provision		23.823.773	33.167.151
Deferred tax		(160.992.702)	(252.153.556)
Interest		198.160.064	47.789.057
Depreciation Expenses		7.771.047	4.840.949
Working capital changes:			
Trade Receivables		(2.800.447.040)	(442.093.590)
Inventories, net		(3.614.521.572)	(1.491.032.801)
Other Current Assets		(578.698.135)	(389.110.047)
Other Financial Assets		(53.227.657)	(5.073.193)
Accounts payable		3.151.193.714	2.177.280.737
Provisions		5.004.076	155.311
Other current liabilities		4.134.236	7.126.190
Net cash generated from operating activities		(4.198.402.613)	(974.483.407)
Cash Flow from financial Activities			
Other Financial Liability		4.777.450	29.854.063
Borrowing from bank		2.986.746.040	1.148.390.807
Borrowing from Parent Company		1.891.115.346	
Interest Paid		(118.174.257)	(47.789.057)
Net cash generated from financial activities		4.764.464.579	1.130.455.813
Cash Flow from Investing Activities			
Purchase of PPE		(3.832.443)	(41.875.250)
Net cash generated from investing activities		(3.832.443)	(41.875.250)
Net movement in cash and cash equivalents		562.229.523	114.097.156
Cash and cash equivalents at beginning of year		119.714.806	5.617.650
Cash and cash equivalent at end of year	4	681.944.329	119.714.806

Main business activities and incorporation

The company was incorporated on 13 July 2022. Main business of company is trading of pharmaceutical drug. These financial statements are being prepared for the year ended 31 March 2025 and 31 March 2024.

1. Significant accounting policies

Significant accounting policies adopted in preparing these financial statements are described below.

As required by IFRS, these accounting policies have been designed based on the IFRS applicable.

1.1 Basis of preparation

The accompanying financial statements for the years ended March 31, 2025 and 31, March 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In preparing these financial statements Management has used its best understanding of IFRS, their interpretation and the facts and circumstances that are in effect on the date of its preparation.

In accordance with IFRS, certain estimates and accounting criteria are required for preparing the accompanying financial statements. In addition, in applying accounting policies, management is required to exercise judgment. The areas requiring a greater level of judgment or complexity, or where estimates are significant for the accounts presented, are disclosed in the Note on “Responsibility for the Information, Estimates, and Accounting Criteria”.

The general criteria used for the accounting valuation of its assets and liabilities is the cost, except for certain financial assets that are carried at fair value.

In applying IFRS, the Entity has evaluated the going concern hypothesis required by IAS 1, Presentation of Financial Statements. This evaluation is performed to verify that there is no indication of non-compliance with the going concern principle in the terms described in the standard above.

1.2 Accounting Periods

These financial statements cover the following periods:

- Statements of financial position as of March 31, 2025 and 2024.
- Statements of profit or loss for the year ended March 31, 2025, and March 31, 2024.
- Statements of changes in equity for the year ended March 31, 2025, and March 31, 2024.
- Statements of cash flows using the indirect method for the year ended March 31, 2025, and March 31, 2024.

1.3 Basis of presentation

The accompanying financial statements are presented in Chilean Pesos, as this is the presentation currency of the Company.

In the statement of financial position, assets and liabilities are classified according to their maturities between current, those with a maturity of less than twelve months; and non-current, those with a maturity of more than twelve months.

In turn, in statement of profit or loss classified by function are presented, identifying depreciation and personnel expenses, based on their nature and the cash flows statements are presented using the indirect method.

The statements of profit or loss, cash flows, and changes in equity show the for the years ended March 31, 2025 and 2024.

1.4 Responsibility for the information and estimates made.

The information contained in these financial statements is the responsibility of Company Management, which expressly states that they are aware of the information contained in the financial statements and accepts responsibility for the information included herein, as well as the application of the principles and criteria included in the International Financial Reporting Standards (IFRS).

In preparing these financial statements, certain estimates made by Company Management have been used to account for some of the assets, liabilities, revenue, expenses, and commitments recorded herein. Such estimates are based on Management's best knowledge and understanding of the reported amounts, events, or stocks.

1.5 Functional and presentation currency

The functional currency of the Company has been defined as the currency of the primary economic environment in which the entity operates. All transactions which are not in the functional currency are translated at the rate of exchange effective on the transaction date. Monetary assets and liabilities denominated in other currencies have been translated at the closing rates of exchange. Foreign exchange gains or losses are included in the net profit and loss account for the year under the line item 'Other operating gains or losses'.

1.6 Basis of conversion

Assets and liabilities in Chilean Pesos and Indexed Units of Account (known as Unidades de Fomento in Chile) are translated using the exchange rate effective at the date of the financial statements according to the following table:

	01.04.2025	01.04.2024
	\$	\$
U.S. Dollar	953.07	981.71
Unidad de fomento (UF)	38,894.11	37,093.52

1.7 Trade receivables

Trade receivables are carried at the original invoice amount less any expected credit loss. Provisions are established when there is evidence of non-payment risks, taking aging into account, previous experience and general economic conditions. A trade receivable is written off when deemed non-receivable, firstly against any provision available and then in the Statement of Profit and Loss.

1.8 Revenue recognition

Revenue from the sales of goods is recognized when the goods are delivered and titles have been transferred, at which time all the following conditions are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations.
- The entity can identify each party's rights regarding the goods or services to be transferred.
- The entity can identify the payment terms for the goods or services to be transferred.
- The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- It is probable that the entity will receive the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether the receipt of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration the entity will be entitled to may be less than the price set out in the contract if the consideration is variable because the entity may offer the customer a price concession.

1.9 Finance costs

All finance costs are recognized in profit or loss for the period in which they are incurred.

1.10 Income tax and deferred taxes

The income tax expense represents the sum of the tax currently payable and deferred taxes.

The Company determines the tax base and calculates its income taxes every year in accordance with currently effective laws.

1.11 Property, Plant and Equipment

Items of property, plant and equipment are measured at their cost, except for the costs periodically maintained, less accumulated depreciation and any accumulated impairment losses. The cost of items of property, plant and equipment includes not only its original purchase price, but also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

If there is an indication that there has been a significant change in the depreciation rate, useful life, or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Depreciation is recognized, so as to write off the cost or valuation of assets (other than freehold land and property under construction) less their residual values over their useful lives, using the straight-line method.

The main items of property, plant, and equipment and their respective useful lives are presented below:

Class of assets	Financial Useful Life
	Years
Machines & Equipment	3 - 22
Equipment and Furniture	8 - 10
Vehicles	8

1.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a moving average cost basis. The net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to sell.

1.13 Trade payables

Trade payables are regular credit obligations which bear no interest. The amounts of trade payables denominated in foreign currency are converted into the Entity's functional currency by using the exchange rate effective on the reporting date. Gains or losses due to change in foreign currency are included in "Other operating gains or losses".

1.14 Bank overdrafts and loans

The interest expense is recognized on the basis of the effective interest method and is included in finance costs. The amounts owed to banks and other financial institutions are presented as current or non-current under Other liabilities.

1.15 Provisions for employee benefits

The expense for employee vacations is recognized using the accrual method. This benefit applies to all staff and is a fixed amount depending on each employee's particular employment contract. This benefit is recorded at face value.

1.16 Dividend Distribution Policy

The distribution of dividends to shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders or when the corresponding obligation is set according to the laws in effect and the distribution policies established at the Shareholders' Meeting.

1.17 Capital Stock

The capital is represented by registered shares, all in a single series and without nominal value.

1.18 Provisions

Provisions are recognized when there is a current legal or constructive obligation arising from past events, when some payment is deemed necessary to settle the obligation and when the amount of such obligation can be measured reliably.

2. Financial risk management

Financial risks arising from the Company's activities are the credit risk, liquidity risk and market risk. These risks arise during the normal course of the Company's activities and Management handles the exposure to such risks in accordance with the latest policies, mission and vision of the Company.

a) Credit risk

This is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

b) Liquidity risk

This is the risk wherein the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to settle its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The market risk is attributable to all financial instruments sensitive to market risks, including foreign currency receivables and payables and long-term debt. We are exposed to the market risk that is primarily related to the foreign exchange rate risk. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue-generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

3. Accounting Pronouncements

a) Accounting pronouncements taking effect during 2024.

Standards, Interpretations and Amendments

Standards, Interpretations and Amendments	Date Issued	Effective Date
<p><u>IFRS 17, Insurance Contracts</u></p> <p>This IFRS replaces IFRS 4, which provided entities with a variety of choices to account for insurance contracts, which represented multiple different approaches. This made things complex when comparing entities in the same industry. IFRS 17 solves this problem by requiring that all insurance contracts be accounted for in a consistent manner, which benefits both the investors and insurance companies. Insurance obligations will be accounted for using current values instead of the historical cost. The information will be updated on a regular basis providing users of financial statements with more useful information.</p>	May 2017	<p>Effective for annual periods beginning on or after January 1, 2023.</p> <p>Early adoption permitted for entities that use IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, before the date of first application of IFRS 17.</p>
<p><u>Disclosure of Accounting Policies</u></p> <p>Amendments to IAS 1 and IFRS Practice Statement 2.</p> <p>These amendments aim to improve accounting policy disclosures and assist users of financial statements in deciding between changes in accounting estimates and changes in accounting policies.</p>	February 2021	<p>Effective for annual periods beginning on or after January 1, 2023. Early application was permitted.</p>
<p><u>Amendments to IAS 12</u></p> <p>Deferred tax related to assets and liabilities arising from a single transaction.</p> <p>The amendments reduce the initial recognition exemption in paragraphs 15 and 24 of IAS 12. Under the proposed amendments, the initial recognition exemption in IAS 12 would not apply to transactions that give rise to equal and offsetting amounts of taxable and deductible temporary differences.</p>	May 2021	<p>Effective for annual periods beginning on or after January 1, 2023. Early application was permitted.</p>

The initial application of these pronouncements has had no significant effect on the Entity.

3. Accounting Pronouncements (Continued)

b) Accounting Pronouncements issued but not yet effective

Standards, Interpretations and Amendments	Date Issued	Effective Date
<p><u>Classification of Liabilities as Current or Non-current</u> — Deferral of Effective Date. Amendments to IAS 1.</p> <p>The main issue relates to the conditions to be considered in classifying liabilities as current or non-current. The amendments aim to specify the conditions set out in the original standard.</p>	July 2020	Effective for annual periods beginning on or after January 1, 2024.
<p><u>Amendment to IAS 1 "Presentation of financial Statements"</u> on the classification of liabilities.</p> <p>This amendment specifies that liabilities will be classified as current or non-current depending on the rights in existence at the end of the reporting period. The classification will not be affected by the entity's expectations or the events subsequent to the reporting date (for example, a resignation or the non-compliance with an agreement). The amendment also clarifies what IAS 1 means when referring to the "settlement" of a liability.</p>	2020	Effective for annual periods beginning on or after January 1, 2024.
<p><u>Amendment to IFRS 16 "Leases"</u> In sale and leaseback.</p> <p>The amendment clarifies how an entity is to recognize the right of use of an asset and how is to recognize gains or losses in the financial statements.</p>	2022	Effective for annual periods beginning on or after January 1, 2024.
<p><u>IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information.</u></p> <p><u>IFRS S2: Climate-related Disclosures.</u></p> <p>Both standards will be mandatory for reporting annual periods beginning on, or after, January 1, 2024, so that stakeholders will be enabled to observe such related disclosures as of 2025. Certainly, there are some flexibilities for first-year disclosures. Jurisdictional Authorities in each country will decide whether to require companies to apply these standards.</p>	2023	Effective for annual periods beginning on January 1, 2024.

Considering the standards issued but not yet effective, Company Management is currently evaluating the impacts that they might generate.

4. Cash and cash equivalents

Cash and cash equivalents correspond to the cash-on-hand and in bank checking accounts, term deposits and other liquid investments with a maturity of less than 90 days.

As of March 31, 2025 and 2024, Cash and cash equivalents are as follows:

	31.03.2025	31.03.2024
	\$	\$
Banco Chile	558.856.882	118.354.546
HSBC Bank	123.087.447	1.360.260
Total	681.944.329	119.714.806

5. Trade and other receivables, net

As of March 31, 2025 and 2024, Trade and other receivables are as follows

	31.03.2025	31.03.2024
	\$	\$
Trade receivables	3.242.540.630	442.093.590
Total	3.242.540.630	442.093.590

6. Inventories, net

As of March 31, 2025 and 2024, Inventories, net, are as follows:

	31.03.2025	31.03.2024
	\$	\$
Finished goods	4.219.317.235	869.365.537
Inventory in transit	886.237.138	621.667.264
Total	5.105.554.373	1.491.032.801

7. Other current assets

As of March 31, 2025 and 2024, Current tax assets are as follows:

	31.03.2025	31.03.2024
	\$	\$
Prepaid Expenses	67.423.925	-
Other current assets	911.781.511	400.507.301
Total	979.205.436	400.507.301

8. Other financial assets

As of March 31, 2025 and 2024, Other current assets are as follows:

	31.03.2025	31.03.2024
	\$	\$
Monthly provisional payment	68.937.100	15.709.443
Total	68.937.100	15.709.443

9. Property, plant and equipment, net

a) As of March 31, 2025 and 2024, Property, plant and equipment is as follows:

	31.03.2025	31.03.2024
	\$	\$
Machines and equipment	9.519.870	5.687.427
Equipment and furniture	6.585.641	6.585.641
Vehicles	38.490.000	38.490.000
Accumulated depreciation	(13.261.839)	(5.490.792)
Total	41.333.672	45.272.276

b) The movements of property, plant and equipment for the periods specified is as follows:

Movements in 2025

	Machines and equipment	Equipment and furniture	Vehicles	Totals
Balance as of January 1, 2025	4.785.325	6.874.507	31.158.576	42.818.408
Additions	495.790	-	-	495.790
Other movements	-	-	-	-
Depreciation expense	(309.843)	(239.360)	(1.431.323)	(1.980.526)
Balance as of March 31, 2025	4.971.272	6.635.147	29.727.253	41.333.672

Movements in 2024

	Machines and equipment	Equipment and furniture	Vehicles	Totals
Balance as of January 1, 2024	3.783.516	4.454.459	-	8.237.975
Additions	1.625.985	1.759.265	38.490.000	41.875.250
Other movements	-	-	-	-
Depreciation expense	(818.648)	(814.803)	(3.207.498)	(4.840.949)
Balance as of March 31, 2024	4.590.853	5.398.921	35.282.502	45.272.276

10. Deferred taxes-net

a) Deferred tax assets and liabilities in each year are as follows:

Deferred-tax assets	31.03.2025	31.03.2024
	\$	\$
Provision for vacation leave	18.111.841	11.691.869
Property, plant and equipment	449.046	1.240.472
Tax loss	494.697.509	339.333.353
Total	513.258.396	352.265.694

b) Profit (loss) for Income tax recognized in comprehensive income:

	31.03.2025	31.03.2024
	\$	\$
Deferred taxes	(160.992.702)	(438.221.217)
Total	(160.992.702)	(438.221.217)

11. Financial liabilities - Borrowings

As of March 31, 2025 and 2024, financial liabilities are as follows:

	31.03.2025	31.03.2024
	\$	\$
Loans / Borrowings	4.211.272.135	1.225.197.340
Total	4.211.272.135	1.225.197.340

12. Accounts payable

As of March 31, 2025 and 2024, Accounts payable are as follows:

	31.03.2025	31.12.2024
	\$	\$
Accounts Payable (A/P)	796.394.745	108.480.339
Accounts Payable (A/P)-Related Parties	4.543.564.562	2.080.285.254
Total	5.339.959.307	2.188.765.593

a) Provisions

As of March 31, 2025 and 2024, provisions are as follows:

	31.03.2025	31.12.2024
	\$	\$
Provision for Vacation Expense	67.080.892	43.303.219
Provision for Other Expense	6.457.276	1.407.100
Total	73.538.168	44.710.319

13. Other financial liability

As of March 31, 2025 and 2024, other financial liabilities are as follows:

	31.03.2025	31.12.2024
	\$	\$
Salary Dues to Employee	34.631.513	29.854.063
Total	34.631.513	29.854.063

14. Other current liability

As of March 31, 2025 and 2024, other current liabilities are as follows:

	31.03.2025	31.12.2024
	\$	\$
Taxes and Duties Payable	17.141.773	13.007.537
Total	17.141.773	13.007.537

15. Financial liabilities – Borrowings from parent company

As of March 31, 2025 and 2024, financial liabilities – Borrowings from parent company are as follows:

	31.03.2025	31.12.2024
	\$	\$
Financial Liabilities - Borrowings from Parent Company	1.971.101.153	-
Total	1.971.101.153	-

16. Related-party balances and transactions, net

a) As of March 31, 2025 and 2024, accounts payable to related parties are as follows:

			31.03.2025	31.03.2024
			\$	\$
Intercompany	Concept	Relationship		
Alembic India	Trade Payable	Shareholder	4.529.017.920	2.074.813.397
Alembic India	Loan	Shareholder	1.971.101.153	-
Alembic India	Guarantee Commission	Shareholder	14.546.642	5.471.857
			6.514.665.715	2.080.285.254

			Transaction amount	Transaction amount
			31.03.2025	31.03.2025
			\$	USD
Intercompany	Item			
Alembic India	Guarantee Commission		(14.546.642)	(15.377)
Alembic India	Payment		4.156.373.151	4.411.835
Alembic India	Purchase		(5.779.373.900)	(6.138.754)
Alembic India	Purchase		(886.338.618)	(936.933)

Inter Company	Item	Transaction amount 31.3.25 \$	Transaction amount 31.3.25 USD
Alembic India	Loan Taken	1.892.000.000	2.000.000
Alembic India	Interest on Loan Taken	79.101.153	83.616

17. Share capital

As of March 31, 2025 and 2024, Share capital is as follows:

	31.03.2025 \$	31.12.2024 \$
Issued and fully paid-up share capital		
169 Ordinary shares at CLP TH 1.726 each.	291.692.059	291.692.059
Issued and unpaid capital		
831 Ordinary shares at CLP TH 1.726 each.	1.434.307.941	1.434.307.941
Authorized share capital (Issued capital)		
1000 Ordinary shares at CLP TH 1.726 each.	<u>1.726.000.000</u>	<u>1.726.000.000</u>

18. Revenue

As of March 31, 2025 and 2024, Revenue is as follows:

	31.03.2025 \$	31.03.2024 \$
Revenue from sales	<u>6.067.622.519</u>	<u>694.621.925</u>
Total	<u>6.067.622.519</u>	<u>694.621.925</u>

19. Cost of sales

As of March 31, 2025 and 2024, Cost of sales is as follows:

	31.03.2025	31.03.2024
	\$	\$
Cost of sales	4.543.437.958	616.982.284
Other costs	753.519.877	85.412.043
Total	5.296.957.835	702.394.327

20. General and administrative expenses

As of March 31, 2025 and 2024, General & Administrative expenses are as follows:

	31.03.2025	31.03.2024
	\$	\$
Product Registration Expense	137.249.024	147.768.470
Vacation Expenses	23.823.773	33.167.151
Payroll Taxes and Benefit Expense	561.163.107	333.793.184
Professional Fees	4.759.626	174.129
Consulting	22.767.018	41.294.217
Office expenses	33.832.165	20.677.209
Sales Expenses	10.040.506	11.470.673
Travel expenses	-	7.996.329
Chemical analysis	301.051.657	41.930.280
Other Expenses	11.355.890	5.700.598
Software Expense	25.318.413	12.036.806
Insurance Expense	27.713.575	11.326.352
Loss (Gain) on Direct Tax Balance	(34.227.734)	(5.256.765)
Total	1.124.847.020	662.078.633

21. Other operating gains or losses

As of March 31, 2025 and 2024, Non-operating gains or losses are as follows:

	31.03.2025	31.03.2024
	\$	\$
Other income (expenses)	111	737.814
Bank Charges and Fees	26.758.033	5.306.361
Guarantee Commission	14.546.642	5.471.857
Currency Correction	(59.823.114)	183.536.098
Total	(18.518.328)	195.052.130

22. Contingencies, claims, other

As of March 31, 2025, during the course of our audit, we have identified that the entity has not conducted a transfer pricing study in accordance with the applicable tax regulations in Article 41-e of the Income Tax Law. Failure to have an appropriate transfer pricing study may result in tax adjustments by the tax authorities, which could affect the entity's taxable base and lead to penalties and interest charges.

We recommend that the company conduct and document a transfer pricing study as soon as possible, in accordance with the methodologies and principles established by the SII.

23. Significant events

As of March 31, 2025, and prior to the issuance of these financial statements, the Company has reported that there are no significant events to disclose.

24. Subsequent events

Between April 1, 2025, and the date of issuance of these financial statements, there are no events that could significantly affect the financial position and/or results of the Company.