

NANOMI B.V.
AT OLDENZAAL

FINANCIAL REPORT 1 APRIL 2024 UNTIL 31 MARCH 2025

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MANAGEMENT BOARD'S REPORT

MANAGEMENT BOARD'S REPORT

The Company makes use of the exemption to draw up the management report for
1 April 2024 until 31 March 2025 as referred to article 2:396 paragraph 7 of the Dutch Civil Code.

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 MARCH 2025

(Before distribution of result)

		31-03-2025		31-03-2024	
		\$	\$	\$	\$
ASSETS					
FIXED ASSETS					
Tangible fixed assets	1				
Buildings		120,028		254,498	
Plant and equipment		2,228,277		2,477,368	
Property, plant and equipment under construction and prepayments of property, plant and equipment		1,554,721		1,334,841	
			3,903,026		4,066,707
Financial assets	2				
Participations in group companies	3	1,056,166,071		1,056,166,071	
Amounts due from group companies	4	8,000,000		-	
			1,064,166,071		1,056,166,071
CURRENT ASSETS					
Inventories and work in progress					
Raw materials and consumables	5		144,636		-
Receivables	6				
Trade debtors	7	233,483		-	
Amounts due from group companies	8	-		8,000,000	
Receivables, prepayments and accrued income	9	1,184,072		555,491	
			1,417,555		8,555,491
Cash and cash equivalents	10		11,957,645		3,895,228
Total assets			<u>1,081,588,933</u>		<u>1,072,683,497</u>

		31-03-2025		31-03-2024	
		\$	\$	\$	\$
EQUITY AND LIABILITIES					
EQUITY					
	11				
Issued and paid-up capital	12	347,662,000		335,162,000	
Share premium reserve		454,563,050		447,063,050	
Other reserves		254,450,982		277,888,300	
Result for the year		-5,967,694		-23,437,318	
			1,050,708,338		1,036,676,032
LONG-TERM LIABILITIES					
Liabilities to group companies	13	-		22,000,000	
Other long-term liabilities	14	-		5,458,500	
			-		27,458,500
CURRENT LIABILITIES					
Trade creditors	15	1,641,180		1,619,714	
Liabilities to group companies	16	22,465,844		378,073	
Taxes and social security premiums	17	113,683		48,322	
Other liabilities and accrued expenses	18	6,659,888		6,502,856	
			30,880,595		8,548,965
Total equity and liabilities			1,081,588,933		1,072,683,497

INCOME STATEMENT FOR THE PERIOD 01-04-2024 UNTIL 31-03-2025

		<u>2024 / 2025</u>		<u>2023 / 2024</u>	
		\$	\$	\$	\$
Net turnover	19		70,780		-
Wages and salaries	20	1,982,404		2,010,277	
Social security premiums and pension costs	21	601,722		537,225	
Depreciation of tangible fixed assets	22	1,251,423		1,548,236	
Other operating expenses	23	9,799,468		12,429,111	
Sum of expenses			<u>13,635,017</u>		<u>16,524,849</u>
Operating result			-13,564,237		-16,524,849
Result on participations / subsidiaries	24	8,519,338		2,737,132	
Interest and similar income	25	806,156		602,449	
Impairment of financial fixed assets	26	-		-3,301,978	
Interest and similar expenses	27	-1,728,951		-1,621,014	
Financial income and expense			<u>7,596,543</u>		<u>-1,583,411</u>
Result before tax			-5,967,694		-18,108,260
Taxation on result from ordinary business activities			-		-
			<u>-5,967,694</u>		<u>-18,108,260</u>
Share in result from participations	28		-		-5,329,058
Result after tax			<u><u>-5,967,694</u></u>		<u><u>-23,437,318</u></u>

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. The company is engaged in developing micro and nanosphere technology for the life sciences markets. The technology helps in drug delivery, molecular imaging, diagnostics, and research and analysis

Disclosure of going concern

Financial situation

Nanomi B.V. does not have enough free cash at the end of the 2024-2025 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, 2026 and for the period upto May 31, 2026.

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.

Inventories

Only raw materials, semi-final products and finished products for commercial purposes are being valued. Raw materials are valued at cost price based on the FIFO method or lower realisable value. Semi final and final products are valued at production costs depending on the stage of completion. Production costs include cost of used raw materials and disposables as well as other production costs that are directly attributable to the product.

The cost price consists of the historical cost or production cost and costs incurred in order to bring the stocks to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

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.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from co-development, partnerships after deduction of discounts and such like and of taxes levied on the turnover.

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 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 1 April 2024	254,498	2,477,368	1,334,841	4,066,707
Movements				
Additions	-	764,872	322,870	1,087,742
Depreciation	-134,470	-1,116,953	-	-1,251,423
Finished	-	102,990	-102,990	-
Balance movements	-134,470	-249,091	219,880	-163,681
Balance as at 31 March 2025				
Purchase price	2,024,217	16,329,413	1,554,721	19,908,351
Accumulated depreciation	-1,904,189	-14,101,136	-	-16,005,325
Book value as at 31 March 2025	120,028	2,228,277	1,554,721	3,903,026

The depreciation rate is 20%.

2 Financial assets

	31-03-2025	31-03-2024
	\$	\$

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	151,040
Medquimica Industria Farmaceutica LTDA (Brazil)	7,574,800	7,574,800
Lupin Inc. (US)	886,000,001	886,000,001
	<u>1,056,166,071</u>	<u>1,056,166,071</u>

	Aquisition cost	Impairment	Carrying value
	\$	\$	\$
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>

	2024 / 2025	2023 / 2024
	\$	\$

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>2024 / 2025</u>	<u>2023 / 2024</u>
	\$	\$
<i>Medquimica Industria Farmaceutica LTDA (Brazil)</i>		
Book value as at 1 April	7,574,800	10,876,778
Impairment	-	-3,301,978
Book value as at 31 March	<u>7,574,800</u>	<u>7,574,800</u>
<i>Generic Health Sdn Bhd (Malaysia)</i>		
Book value as at 1 April	151,040	136,427
Investments	-	14,613
Book value as at 31 March	<u>151,040</u>	<u>151,040</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	886,000,001
Balance movements	-	-
Book value as at 31 March	<u>886,000,001</u>	<u>886,000,001</u>

	31-03-2025	31-03-2024
	\$	\$
4 Amounts due from group companies		
Loan Medquimica Industria Farmaceutica LTDA (Brazil)	8,000,000	-
Loan Medquimica Industria Farmaceutica LTDA (Brazil)		
The loan must be repaid before March 31, 2028.		
The interest rate is 5.5% per annum.		
CURRENT ASSETS		
Inventories and work in progress		
5 Raw materials and consumables		
Raw materials and consumables	144,636	-
6 Receivables		
Receivables > 1 year		
All receivables have a remaining term of maturity of less than one year.		
7 Trade debtors		
Trade debtors	233,483	-
8 Amounts due from group companies		
Loan Medquimica Industria Farmaceutica LTDA (Brazil)	-	8,000,000
9 Other receivables and accrued income		
Taxes and social securities	296,186	237,630
Interest on loans from group companies	80,001	-
Intercompany receivables	103,613	97,356
Prepayments and accrued income	704,272	220,505
	1,184,072	555,491
Taxes and social securities		
Value added tax	296,186	237,630

	31-03-2025	31-03-2024
	\$	\$
10 Cash and cash equivalents		
ING Bank N.V., the Netherlands - Current Account	720,402	320,194
Citibank International PLC, the Netherlands - Current Account	3,063,124	887,926
State Bank of India, London - Current Account	28,651	29,231
Time deposit State Bank of India, London	8,145,468	2,657,877
	<u>11,957,645</u>	<u>3,895,228</u>

Cash and cash equivalents include deposits to the amount of 8,145,468 USD with maturities of up to May 26, 2025.

11 Equity

Movements in equity were as follows:

	Issued and paid-up capital	Share pre- mium reser- ve	Other reser- ves	Result for the year
	\$	\$	\$	\$
Balance as at 1 April 2024	335,162,000	447,063,050	277,888,300	-23,437,318
Result appropriation	-	-	-	23,437,318
Result for the year	-	-	-	-5,967,694
Result appropriation	-	-	-23,437,318	-
Share issuance	12,500,000	7,500,000	-	-
Balance as at 31 March 2025	<u>347,662,000</u>	<u>454,563,050</u>	<u>254,450,982</u>	<u>-5,967,694</u>

	Total
	\$
Balance as at 1 April 2024	1,036,676,032
Result appropriation	23,437,318
Result for the year	-5,967,694
Result appropriation	-23,437,318
Share issuance	20,000,000
Balance as at 31 March 2025	<u>1,050,708,338</u>

Statement of the proposed appropriation of the result

The Board of Directors proposes that the result for the financial year 2024/2025 amounting to USD 5,967,694 (negative) will be deducted from other reserves.

The financial statements do not yet reflect this proposal.

12 Issued and paid-up capital

On 30 July 2024 the Company issued 12,500 new shares with a nominal value of USD 1,000 against an issue price of USD 20,000,000. 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 347,662,000, divided in 347,662 ordinary shares with a nominal value of USD 1,000 each.

	31-03-2025	31-03-2024
	\$	\$
13 Liabilities to group companies		
Lupin Atlantis Holdings SA	-	22,000,000

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.

14 Other long-term liabilities

Milestone payment	-	5,458,500
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15 Trade creditors

Trade creditors	1,641,180	1,619,714
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16 Liabilities to group companies

Lupin Atlantis Holdings SA	22,000,000	-
Lupin Research Inc. (US)	1,143	34,265
Lupin Limited (India)	140,387	149,584
Lupin Atlantis Holdings SA (Swiss)	13,186	4,947
Lupin Management Inc. (US)	310,873	187,785
Hormosan Pharma GmbH (Germany)	255	1,492
	22,465,844	378,073

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.

17 Taxes and social security premiums

Wage tax	40,769	34,304
Pension premiums	72,914	14,018
	113,683	48,322

	<u>31-03-2025</u>	<u>31-03-2024</u>
	\$	\$
18 Other liabilities and accrued expenses		
Bonus employees	436,340	485,671
Holiday allowance	370,539	321,724
Other amounts payable	277,907	219,079
Prepayments	161,752	-
Milestone payments	5,413,350	5,476,382
	<u>6,659,888</u>	<u>6,502,856</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. During the financial year 2024/2025, the Company paid Milestone 3 in the amount of USD 5,458,500 to the sellers.

The remaining Milestone is Milestone 4 (USD 5,413,350) (the Milestone Payment Obligations). These Milestone Payment Obligation will be paid as soon as the criteria of the 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 2024/2025 the Company realised fiscal losses up to USD 92,750,485 (2023/2024 USD 78,632,451) 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 BV for the financial year 2022/2023), the taxable profit in a financial year can only be compensated with available losses for an amount of EUR 1 million, and 50% of the taxable profit exceeding EUR 1 million. This applies to both carry back and carry forward of losses. Simultaneously, the limitation in time of loss carry forward has been abolished, which means that losses will be available to offset future taxable profits for an indefinite period.

The Company has not recognized a deferred tax asset amounting to USD 38,553,640 in respect of these losses due to the uncertainty regarding the availability of future taxable profits against which these losses can be utilized. The Company will continue to review the potential for recognizing this deferred tax asset in future periods as the certainty of future taxable profits becomes clearer.

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 145,000 (2023-2024 USD 141,000) annum. The rent mainly expires 14 May 2025 and 28 February 2028.

The Company has signed a various lease contracts for up to eight cars. The lease is USD 92,000 (2023-2024: USD 105,000) per annum. The lease current expires December 2029.

Bank facility:

The current account overdraft facility at the bank amounts to USD 550,000 as at 31 March 2025 (USD 550,000 as at 31 March 2024), and the interest rate is 3.16% 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 1,100,000 (2023-2024: USD 715,000).

NOTES TO THE INCOME STATEMENT

	2024 / 2025	2023 / 2024
	\$	\$
19 Net turnover		
Services for CDMO	70,780	-
20 Wages and salaries		
Gross wages and salaries	3,226,420	3,024,468
Mutation holiday allowance	47,156	9,756
Grant received WBSO	-1,291,172	-1,023,947
	1,982,404	2,010,277
21 Social security premiums and pension costs		
Social security charges	429,462	373,582
Pension costs	172,260	163,643
	601,722	537,225
22 Depreciation of tangible fixed assets		
Depreciation of property, plant and equipment	1,251,423	1,548,236
Depreciation of property, plant and equipment		
Depreciation buildings	134,470	170,895
Depreciation plant and equipment	1,116,953	1,291,216
Accelerated depreciation machinery	-	86,125
	1,251,423	1,548,236
23 Other operating expenses		
Other expenses of employee benefits	196,759	365,523
Housing expenses	318,273	566,708
Car expenses	105,807	108,867
Office expenses	238,381	332,865
General expenses	1,594,485	1,966,744
R&D expenses	7,456,954	9,088,404
MDIEU Grant	-111,191	-
	9,799,468	12,429,111
24 Result on participations / subsidiaries		
Dividend received from participations / subsidiaries	8,519,338	2,737,132
Dividend received from participations / subsidiaries		
Multicare Pharmaceuticals Philippines Inc.	2,075,640	1,664,171
Lupin Philippines, Inc.	1,033,948	1,072,961
Hormosan Pharma GmbH (Germany)	5,409,750	-
	8,519,338	2,737,132

	<u>2024 / 2025</u>	<u>2023 / 2024</u>
	\$	\$
25 Interest and similar income		
Interest income from group companies	324,449	325,338
Other interest received	481,707	277,111
	<u>806,156</u>	<u>602,449</u>
Interest income from group companies		
Interest income Medquimica Undustria Farmaceutica LTDA	<u>324,449</u>	<u>325,338</u>
Other interest received		
Exchange differences (unrealized)	-	97,961
Interest income on time deposit	481,707	178,281
Other interest and similar income	-	869
	<u>481,707</u>	<u>277,111</u>
26 Impairment of financial fixed assets		
Impairment Medquimica Industria Farmaceutica LTDA (Brazil)	<u>-</u>	<u>-3,301,978</u>
27 Interest and similar expenses		
Interest liabilities to group companies	825,000	858,631
Withholding tax	310,959	273,707
Other interest expenses	592,992	488,676
	<u>1,728,951</u>	<u>1,621,014</u>

	<u>2024 / 2025</u>	<u>2023 / 2024</u>
	\$	\$
Interest liabilities to group companies		
Interest Lupin Atlantis Holdings SA	825,000	858,631
	<u> </u>	<u> </u>
Withholding tax		
Interest tax authorities	310,959	273,707
	<u> </u>	<u> </u>
Other interest expenses		
Interest expense banks	510,651	488,676
Exchange differences (unrealized)	82,341	-
	<u>592,992</u>	<u>488,676</u>
	<u> </u>	<u> </u>
28 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>2024 / 2025</u>	<u>2023 / 2024</u>
Average number of employees over the period working in the Netherlands	46.00	43.00
Total of average number of employees over the period	<u>46.00</u>	<u>43.00</u>

Oldenzaal, 30 April 2025
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

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

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INDEPENDENT AUDITORS' REPORT

A. Report on the audit of the financial statements 1 April 2024 until 31 March 2025

Our opinion

We have audited the financial statements for the year ended 31 March 2025 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 2025, and of its result for the period 1 April 2024 until 31 March 2025 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 2025;
- 2.the profit and loss account for 1 April 2024 until 31 March 2025; 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 the board 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, 30 April 2025

Baker Tilly (Netherlands) N.V.

Original has been signed by:

drs. G.J. Kamerling RA