

Torrent do Brasil Ltda.

Financial Statements as of March 31, 2026

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KPMG Auditores Independentes Ltda.

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Report on the Audit the Financial Statements of Torrent do Brasil Ltda

To the Shareholders and Management of
Torrent do Brasil Ltda
São Paulo- SP

Opinion

We have audited the financial statements of Torrent do Brasil Ltda (“the Company”), which comprise the statement of financial position as at March 31, 2026, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Basis for Opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

São Paulo, May 04, 2026

KPMG Auditores Independentes Ltda
CRC 2SP-014428/O-6



Marcelo R. Ramos
Contador CRC 1SP289398-O1

Torrent do Brasil Ltda.

Balance sheet as of March 31, 2025 and March 2026

(amounts expressed in thousands of brazilian Reais - R\$)

Asset	Note	03/31/2026	03/31/2025	Liability	Note	03/31/2026	03/31/2025
Cash and cash equivalents	4	147,038	100,675	Suppliers	12	305,069	259,119
Trade accounts receivable	5	282,816	269,301	Lease liability	11	2,771	4,116
Inventories	6	150,887	151,114	Current income tax	8	26,256	19,827
Recoverable taxes		-	135	Tax liabilities	14	4,732	6,255
Other receivables		7,057	7,180	Labor liabilities	15	22,949	24,779
Total current asset		587,798	528,405	Unrealized loss on derivatives	21	9,479	7,755
Judicial Deposit		3,219	4,423	Other accounts payable		5,980	9,045
Deferred tax	8	53,265	49,864	Total current liability		377,236	330,896
Total long-term receivables		56,484	54,287	Lease liability	11	24,579	18,022
Fixed assets	9	28,006	22,144	Provision for contingencies	16	49,903	44,644
Intangible	10	28,645	15,793	Total non-current		74,482	62,666
Right of use	11	24,665	22,117	Equity			
		81,316	60,054	Share capital	17	19,144	19,144
Total non-current		137,800	114,341	Accumulated income		254,736	230,040
				Total equity		273,880	249,184
Total asset		725,598	642,746	Total liability and equity		725,598	642,746

The accompanying notes are an integral part of these financial statements.

Torrent do Brasil Ltda.
Statement of comprehensive income
For the year ended march 2025 and march 2026

(amounts expressed in thousands of brazilian Reals - R\$)

	<u>03/31/2026</u>	<u>03/31/2025</u>
Income profit	24,695	23,469
Other comprehensive income	<u>-</u>	<u>-</u>
Total of other comprehensive profit	<u><u>24,695</u></u>	<u><u>23,469</u></u>

The accompanying notes are an integral part of these financial statements.

Torrent do Brasil Ltda.

Statements of income

For the year ended March 25 and March 26

(amounts expressed in thousands of brazilian Reals - R\$)

	Note	03/31/2026	03/31/2025
Revenue	18	816,532	728,145
Cost of sales	19	<u>(446,303)</u>	<u>(382,322)</u>
Gross profit		370,229	345,822
Sales expenses	20	(245,602)	(234,709)
Administrative expenses	20	(73,630)	(66,409)
Loss (Gain) on impairment of trade accounts receivable	5	(870)	200
Income before net financial income and taxes		50,127	44,904
Financial revenues	7	28,859	21,884
Financial expenses	7	<u>(31,461)</u>	<u>(25,936)</u>
Net financial income		(2,602)	(4,052)
Profit before taxes		47,525	40,852
Current income tax and social contribution	8	(26,231)	(27,770)
Deferred income tax and social contribution	8	3,402	10,387
Income tax and social contribution		(22,830)	(17,383)
Income profit		<u>24,695</u>	<u>23,469</u>

The accompanying notes are an integral part of these financial statements.

Torrent do Brasil Ltda.

Statement of changes in shareholders' equity

For the year ended march 2025 and march 2026

(amounts expressed in thousands of brazilian Reais - R\$)

	Note	Capital subscribed	Capital to be subscribed	Accumulate d income	Total
Balance as of april 01, 2024		<u>25,000</u>	<u>(5,856)</u>	<u>206,571</u>	<u>225,715</u>
Income profit		-	-	23,469	23,469
Balance as of march 31, 2025		<u>25,000</u>	<u>(5,856)</u>	<u>230,040</u>	<u>249,184</u>
Income profit		-	-	24,695	24,695
Balance as of march 31, 2026		<u>25,000</u>	<u>(5,856)</u>	<u>254,736</u>	<u>273,880</u>

The accompanying notes are an integral part of these financial statements.

Torrent do Brasil Ltda.

Statement of cash flows - indirect method
For the year ended March 25 and March 2026

(amounts expressed in thousands of Brazilian Reals - R\$)

	Note	03/31/2026	03/31/2025
Income profit		24,695	23,469
Adjustments for:			
Depreciation and amortization	9, 10 e 11	8,011	6,312
Disposal of fixed assets	9 e 10	2,313	-
Trade accounts receivable impairment	5	871	(201)
Provision for inventory write-off and impairment	6	17,485	9,537
Current and Deferred income tax	8	22,830	18,128
Unrealized gain/losses on derivatives	7	1,724	7,464
Lease interest	11	5,085	175
Gain on derivatives	7	23,151	-
Accrued payroll and related charges	15	1,607	1,323
Provision for discounts and returns	5	1,380	3,115
Provisions for contingencies	16	5,259	5,037
		114,411	74,360
Changes in:			
Trade accounts receivables	5	(15,766)	(41,136)
Inventories	6	(17,258)	(96,364)
Tax recovery		135	-
Other accounts receivables		123	136
Judicial deposits		1,204	1,124
Suppliers and other accounts payable	12	45,950	122,386
Other accounts payable		(3,065)	3,002
Tax liabilities	14	(1,523)	751
Labor liabilities	15	(3,437)	1,299
Gain on derivatives		(23,151)	-
Cash generated from operating activities		97,623	65,558
Income taxes paid		(19,802)	(27,245)
Interest paid on lease	11	(5,085)	(175)
Net cash from operating activities		72,736	38,139
Cash flows from investing activities			
Acquisition of property, plant and equipment	9 e 10	(25,559)	(22,787)
Net cash used in investing activities		(25,559)	(22,787)
Cash flows from financing activities			
Lease agreements paid	11	(813)	(3,587)
Net cash from financing activities		(813)	(3,587)
Net increase / (decrease) in cash and cash equivalents		46,363	11,765
Cash and cash equivalents at 1 April	4	100,675	88,910
Cash and cash equivalents at 31 Mar	4	147,038	100,675
Net increase / (decrease) in cash and cash equivalents		46,363	11,765

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

(In thousands of Reais)

1 Operational context

Torrent do Brasil Ltda. ("Company") with headquartered at Av. Tamboré, 1180, modules A4 and A5, in the city of Barueri, state of São Paulo, has its office located at Avenida Dr. Chucri Zaidan, 1.240, 24th floor, in the city of São Paulo, state of São Paulo, and has its warehouse located at Rodovia Fernão Dias, Sem número, Bairro Distrito Industrial Jardim, in the city of Extrema-MG, with the company's fiscal year from April 1st to March 31st.

The Company's social objective is the import, storage, distribution, sale and export of chemical products, drugs, pharmaceuticals and allopathic medicines, herbal medicines, homeopathic, hygiene, cosmetics, food supplementation and related products. The product line currently marketed includes products from the Cardiovascular, Antidiabetic, Central Nervous System, Oncologies and Generic segments.

Currently, more than 96% of inventory purchases for sales come from transactions with related parties, with Torrent Pharmaceuticals Ltd as the main supplier and 4% comes from purchases from other suppliers outside the Torrent Group.

2 Basis of preparation

a. Statement of conformity

These financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil (BR GAAP).

The issuance of the financial statements was approved by the Company's management on 04 maio 2026.

Details on the Company's material accounting policies are set out in Note 3.

All relevant information in the financial statements, and only the information in the financial statements, is being disclosed and corresponds to that used by Management in its management.

b. Basis of measurement

The Company's financial statements have been prepared on a historical cost basis, with the exception of derivative financial instruments, measured at fair value through profit or loss.

c. Functional currency and presentation

These financial statements are presented in Reais, which is the Company's functional currency. All balances have been rounded to the nearest thousand Reais (R\$), unless otherwise noted.

d. Use of estimates and judgments

In preparing these financial statements, management has used judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to the estimates are recognized prospectively.

Uncertainties and judgments about assumptions and estimates

The items in the financial statements that require critical judgments regarding the accounting policies adopted on the amounts recognized in the financial statements are:

- **Note 8** - Deferred income tax and social contribution: availability of future taxable profit against which tax losses can be used;
- **Note 11** – Leases: initial recognition at present value;
- **Note 16** - Provision for contingencies: main assumptions about the probability and magnitude of outflows
- **Note 21** – Derivative financial instruments: fair value measurement

Fair Value Measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In measuring the fair value of an asset or a liability, the Company uses observable market data as much as possible. Fair values are classified at different levels in a hierarchy based on the inputs used in valuation techniques as follows:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets and liabilities.
- **Level 2:** inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- **Level 3:** inputs, for assets or liabilities, that are not based on observable market data (unobservable inputs).

Additional information on the assumptions used in the measurement of fair values is included in the following explanatory note **21 - Financial instruments**.

3 Material Accounting Policies

The material accounting policies used in the preparation of the financial statements are summarized below. These practices are consistent with those adopted in the previous period, unless otherwise indicated:

- Foreign currency transactions, conversion and foreign operations**
Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange rate differences resulting from the settlement of transactions in foreign currency is recognized as income or expense for the period in which they occur. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are converted at the closing rate. The resulting exchange rate differences are recognized in the income statement. Exchange rate differences considered as an adjustment to borrowing costs are presented in the income statement, within the financial costs. Non-cash assets and liabilities are accounted for at the rates prevailing on the date of the transaction.
- Cash and cash equivalents**

Cash and cash equivalents consist of cash equivalents, short demand deposits and highly liquid investments, which are readily convertible into a known amount of cash and which are subject to negligible risk of value change. Short-term means investments with original maturities/holding period of three months or less from the date of investments. Bank overdrafts, if any, which are repayable on demand and are an integral part of the Company's cash management, are included as a cash component and cash equivalents for the purposes of the cash flow statement.

c. Inventories

Inventories are recorded at the lower of cost and net realizable value.

The cost of acquiring inventories comprises the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from the taxing authorities), and transportation, handling and other costs directly attributable to bringing the inventory to its existing location and condition. Trade discounts, rebates, and other similar items are deducted in the determination of purchase costs.

Net realizable value is the estimated sale price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make sales.

The Company considers various factors such as shelf life, inventory expiration, product discontinuation, price variations, and any other factor that has an impact on the Company's business in determining the provision for obsolete, unsaleable, and slow-moving inventory. The Company considers the above factors and adjusts the inventory allowance to reflect its actual experience on a periodic basis under the heading of "Cost of goods sold".

d. Fixed Assets

Fixed assets are recorded at acquisition or construction cost, less accumulated depreciation, and any accumulated impairment losses. The cost of fixed assets is made up of their purchase price, taxes and non-refundable contributions, freight and other ancillary expenses related to the acquisition and installation of the respective assets.

The borrowing cost attributable to the financing of the acquisition or construction of the qualifying fixed assets is capitalized in the respective assets when the time taken to put the assets into use is substantial.

When the main items of the asset have different useful lives, they are accounted for as separate items of the fixed asset. The replacement cost of any property, plant and equipment item is recognized in the carrying amount of the item if it is likely that the future economic benefit associated with the item will flow to the Company and its cost can be measured with confidence.

An asset item is retired after disposal or when there are no future economic benefits resulting from its use. The difference between the sales results and the carrying value of the asset is recognized in the income statement.

Depreciation of fixed assets is provided by the straight-line method based on the useful life of the assets estimated by management. Estimated useful lives, residual values and the depreciation method are reviewed at each year-end and changes in estimates, if any, are accounted for prospectively.

The estimated useful lives of fixed assets are:

	Useful life 2026-2025 (Years)
Computers and accessories	5
Installations	10
Machinery and equipment	10
Furniture	10

e. Intangible

Intangible assets acquired separately are measured at acquisition cost. Intangible assets acquired through a business combination are measured at fair value on the date of the business combination. After initial recognition, intangible assets are recorded at cost, less accumulated amortization and impairment losses, if any.

Intangible assets are amortized over the estimated useful life using the straight-line method. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and is modified in the estimates if there is a forward-looking accounting.

Acquired research and development intangible assets that are under development are recognized as intangible assets under development. These assets are not amortized but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognized as an expense in the statement of profit and loss

The estimated useful life of the intangible assets, mainly software, is 5 years and the license to commercialize products is up to 7 years.

Type of intangible asset	Useful life
Software	5 years
Product licences	3 to 7 years

f. Impairment allowance

Non-derivative financial assets

Financial instruments and contractual assets

The Company recognizes provisions for expected credit losses on:

- financial assets measured at amortized cost;
- contract assets.

The Company measures the provision for loss of assets (including customer receivables) in an amount equal to the expected credit loss for life, except for the items described below, which are measured as an expected credit loss for 12 months:

- debt securities with low credit risk at the balance sheet date; and

- other debt securities and bank balances for which credit risk (i.e. default risk over the expected life of the financial instrument) has not increased significantly since initial recognition.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without unreasonable cost or effort. This includes quantitative and qualitative information and analysis, based on historical experience. The Company considers forward-looking information.

The Company assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days overdue.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without resorting to actions such as the realization of the guarantee (if any); or
- the financial asset has been overdue for more than 180 days.

Measurement of expected credit losses

Expected credit losses are estimates weighted by the historical probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between the cash flows owed to the Company under the contract and the cash flows that the Company expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

Financial assets with recovery problems

On each balance sheet date, the Company assesses whether the financial assets accounted for at amortized cost are in recovery problems.

A financial asset has "recovery problems" when one or more events occur that have a detrimental impact on the financial asset's estimated future cash flows.

Objective evidence that financial assets have had recovery problems includes the following observable data:

- significant financial difficulties of the debtor;
- breach of contractual clauses, such as default or delay of more than 90 days;
- restructuring of an amount due to the Company under conditions that would not be accepted under normal conditions;
- the likelihood that the debtor will go bankrupt or undergo another type of financial reorganization; or
- the disappearance of active market for the title because of financial difficulties.

Presentation of the provision for expected credit losses on the balance sheet

The loss allowance for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering the financial asset in whole or in part. The Company makes an individual assessment of the timing and value of the write-off based on whether or not there is a reasonable expectation of recovery. The Company does not expect any significant recovery of the written off value. However, the written off financial assets may still be subject to credit enforcement for the fulfillment of the Company's procedures for the recovery of amounts due.

Non-financial assets

Property plant & equipment and intangible assets with defined useful lives are valued for recoverability whenever there is any indication that their carrying amount may not be recoverable. If there is such an indication, the recoverable amount (ie the fair amount less the cost of sale and the value in use) is determined on the basis of the individual asset, unless the asset does not generate cash flows that are largely independent of those other assets. In such cases, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

For impairment tests, assets are grouped into Cash-Generating Units (UGC), i.e., the smallest possible group of assets that generate cash inflows through their continued use, which are largely independent of cash inflows from other assets or UGCs. The goodwill of business combinations is allocated to the UGCs or groups of UGCs that are expected to benefit from the synergies of the combination.

If the recoverable amount of an asset (or UGC) is estimated to be less than its carrying amount, the carrying amount of the asset (or UGC) is reduced to its recoverable amount. An impairment loss is recognized in the income statement to such extent. When an impairment loss subsequently reverses, the asset's carrying amount (or UGC) is increased to the revised estimate of its recoverable amount such that the increase in carrying amount does not exceed the carrying amount that would have been determined as a recognized loss for the asset (or UGC) in previous years. A reversal of an impairment loss is recognized immediately in the income statement.

g. Revenue recognition

Revenue is measured in the consideration received or receivable. Revenue from the sale of goods includes excise taxes and is net of discounts, applicable taxes, *chargebacks*, and estimated returns.

Revenue is recognized when the performance obligations set forth in the product contracts are met, where control of the assets is transferred to the buyer, the possibility of recovery of the consideration is likely, the amount of revenue and cost incurred or to be incurred in connection with the transaction can be safely measured, and there is no ongoing administrative involvement over the goods sold.

A chargeback claim is made by the customer for the difference between the price at which the product is initially invoiced to the customer and the net price at which it is agreed to be sold to

a third party. Provisions and accruals for chargebacks, rebates, returns are estimated based on historical experience, market conditions, and specific contractual terms. The methodology and assumptions used to estimate rebates and returns are regularly monitored and adjusted in accordance with contractual and legal obligations, historical trends in business practices, past experience and projected market conditions.

Revenue from agreements that include the performance of obligations is recognized in the period in which the Company completes all of its performance obligations.

h. Financial revenue and financial expenses

The Company's financial income and expenses comprise:

- interest income;
- interest expenses;
- net gains/losses on financial assets measured at fair value through profit or loss;
- net gains/losses from exchange variation on financial liabilities.

Interest revenue and expense are recognized in profit or loss using the effective interest method.

The effective interest rate is the rate that accurately discounts the estimated future cash payments or receipts over the expected life of the financial instrument by:

- gross book value of the financial asset; or
- the amortized cost of the financial liability.

i. Short-term employee benefits

Short-term employee benefit obligations are recognized as personnel expenses as the corresponding service is rendered. The liability is recognized at the amount of the expected payment if the company has a present legal obligation, and the obligation can be reliably estimated.

j. Provisions and contingent liabilities

Provisions

A provision is recognized, on the basis of a past event, if there is a present obligation, which is legal or constructive, which can be reliably estimated, and an economic resource is likely to be required to pay off the obligation. If the obligation is expected to be settled more than 12 months after the end of the reporting date or does not have a defined settlement date, the provision is recorded as a non-current liability after giving effect at the time value of money, if material. When the discount is used, the increase in the provision due to the passage of time is recognized as a financial cost.

Contingent liabilities

A possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control or; present obligation that arises from past events where an outflow of funds incorporating economic benefits is not likely to be necessary to settle the

obligation; or the value of the obligation cannot be measured with sufficient reliability, are disclosed as contingent liabilities and not provisioned.

k. Tax

Income tax and social contribution are current and deferred taxes.

Current income tax

The expense for income tax and social contribution is based on the taxable income for the year. Taxable income differs from income presented in the income statement because it excludes taxable or deductible income or expenses in other years, in addition to excluding non-taxable or non-deductible items on a permanent basis.

The expense for income tax is calculated based on the tax rate considering the tax benefits on operating profit. The provision for social contribution is calculated based on the tax rate for the year. The amounts of income tax and social contribution are calculated at the rates of 25% and 9%, respectively.

Management periodically evaluates the positions taken by the Company in the calculation of income tax in relation to situations in which the applicable tax regulations give rise to interpretation. It establishes provisions, where appropriate, based on the estimated amounts of payment to the tax authorities.

Deferred income tax

Deferred income tax and social contribution ("deferred tax") are recognized on the temporary differences at the end of each reporting period between the balances of assets and liabilities recognized in the financial statements and the corresponding tax bases used in calculating taxable income, including the balance of tax losses, where applicable.

Deferred tax liabilities are generally recognized on all taxable temporary differences and deferred tax assets are recognized on all deductible temporary differences only when the Company is likely to generate future taxable profits in an amount sufficient for such deductible temporary differences to be used.

The recovery of the balance of deferred tax assets is reviewed at the end of each reporting period and, when it is no longer likely that future taxable profits will be available to enable the recovery of all or part of the asset, the balance of the asset is adjusted by the amount that is expected to be recovered.

Deferred tax assets and liabilities are measured at the rates applicable in the period in which the liability is to be settled or the asset to be realized, based on the rates set forth in the tax legislation in force at the end of each reporting period, or when the new legislation has been substantially passed.

Deferred tax assets and liabilities are offset only if certain criteria are met.

l. Financial Instruments

Recognition and initial measurement

Accounts receivable from customers and debt securities issued are initially recognized on the date they were originated. All other financial assets and liabilities are recognized initially when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable from customers without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured in at FVTPL (fair value through profit or loss), the transaction costs that are directly attributable to its acquisition or issuance. A receivable from customers without a significant financing component is initially measured at the price of the transaction.

Subsequent Classification and Measurement

Financial assets

At initial recognition, a financial asset is classified as measured: at amortized cost; or to the FVTPL (Fair Value through Profit or Loss).

Financial assets are not reclassified subsequent to initial recognition, unless the Company changes the business model to financial asset management, in which case all affected financial assets are reclassified on the first day of the submission period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured in the FVTPL:

- it is kept within a business model whose objective is to maintain financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related only to the payment of principal and interest on the outstanding principal amount.

All financial assets not classified as measured at amortized cost are classified as at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or FVTPL if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company conducts an assessment of the business model objective in which a financial asset is held in the portfolio because this better reflects the manner in which the business is managed and the information is provided to Management. Information considered includes:

- the policies and objectives stipulated for the portfolio and the practical functioning of these policies. They include the question of whether Management's strategy focuses on obtaining contractual interest income, maintaining a certain interest rate profile, matching the duration of financial assets to the duration of related liabilities or expected cash outflows, or realizing cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial asset held in that business model) and the way in which those risks are managed;

- how the managers of the business are compensated – for example, whether the compensation is based on the fair value of assets managed or the contractual cash flows obtained; and
- the frequency, volume and timing of sales of financial assets in the preceding periods;
- the reasons for such sales and your expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, consistent with the continued recognition of the Company's assets.

Financial assets held for trading or managed at fair value performance are measured at fair value through profit or loss.

Financial assets – Assessment of whether contractual cash flows are only principal and interest payments

For the purposes of this valuation, the 'principal' is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding over a given period of time and for the other basic risks and costs of borrowing (e.g. liquidity risk and administrative costs), as well as a profit margin. The Company considers the contractual terms of the instrument to assess whether the contractual cash flows are only principal and interest payments. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of contractual cash flows in such a way that it would not meet that condition. In making this assessment, the Company considers:

- contingent events that modify the value or timing of cash flows;
- terms that may adjust the contractual rate, including variable rates;
- prepayment and extension of the deadline; and
- the terms that limit the Company's access to cash flows from specific assets (e.g., based on the performance of an asset).

Prepayment is consistent with the criterion for principal and interest payments if the amount of the prepayment represents, for the most part, unpaid principal and interest amounts on the outstanding principal amount – which may include reasonable compensation for early termination of the contract. In addition, with respect to a financial asset acquired for an amount less than or greater than the nominal value of the contract, the allowance or requirement of prepayment for an amount that represents the nominal value of the contract plus contractual interest (which may also include reasonable compensation for early termination of the contract) accrued (but not paid) is treated as consistent with this criterion if the fair value of the prepayment is negligible at recognition initial.

Financial assets - Subsequent measurement and gains and losses

Financial assets to FVTPL	These assets are subsequently measured at fair value. Net income, including interest or dividend income, is recognized in profit or loss.
Financial assets at amortized cost	Those assets are subsequently measured at 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 in the income statement. Any gain or loss in derecognition is recognized in the result.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities were classified as measured at amortized cost or at FVTPL. 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 FVTPL are measured at fair value and net income, including interest, is recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in the profit or loss. Any gain or loss in derecognition is also recognized in the result.

Derecognition

Financial assets

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

The Company enters into transactions in which it transfers assets recognized on the balance sheet, but retains all or substantially all of the risks and rewards of the transferred assets. In such cases, financial assets are not derecognized.

Financial liabilities

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 materially 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 carry over cash or assumed liabilities) is recognized in profit or loss.

Offsetting

Financial assets or liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

The Company holds derivative financial instruments to hedge its exposures to foreign currency variation risks of related party suppliers and interest rates. Embedded derivatives are separate from their host contracts and recorded separately in case the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value and changes in fair value are typically recorded in profit or loss.

Impairment of financial assets

The impairment model applies to financial assets measured at amortized cost and contract assets, but not to investments in equity instruments.

The following table explains the original measurement categories in CPC 48 for each class of the Company's financial assets and liabilities.

Financial Assets	Measurement Basis - CPC 48
Cash and cash equivalents	Amortized cost
Trade accounts receivables	Amortized cost
Unrealized gains on derivative	Fair value through profit or loss
Financial Liabilities	
Suppliers	Amortized cost
Suppliers - Related Parties	Amortized cost
Unrealized losses on derivatives	Fair value through profit or loss

m. Leases

Lease assets are initially recognized as a right-of-use asset and subsequently measured by the cost model. Lease liabilities are initially measured at the present value of future lease payments, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the location in which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, minus any rental incentives received. Exemption is provided for short-term leases and low-value underlying items.

Accounting for leases to lessors remains essentially unchanged, except for additional guidance and new disclosure requirements.

As a Lessee

As a lessee, the Company leases real estate. The Company recognizes right-of-use assets and lease liabilities for all such leases – i.e., these leases are on the balance sheet.

At the beginning or modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on its individual price.

However, for real estate leases, the Company has chosen not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated on a straight-line basis from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of the property, plant and equipment. In addition, the right-of-use asset is periodically written down by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability is measured initially at the present value of lease payments that are not made on the commencement date, discounted by the interest rate implied by the lease implied interest rate or, if such rate cannot be immediately determined, by the Company's incremental lending rate. Generally, the Company uses its incremental rate on loan as the discount rate.

The Company determines its incremental rate on loans by obtaining interest rates from various external funding sources of financing and making certain adjustments to reflect the terms of the agreement and the type of the asset being leased.

The lease payments included in the measurement of lease liability comprise the following:

- fixed payments, including fixed payments in essence;
- variable lease payments that depend on index or rate, initially measured using the index or rate on the start date;
- amounts that are expected to be paid by the lessee, in accordance with the residual value guarantees; and
- the exercise price of the call option if the lessee is reasonably certain to exercise that option, and payments of termination penalties if the lease term reflects the lessee exercising the option to terminate the lease

The lease liability is measured at amortized cost, using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in index or rate, if there is a change in the amounts that are expected to be paid under the residual value guarantee, if the Company changes its valuation whether it will exercise a purchase, extension or termination option, or if there is a fixed revised lease payment in essence.

When the lease liability is remeasured in this way, an adjustment corresponding to the carrying amount of the right-of-use asset is made or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investable property under "Right of Use" and lease liabilities under "lease liabilities" on the balance sheet.

n. Other standards and interpretations adopted and not adopted

A series of new rules will be effective for fiscal years starting after January 1, 2026. The Company has not adopted the following standards in preparing these financial statements.

Presentation and Disclosure of Financial Statements (CPC 51): The Accounting Pronouncements Committee issued CPC 51, which will replace CPC 26 (R1) – Presentation of Financial Statements, effective for annual periods beginning on or after January 1, 2027. CPC 51 introduces new requirements related to the presentation and disclosure in the financial statements, including:

- Requirement to classify revenues and expenses into specific categories in the income statement, with the introduction of a new mandatory subtotal of operating profit;
- Mandatory disclosure of the Performance Measures Defined by Management (MDM) in a specific explanatory note;
- Improved guidance on the aggregation and disaggregation of information in the financial statements; and
- Requirement to use operating profit as a starting point for the statement of cash flows by the indirect method.

Classification and measurement of financial instruments (IFRS 9 and IFRS 7 amendments): This amendment is not expected to have a material impact on the financial statements.

The following rules changes were adopted for the first time for the year beginning January 1, 2025:

- Noncurrent liabilities with *covenants* and Classification of Liabilities as Current or Non-Current (amendments to CPC26_R1): The amendments clarify certain requirements for determining whether a liability is classified as current or non-current and introduce new disclosures for non-current loan liabilities that are subject to *covenants* within 12 months after the end of the reporting period.
- Lease liability in a sale transaction and *Leaseback* (amendments to CPC 06): The IASB decided to add subsequent measurement requirements for transactions of *sale and leaseback*, so that the seller-lessee does not recognize any amount of the gain or loss related to the right of use retained by him. The application must be retrospective, in accordance with CPC 23 - Accounting Policies, Changes in Estimation and Error Rectification.
- Supplier financing arrangements ("Confirming") (amendments to AASB 26_R1 and IAS 40): The amendments introduce new disclosures to help users of financial statements assess the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risk.

There were no impacts from the adoption of the aforementioned normative changes for the year of March 31, 2026.

4 Cash and cash equivalent

	2026	2025
Cash and banks	10.833	54.934
Financial Investments	136.205	45.741
	147.038	100.675

On March 31, 2026, the average remuneration of financial investments in Bank Deposit Certificates - CDB - was 98% (94% in 2025) of the CDI.

5 Trade accounts receivable

	2026	2025
National	307.827	292.061
Provision for expected credit losses	(2.854)	(1.983)
Provision for discounts/returns (*)	(22.157)	(20.777)
	282.816	269.301

(*) Related the estimate of expected returns and discounts.

(a) The following are the accounts receivables balances aging:

	2026	2025
Not yet due	281.164	256.899
Past due		
From 1 to 30 days	19.144	25.201
From 31 to 60 days	595	3.277
From 61 to 90 days	1.899	943
From 91 to 120 days	170	732
From 121 to 180 days	154	1.254
Above 180 days	4.701	3.755
	307.827	292.061

(b) Below we demonstrate the evolution to the provision for expected credit losses:

Description	Balance on 03/31/2024	Additions	Write off	Balance on 03/31/2025	Additions	Write off	Balance on 03/31/2026
Provision for expected credit losses	(2.184)	(200)	401	(1.983)	(3.651)	2.781	(2.854)

(c) We demonstrate below the mutation of the provisions for discounts and returns:

Description	Balance on 03/31/2024	Additions	Achievement/Casualties	Balance on 03/31/2025	Additions	Achievement/Casualties	Balance on 03/31/2026
Provision for returns	(11.941)	(12.227)	5.524	(18.645)	(22.328)	22.739	(18.234)
Provision for discount	(5.720)	(44.117)	47.706	(2.132)	(38.603)	36.812	(3.923)
Total	(17.661)	(56.344)	53.230	(20.777)	(60.931)	59.551	(22.157)

6 Inventories

	2026	2025
Finished good for resale	92.335	96.779
Goods in transit	58.552	54.335
Total	150.887	151.114

Inventories of finished goods for resale are reduced by the respective provisions below. The movement of the provision for losses in the realization of inventories, which was recognized in the item of costs of goods sold, is represented as follows:

Description	Balance as of 03/31/2024	Additions	Write off	Balance as of 03/31/2025	Additions	Write off	Balance as of 03/31/2026
Provision for slow moving inventories	(3.145)	(7.898)	3.138	(7.905)	(7.427)	8.512	(6.820)
Provision for overdue inventories (ii)	(11.064)	(5.102)	431	(15.735)	(27.801)	9.214	(34.322)
Negative margin provision	(418)	(442)	336	(524)	(367)	383	(507)
Subtotal	(14.627)	(13.442)	3.905	(24.164)	(35.595)	18.110	(41.649)

(ii) The increase in the sales provision is due to the fact that there was a high volume of sales returns due to low commercial performance of the product in the market.

7 Net financial income

	2026	2025
Revenue from financial investments	10.211	5.320
Exchange rate change, net	17.252	-
Realized derivative gains	-	15.663
Other financial income	1.396	901
Total financial revenues	28.859	21.884
	2.026	2.025
Lease interest expense	(5.085)	(175)
Exchange rate change, net	(855)	(17.799)
Other financial expenses	(495)	(212)
Financial fines	(151)	(286)
Realized Derivative Loss	(23.151)	-
Derivative Gains - Fair Value	(1.724)	(7.464)
Total Financial Expenses	(31.461)	(25.936)
Net financial income	(2.602)	(4.052)

8 Current and deferred income tax and social contribution

	2026	2025
Income tax and social contribution		
Beginning balance	(19.827)	(19.882)

Torrent do Brasil Ltda.
Financial statements as of
March 31, 2026 and 2025

Income tax and current social contribution	(26.231)	(27.770)
Payments and Advances	19.802	27.825
<hr/>		
Total of income tax and social contribution	(26.256)	(19.827)
<hr/>		

Below is a reconciliation of the tax effect on income before income tax and social contribution, applying the rates of 25% and 9%, respectively.

Details of deferred tax asset and additions throughout the year are shown below:

	2026	2025
Income before income tax and social contribution	47.525	40.852
Combined tax rate	34%	34%
Taxes calculated at rates	(16.159)	(13.890)
Laboratory Studies	(2.484)	(1.623)
Gifts	(797)	(924)
Fraternization	(1.775)	(644)
Fines and Interest	(164)	(97)
Others non-deductible expenses	(1.451)	(205)
Total other permanent differences	(6.671)	(3.493)
Income tax and social contribution	(22.830)	(17.383)
Composed of:		
Current	(26.231)	(27.770)
Deferred	3.401	10.387
Total	(22.830)	(17.383)
Effective tax rate	48,0%	42.6%

Below is the composition of deferred assets net of temporary differences:

Torrent do Brasil Ltda.
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	2024	2025		2026	
		Income statement		Income statement	
Provision for variable salary	2.473	334	2.807	(1.065)	1.742
Provision for inventory losses	4.973	3.243	8.216	5.945	14.160
Provision for labor, tax and civil risks	13.466	(6.974)	6.493	10.474	16.967
Losses (gains) on operations with derivative instruments	596	8.411	9.007	(5.785)	3.223
Provision for returns and discounts	8.060	6.016	14.076	(7.877)	6.199
Other provisions	9.907	(643)	9.264	1.710	10.974
Total net deferred tax assets	39.476	10.387	49.863	3.402	53.265

9 Fixed assets

Description	Balance on 03/31/2024	Additions (i)	Transfer. (i)	Write off	Balance on 03/31/2025	Additions (i)	Transfer. (i)	Write off	Balance on 03/31/2026
<u>Fixed costs</u>									
Computers and accessories	4.048	-	300	-	4.348	6	2.621	(9)	6.966
Installation	7.051	-	9.930	-	16.981	-	1.921	(274)	18.628
Machinery and Equipment	10.059	-	3.616	-	13.675	1	388	(151)	13.913
Furniture	1.294	-	2.763	-	4.057	1	103	(96)	4.064
Work in progress	127	17.612	(16.609)	-	1.130	9.791	(5.047)	(237)	5.637
Subtotal	22.579	17.612	-	-	40.191	9.798	(13)	(767)	49.209
<u>Accumulated depreciation</u>									
Computers accessories	(2.898)	(433)	-	-	(3.331)	(528)	-	9	(3.850)
Installation	(5.210)	(963)	-	-	(6.173)	(1.752)	-	151	(7.774)
Machinery and Equipment	(6.464)	(880)	-	-	(7.344)	(919)	-	147	(8.117)
Furniture	(974)	(225)	-	-	(1.199)	(355)	-	92	(1.462)
Subtotal	(15.546)	(2.501)	-	-	(18.047)	(3.554)	-	398	(21.203)
Total	7.033	15.111	-	-	22.144	6.244	(13)	(369)	28.006

10 Intangible

Description	Balance on 03/31/2024	Additions (i)	Transfer. (i)	Write off	Balance on 03/31/2025	Additions (i)	Transfer. (i)	Write off	Balance on 03/31/2026
<u>Fixed costs</u>									
Software	1.680	-	309	-	1.989	-	173	-	2.162
Intangible	789	-	2.420	-	3.209	-	1.176	-	4.385
Intangible in progress	10.147	5.177	(2.729)	-	12.595	15.762	(1.336)	(1.943)	25.078
Subtotal	12.616	5.177	-	-	17.793	15.762	13	(1.943)	31.624
<u>Accumulated depreciation</u>									
Software	(1.321)	(133)	-	-	(1.454)	(166)	-	-	(1.620)
Intangible	(43)	(503)	-	-	(546)	(813)	-	-	(1.359)
Subtotal	(1.364)	(636)	-	-	(2.000)	(979)	-	-	(2.979)
Total	11.252	4.541	-	-	15.793	14.783	13	(1.943)	28.645

(i) The amounts acquired in 2025 refer to product marketing licenses, which are still pending approval by the regulatory authorities. The capitalization occurs after approval by regulatory authorities.

11 Leases

a) Right of use

Asset - Right of Use	Buildings	Total
Balance on 03/31/2024	14.766	14.766
New contracts	10.526	10.526
Depreciation	(3.175)	(3.175)
Balance on 03/31/2025	22.117	22.117
New contracts	6.025	6.025
Depreciation	(3.477)	(3.477)
Balance on 03/31/2026	24.665	24.665

b) Lease liabilities

The lease liability showed the following movement in the year:

	2026	2025
Opening balance	22.138	15.199
New leases – Warehouse (i)	6.025	10.526
Lease payments (principal)	(813)	(3.587)
Lease payments (interest)	(5.085)	(175)
Interest on lease	5.085	175
Closing Balance	27.350	22.138
Closing Balance – Short Term	2.771	4.116
Closing Balance – Long Term	24.579	18.022

- (i) In July 2025, the Company renewed the lease agreement for the head office located in Barueri, with a term of 60 months. The first payment will take place in the last day of the month of accrual. This renewal excludes leased modules A3 and A6.

The following are the balances of leases by maturity age:

	2026	2025
Installments due in year 1 (Apr24 to Mar25):	-	4.116
Installments due in year 2 (Apr25 to Mar26):	-	3.735
Installments due in year 3 (Apr26 to Mar27):	2.771	3.327
Installments due in year 4 (Apr27 to Mar28):	3.112	2.768
Installments due in year 5 (Apr28 to Mar29):	3.649	2.391
Installments due for other years (Apr29 to Mar33):	17.818	5.801
	27.350	22.138

12 Suppliers

Suppliers	2026	2025
National	38.575	32.854
Related parties (Note 13)	266.494	226.265
Total suppliers	<u>305.069</u>	<u>259.119</u>

13 Related parties

Torrent Pharmaceuticals Limited is the final and direct controller of the Company with a 99% interest in the Capital Stock (see Note 17).

	2026	2025
Liabilities		
Accounts payable on importation of goods	266.494	226.265
Suppliers - related parties (a)	<u>266.494</u>	<u>226.265</u>
Income statement		
Cost of goods sold – related parties (a)	377.519	337.841

(a) The transactions mainly relate to the importation of products from Torrent Pharmaceuticals Ltd. for resale in the local market.

Management Compensation

The amount referring to the expense of Management's compensation until March 31, 2026 is R\$ 2.587 (R\$ 2.609 in 2025), recorded under the personnel expenses caption.

14 Tax liabilities

	2026	2025
ICMS	179	4.230
PIS and COFINS	3.089	786
Other	1.464	1.239
Total Tax liabilities	<u>4.732</u>	<u>6.255</u>

15 Labor liabilities

	2026	2025
Payroll	5.130	8.256
Contributions payable	2.549	2.860
Vacation, bonuses, and contributions	15.270	13.663
	22.949	24.779

16 Provision for contingencies

As of March 31, 2026, the Company was a party to judicial and administrative proceedings. Management believes, supported by the opinion of its legal advisors, that the provisions for tax, civil and labor risks are sufficient to cover any losses.

These provisions are shown as follows:

	2026	2025
Labor lawsuits	13.827	12.774
Civil and patent lawsuits	36.076	31.870
	49.903	44.644

In 2026 and 2025, Management revised the provision for labor contingencies, based on the opinion of the Company's legal advisors. The nature of labor provisions arises from complaints about overtime, suppression or reduction of intra-workday and inter-workday breaks, differences in premiums and variable remuneration, compensation for moral and material damages, and related charges (FGTS, INSS, interest, fines, and attorneys' fees). The ongoing civil action is about the collection of a fine for non-compliance with a court order that determined the suspension of the commercialization and promotion of a certain product. Although it was later recognized that there was no violation of intellectual property rights, the understanding remained that the order in force at the time was not complied with. Currently, the enforceability of the fine in an increased amount is suspended, awaiting judgment, after an appeal that led to the review of the previous decision.

The Company, as of March 31, 2026, is also a party to lawsuits and administrative proceedings, which were classified as a possible loss by its legal advisors involving tax, labor, civil and administrative issues in the amount of 7.732 (2025 – 4.321).

The movement of contingency provisions in the years ended March 31, 2026 and 2025 is as follows:

	2026	2025
Opening Balance	<u>44.644</u>	<u>39.606</u>
Reductions and use	(1.944)	(2.196)
Payment	(1.838)	-
Additions	<u>9.041</u>	<u>7.234</u>
Closing Balance	<u>49.903</u>	<u>44.644</u>

17 Share capital

On March 31, 2026 and 2025, the value of shareholders' equity was R\$ 25,000, represented by 25,000,000 shares of R\$ 1.00 each, distributed as sush:

	Quantity	%
Torrent Pharmaceuticals Ltd	24.999.998	99,9998
Torrent Investments Private Limited	1	0,0001
Joydeep Bhattacharjee	1	0,0001

On March 31, 2026 and 2025, the value of *paid-in capital* was R\$ 19,144 and the value of the paid-in capital was R\$ 5,856.

On March 31, 2026 and 2025, US\$ 6,568,097 were registered with the Central Bank of Brazil (BACEN) as foreign capital in the name of Torrent Pharmaceuticals Ltd.

The payment of dividends and repatriation of capital to non-residents is subject to BACEN regulations, which require the registration of foreign capital (investments and reinvestments).

18 Net revenue

	2026	2025
Gross revenue	951.806	848.517
Discounts and returns	(96.265)	(62.051)
Sales Taxes	<u>(39.009)</u>	<u>(58.321)</u>
Total net revenue	<u>816.532</u>	<u>728.145</u>

19 Cost of Sales

	2026	2025
Cost of resold goods (i)	(408.641)	(351.051)
Quality Control	(11.026)	(8.184)
Products incinerations	(9.152)	(13.550)
Provision for inventory write-off (ii)	(17.484)	(9.537)
Total cost of sales	(446.303)	(382.322)

- (i) On March 31, 2026, R\$ 377.519 refers to the cost of related parties (R\$ 337.841 in 2025), see note 13.
(ii) The increase in the inventory write-off provision is related to the low sales performance of the two products.

20 Sales and administrative expenses

	2026		2025	
	Administrative	Selling	Administrative	Selling
Salaries and bonuses	16.397	68.952	17.278	66.474
Contribution and labor charges	8.745	43.416	10.214	42.255
Trade shows and promotional events	135	27.527	159	28.862
Travel, transportation, and vehicle expenses	2.381	25.439	1.908	24.862
Benefits	5.995	21.453	5.160	19.181
Consultancy	15.144	4.796	9.809	4.241
Amortization and depreciation expenses	7.127	884	4.259	2.053
Freight	318	15.226	83	9.579
Promotional material	196	5.797	187	8.055
Training	591	3.874	814	3.740
Taxes and fees	319	4.184	(300)	4.072
Promotional expenses	2	3.602	3	2.559
Market Research	-	4.009	1	4.107
Warehousing and distribution	3.255	6.342	2.560	5.275
Communication	213	44	179	52
Maintenance	3.621	105	2.144	712
Insurance	1.868	-	1.437	28
Product Registration	2.018	269	2.959	41
Labor contingencies	(150)	7.283	789	5.720
Rents	1.171	-	2.825	137
Audit fees	274	-	269	-
Other expenses (a)	4.011	2.401	3.672	2.704
	73.630	245.602	66.409	234.709

(a) "Other expenses" include expenses such as water and electricity bills and office supplies.

21 Financial instruments

The company has exposure to the following risks resulting from financial instruments:

a. Foreign exchange Risk

The Company's operation generates impacts involving exchange rate risks due to the fact that a considerable portion of its financial commitments are denominated in foreign currency (US dollar - US\$). These risks are constantly assessed and the cash flow as well as the Company's operation are periodically monitored.

The Company has derivative contracts (derivative instrument contracts) with banks to hedge future payments in foreign currency. The Company's Policy determines the exchange rate protection of 100% of its liabilities accounted for in foreign currency, with its "intercompany" suppliers, as well as the protection of imports in transit.

The gains or losses arising from these derivative contracts are recognized at the time of the contract's expiration. On balance sheet dates, open interest is valued at fair value (marked to market on balance sheet dates) and the resulting gain or loss is recognized in the Income Statements under the heading " Loss on derivative instruments – fair value".

The recorded value referring to the derivative instruments contracted for the purpose of hedging the exchange rate risk of future inventory acquisitions, on March 31, was as follows:

Amounts in thousands of dollars (USD)	2026	2025
Open-ended derivative contracts for the protection of liabilities denominated in - US\$ - national value	40.632	31.027
Values in thousands of reais (BRL)	2026	2025
Open-ended derivative contracts for the protection of liabilities denominated in -BRL\$ - national value	216.44 9	178.37 9

The Company's FX exposure as of March 31 was:

Amounts in thousands of dollars (USD)	2026	2025
Suppliers – Related Parties – imports in progress – US\$	10.737	9.130
Suppliers - Related Parties - Import Products -	40.322	30.274

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Suppliers – import of products – US\$	757	1,070
Total Liabilities with Suppliers	<u>51.815</u>	<u>40.474</u>

Values in thousands of reais (BRL)	2026	2025
Suppliers – Related Parties – imports in progress – BRL\$	56.038	52.424
Suppliers - Related Parties - import of products - BRL\$	215.414	177.212
Suppliers – import of products – BRL\$	<u>4.344</u>	<u>6.479</u>
Total Liabilities with Suppliers	<u>275.796</u>	<u>236.115</u>

The following are the fair values of derivative financial instruments outstanding as of March 31, 2026 and 2025 and presented on the balance sheet:

	2026	2025
Unrealized loss on derivatives	9.479	7.755

Derivative instruments are represented by Non-Deliverable Forward (NDF) contracts, maturing in the next 12 months.

The impact of derivatives contracts settled in the period from March 31, 2026 to 2025 is shown below:

	2026	2025
Realized Derivative Loss	(23.151)	-

Sensitivity Analysis

A reasonably possible variation of the Real against the Dollar on March 31, 2026 and 2025, quoted at R\$5.2191 and R\$5.7422, respectively, would have affected the measurement of financial instruments denominated in foreign currency and affected shareholders' equity and income by the amounts shown below.

	<u>Profit or loss for the year</u>	
Effect in thousands of reais (BRL)	Appreciation	Devaluation
March 31, 2025 Real (10% change)	(27.043)	27.043
Projected USD Rate	5,7410	4,6972

March 31, 2024 Real (10% change)	(23.241)	23.241
Projected USD Rate	6,3164	5,168

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled with payments in cash or with another financial asset. The Company's approach to liquidity management is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations as it matures, both under normal and stressed conditions, without causing unacceptable losses or risk damaging the Company's reputation.

The following are the contractual maturities of financial liabilities as of the financial statement date:

March 31, 2026	Value	Contractual Cash Flows				
		Total	1 year or less	1-2 years	3-5 years	More than 5 years
In thousands of Reais	Accounting					
Non-derivative financial liabilities						
Suppliers	38.575	38.575	38.575	-	-	-
Suppliers - Related parties	266.494	266.494	266.494	-	-	-
Lease liabilities	27.350	43.669	6.520	6.520	18.468	12.160
	332.419	348.738	311.589	6.520	18.468	12.160
Derivative financial liabilities						
Unrealized loss on derivatives	9.479	9.479	9.479	-	-	-
	9.479	9.479	9.479	-	-	-

c. Credit risk

Credit risk refers to the risk of a counterparty (customers or depositaries of financial investment funds) not complying with its contractual obligations, leading the Company to incur financial losses. To mitigate these risks, the Company constantly monitors the flow of receivables and monitors the open position. As of March 31, 2026, the top five customers accounted for 73% (82% in 2025) of the Accounts Receivable balance. Management considers the credit risk to be low.

The book value of financial assets represents the maximum credit exposure. The maximum credit risk exposure at the date of the financial statements was:

	Note	2026	2025
Cash and cash equivalents	4	147.038	100.675
Trade accounts receivable	5	282.816	269.301
		429.854	369.976

d. Interest Risk

The Company assesses that the risk of interest rate variation is irrelevant, as it does not have significant financial assets or liabilities linked to such variation and that may have any material impacts on its results.

Sensitivity Analysis

A reasonable variation of 10 p.p. over the CDI on March 31, 2026 and 2025, respectively, would have increased (reduced) shareholders' equity and income for the year by the amounts shown below:

Instruments with floating (variable) interest rates

	Scenario	2026	2025
Financial assets		<u>136.205</u>	<u>45.741</u>
Interest rate (CDI)	+ 10p.p.	<u>2.015</u>	<u>516</u>
Interest rate (CDI)	- 10p.p.	(2.015)	(516)

e. Categories of financial instruments

The following table shows the position of financial assets and liabilities as of March 31, 2026 and 2025:

	2026	2025
Fair value through profit or loss		
Unrealized loss on derivatives	9.479	7.755
Cash equivalents (financial investments)	109.938	45.741
Amortized cost:		
Cash	147.038	100.675
Trade accounts receivable	307.827	292.061
Other financial liabilities - amortized cost:		
Suppliers	38.575	32.854
Suppliers – Related Parties	266.494	226.265

f. Fair value

As of March 31, 2026 and 2025, the Company held financial instruments primarily represented by short-term investments, third-party receivables and payables to suppliers, related parties and derivatives. The market values of these instruments are similar to the carrying value recorded on the balance sheet as of March 31, 2026 and 2025.

The Company uses hierarchy level rules to measure the fair value of its financial instruments shown on the balance sheet, based on the hierarchy levels as per note 3.

As of March 31, 2026, the Company held financial instruments valued at fair value and contracted to protect the Company from certain fluctuations in the U.S. dollar (US\$), as previously described. These transactions, classified as level 2, are valued at fair value on the balance sheet dates, are not based on observable market data (i.e., unobservable assumptions) and are recorded under the heading "unrealized loss on derivative". Fair value is determined using forward exchange rates quoted at the balance sheet date and present value calculations based on yield curves of investments with high credit quality in the respective contracted currencies.

As of March 31, 2026, the Company held financial instruments not measurable at fair value recorded under the headings of "Cash and cash equivalents", "Trade accounts receivables", "Suppliers" and "Suppliers – related parties".

22. Non-cash transactions that does not affect the Statement of Cash Flows

The company has exposure to the following risks arising from financial instruments:

	2026	2025
Recognition of new lease contracts (CPC 06)	6.025	10.035

* * *

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Chief Executive Officer

Volney de Oliveira Porto
Finance Director

Diego Kauê de Souza
Accountant
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