

MANAGEMENT REPORT

Our discussion and analysis of our results of operations and financial condition are based upon our Annual Audited Consolidated Financial Statements, which have been prepared in accordance with IFRS-EU. Our operating and financial review and prospects should be read in conjunction with our Annual Audited Consolidated Financial Statements, the accompanying notes thereto and other financial information appearing elsewhere in this Annual Report.

A. OPERATING RESULTS

Overview:

Founded in 1977, we are a leading integrated healthcare and pharmaceutical company that develops and manufactures pharmaceutical and nutraceutical solutions, medicines, and hospital supplies. We have a direct presence in 13 countries -Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, and United States and customers located in over 50 countries. We currently have nearly 3,900 employees working under our sustainable model.

Our business model focuses on four strategic cornerstones to drive growth. First, we have state-of-the-art manufacturing capabilities that allow us to provide innovative delivery technologies. Our corporate culture focuses on innovation and R&D, which has enabled us to offer extensive scientific expertise with a team of scientists, technicians and skilled personnel, allowing us to develop an average of over 150 new products per year over the last three years. Second, our regional footprint and vertical integration enable organic growth opportunities and synergies. We currently operate six manufacturing facilities in Latin America, including the first FDA-approved pharmaceutical plant in South America and Central America, and our first U.S.-based Softgel production facility and R&D center, which began operations in May 2022 and sell and distribute products to over fifty distinct markets. Third, our Rx and OTC pharmaceutical product portfolio is driven by our proprietary delivery systems, allowing us to focus on the development and sale of high-growth and premium pharmaceutical products which we believe are subject to less pricing pressures when compared to more generic pharmaceutical products. Finally, we have an extensive track record of developing new businesses and growing via mergers and acquisitions, which is evidenced by the development of one of our in-house business incubation, Diabetrics, which took place in 2015, and several successful acquisitions throughout Latin America (including the acquisitions of Rymco S.A., Laboratorios Lopez and Biokemical S.A. de C.V.) which took place between 2012 and 2016. On September 29, 2021, we consummated the Business Combination with Union, which resulted in our Ordinary Shares and warrants being listed on the Nasdaq Global Market on September 30, 2021 under the symbols “PROC” and “PROCW”, respectively. The Company’s Ordinary Shares have been traded on the OTC Expert Market under the symbol “PROCF,” on an “unsolicited only” basis, since the Nasdaq suspended the trading of the Company’s Ordinary Shares on February 4, 2025.

We are primarily engaged in developing, producing and marketing pharmaceutical solutions consisting of the following four products and services categories: (i) iCDMO, (ii) Rx pharmaceutical products, (iii) OTC products, and (iv) Diabetrics. For more information, see “Products and Services” below.

Business Operations

NextGel

Our NextGel business operation, operated under our Softigel, Sofgen, Softcaps and Funtrition brands, is the iCDMO arm of Sofgen which offers services specializing in development and manufacturing in Softgel and related technologies, and operates globally in the B-to-B market, more specifically in Brazil, Colombia and the United States. We are the top Softgel manufacturer in South and Central America and top five in the world in terms of Softgel production capacity, according to an independent third-party industry analysis report. The iCDMO agreements with our top-tier customers range from five to ten-year terms. Our NextGel business operation has over 130 clients across more than 35 countries and the key products that we manufacture in this business operation includes Softgel pharmaceutical products such as Advil, Apronax Liquidgels, multivitamins, Vitamin D and Dolex ActivGel.

Procaps Colombia, CENAM and ANDINOS

These three business operations serve each of its respective regional B-to-C markets by offering the following key product lines/business units:

Rx Pharmaceutical Products

Our Rx product line comprises the Farma Procaps and the Clinical Specialties brands/business units.

Farma Procaps formulates, manufactures and markets branded prescription drugs. It represents a high growth portfolio that focuses on nine therapeutic areas (feminine care products, pain relief, skin care, digestive health, growth and development, cardiology, vision care, central nervous system and respiratory).

Clinical Specialties is a leading provider of high-complexity care treatments to private institutions regionally. Its diverse product portfolio, targets various in-demand therapeutic areas and develops, manufactures and markets personal high-complexity drugs for hospital use such as antibiotics, blood clot, immunosuppressant, oncology and analgesics products.

OTC Product Line

Our OTC product line primarily consists of the VitalCare brand/business unit. VitalCare develops, manufactures and markets OTC consumer healthcare products through an extensive portfolio focused on over eight high-prevalence therapeutic areas (including gastrointestinal, skin care, cough and cold, analgesics, urological, and vitamin, minerals and supplements) at what we believe to be accessible and appealing price points. Our Colmed OTC product line, which is part of our VitalCare business unit, consists of products in the following categories: antibiotics, anti-infective and anti-parasitic. We market and sell our OTC products in Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, and the United States.

Procaps Colombia primarily serves the Colombian market, CENAM primarily serves the Honduras, Nicaragua, El Salvador, Panama, Costa Rica, Dominican Republic and Guatemala markets, and ANDINOS primarily serves the Ecuador, Peru and Bolivia markets.

Diabetrics

Our Diabetrics business operation is comprised of our Diabetrics brand/business unit, and we believe is an attractive regional B-to-C diabetes-focused treatment and management platform that focuses primarily on the Colombian market. It has a unique business model when compared to our competitors, as it aims to cover the full spectrum of needs of patients with diabetes by providing products and services such as blood glucose meters, telemonitoring, Rx oral anti-diabetics products, insulin delivery systems and other diabetes solutions.

Going Concern

As disclosed in the prior year, the Group identified material uncertainties that cast significant doubt on its ability to continue as a going concern. These uncertainties primarily related to breaches of certain financial covenants under its borrowing arrangements, the resulting reclassification of a significant portion of its debt to current liabilities, a working capital deficit, liquidity constraints and the Group's dependence on the successful completion of debt restructuring and capital raising initiatives.

During 2025, the Group successfully completed a comprehensive financial restructuring that resolved the conditions underlying the material uncertainty disclosed in the prior year. This restructuring included: (i) the renegotiation of its principal debt facilities, resulting in revised contractual terms, extended maturities and updated covenant requirements, and (ii) a capital raise of \$134,409 , including the conversion of previously issued secured convertible notes into equity.

These actions significantly strengthened the Group's capital structure, restored compliance with its financing arrangements, normalized its debt maturity profile and substantially improved its liquidity position.

As a result, as of December 31, 2025, the Group reported positive shareholders' equity of \$89.2 million (2024: shareholders' deficit of \$ 52.1 million), positive working capital of \$ 118.9 million (2024: deficit of \$ 199.2 million) and net income of \$ 9.5 million (2024: net loss of \$ 68.3 million).

Although the Group reported net cash used in operating activities of \$ 56.3 million during 2025 (2024: net cash provided by operating activities of \$ 88.4 million), Management concluded that this result was primarily attributable to non-recurring working capital movements associated with the execution of the recapitalization and financial restructuring process.

During the year, a significant portion of the proceeds obtained from the capital raise was used to normalize supplier payment cycles through the settlement of outstanding trade payables accumulated in prior periods, strengthening supplier relationships and restoring normal supply conditions. In addition, the Group strategically increased inventory levels to secure the availability of raw materials and finished goods required to support new customer orders, anticipated revenue growth and operational continuity across its business units.

As a result of these actions, the Group experienced temporary cash outflows associated with higher inventory balances and reductions in trade payables. Management considers these cash outflows to be largely non-recurring in nature and not indicative of structural weaknesses in the Group's underlying cash-generating capacity. Prior to changes in working capital, the Group generated positive cash flows from operations of \$ 51.8 million during 2025, demonstrating a significant improvement in the underlying operating performance of the business.

The restructured debt facilities provide for significantly extended maturities and an improved debt repayment profile. The most significant portion of the restructured financial debt, amounting to approximately \$ 187.9 million, is not scheduled to commence principal repayments until 2027 and 2028, as applicable. In addition, covenant requirements based on leverage and interest coverage ratios become effective from March 2027. Consequently, the Group does not face significant principal repayments or compliance requirements related to these financial ratios during the going concern assessment period.

Management prepared detailed cash flow forecasts covering a period of at least twelve months from the date of authorization of these consolidated financial statements. The forecasts were prepared based on the Board-approved business plan and incorporate assumptions related to revenue growth, operating margin expansion, working capital normalization, portfolio optimization, continued operational efficiencies, lower financing costs resulting from the debt restructuring and capital expenditure levels consistent with the Group's strategic and operational requirements.

The 2026 forecasts contemplate net revenues of \$ 447.1 million, gross profit of \$ 261.8 million, adjusted EBITDA of approximately \$ 80.1 million. Management also projects cash flows from operating activities of approximately \$ 58.3 million, free cash flow of approximately \$ 14.6 million, an ending cash balance of approximately \$ 16.8 million and positive working capital of approximately \$ 92.8 million.

These forecasts represent Management's best estimate as of the date of authorization of these consolidated financial statements and reflect the market, operational and financial conditions known at that date. Furthermore, Management continuously monitors actual performance against forecasted results and has observed that, as of the date of authorization of these consolidated financial statements, the Group's operating and financial performance is tracking in line with, or exceeding, the assumptions incorporated into the business plan used in the going concern assessment.

Management also assessed the Group's ability to service its debt and meet all contractual obligations falling due during the assessment period. As of December 31, 2025, the Group held cash and cash equivalents of \$ 33.0 million and positive working capital of \$ 118.9 million. Based on these available resources, together with projected operating cash flows and the revised debt maturity profile resulting from the 2025 restructuring, Management concluded that the Group has sufficient liquidity to meet its financial and operational obligations as they fall due.

In addition, Management expects to have total available cash resources of approximately \$ 91.6 million during 2026, including opening cash balances and projected cash generated from operations. After funding planned capital expenditures, non-recurring expenditures and other contractual obligations falling due during the period, the Group expects to maintain an estimated cash surplus of approximately \$ 21.1 million. This position provides adequate liquidity headroom to meet obligations, absorb reasonably possible adverse variations from the base case scenario and continue executing the Group's transformation and growth strategy.

Management also performed sensitivity analyses over the key assumptions used in the forecasts, including scenarios involving lower revenue growth, lower operating margins and higher working capital requirements. The results of these analyses indicate that the Group maintains sufficient liquidity and financial capacity to meet its obligations under reasonably possible downside scenarios.

Based on (i) the successful completion of the financial restructuring and capital raise, (ii) the significant improvement in the Group's capital structure, financial position and liquidity, (iii) the extension of debt maturities beyond the going concern assessment period, (iv) the underlying cash-generating capability

demonstrated by the Group's operating performance, and (v) Management's cash flow forecasts and sensitivity analyses, Management concluded that the conditions that gave rise to the material uncertainty disclosed in the prior year have been satisfactorily resolved.

Accordingly, as of December 31, 2025 and the date of authorization of these consolidated financial statements, Management has concluded that no material uncertainties exist that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements have been prepared on a going concern basis.

Results of Operations

Comparison of the years ended December 31, 2025 and December 31, 2024

The following table sets forth historical operating results for the periods indicated:

			Increase/ (Decrease)	
	2025	2024	\$ Change	% Change
Net Revenues	404,476	373,795	30,681	8%
Cost of sales	(182,370)	(182,316)	(54)	0%
Gross profit	222,106	191,479	30,627	16%
Sales and marketing expenses	(95,032)	(100,082)	5,050	-5%
Administrative expenses	(106,561)	(122,970)	16,409	-13%
Net finance (expenses) income	(9,095)	(30,601)	21,506	-70%
Other (expenses) income, net	16,163	(22,413)	38,576	-172%
(Loss)/Income before tax	27,581	(84,587)	112,168	-133%
Income tax expense	(18,078)	16,287	(34,365)	-211%
Income/ (loss) for the year	9,503	(68,300)	77,803	-114%
EBITDA⁽¹⁾	58,316	(33,941)	92,257	272%

- (1) EBITDA is a non-IFRS measure. We include this metric as supplemental disclosure because we believe it is useful indicator of our operating performance. EBITDA is well recognized performance measure in the pharmaceutical industry and it is frequently used by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. However, because EBITDA is non-IFRS measure and its calculation is not determined in accordance with IFRS, such measures is susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, our calculation of EBITDA as presented may not be directly comparable to similarly titled measures by other companies. For more information on EBITDA and other non-IFRS financial measures, please see “—Non-IFRS Financial Measures” below.

Revenue

Sofgen recognizes revenue from the sale of pharmaceutical products and licensing revenue. Net Revenues increased by \$30.7 million, or 8.2%, from \$373.8 million for the year ended December 31, 2024 to \$404.5 million for the year ended December 31, 2025.

The increase in revenue for the year ended December 31, 2025 compared to the year ended December 31, 2024 was primarily driven by the recovery in sales volumes and improved order fulfillment following the completion of the Group's financial restructuring during 2025, together with increased inventory availability to support new customer orders and anticipated revenue growth across the Group's business units.

Cost of sales and gross profit

The cost of sales represents the direct costs of producing the goods sold by Sofgen, such as cost of the materials and labor directly used to create the goods. Gross profit is net revenues less cost of sales.

Cost of sales increased by \$0.1 million, or less than 0.1%, from \$182.3 million for the year ended December 31, 2024 to \$182.4 million for the year ended December 31, 2025, remaining broadly stable notwithstanding the 8.2% increase in net revenues during the period.

Gross profit increased by \$30.6 million, or 16.0%, from \$191.5 million for the year ended December 31, 2024 to \$222.1 million for the year ended December 31, 2025. The increase in gross profit was primarily attributable to higher net revenues during 2025 and improved absorption of fixed manufacturing costs resulting from higher production and sales volumes, and, to a lesser extent, changes in product and geographic mix.

Sales and marketing expenses

Sales and marketing expenses include primarily expenses incurred for promotional activities, such as marketing expenses, sales force and logistics expenses. Sales and marketing expenses decreased by \$5.1 million, or 5.0%, from \$100.1 million for the year ended December 31, 2024, which represented approximately 26.8% of revenue for the year ended December 31, 2024, to \$95.0 million for the year ended December 31, 2025, which represents approximately 23.5% of revenue for the year ended December 31, 2025.

The decrease in sales and marketing expenses for the year ended December 31, 2025 compared to the year ended December 31, 2024 was primarily driven by a lower provision for inventory and receivables and, to a lesser extent, lower employee expenses, partially offset by higher taxes and services costs, most of which are denominated in COP.

Administrative expenses

Administrative expenses include costs incurred for administrative and certain corporate departments, such as payroll, power and utilities, and certain legal and professional expenses. Administrative expenses decreased by \$16.4 million, or 13.3%, from \$123.0 million for the year ended December 31, 2024 to \$106.6 million for the year ended December 31, 2025.

The decrease in administrative expenses for the year ended December 31, 2025 compared to the year ended December 31, 2024 was primarily driven by lower professional fees, reflecting reduced costs associated with the internal investigation and related matters that were substantially concluded during the prior year, partially offset by higher employee expenses, insurance and amortization.

Other (expenses) income, net

Other (expenses) income, net improved by \$38.6 million, from an expense of \$(22.4) million for the year ended December 31, 2024 to income of \$16.2 million for the year ended December 31, 2025. The improvement was primarily attributable to a favorable swing in net foreign currency exchange rate differences (a gain of \$21.2 million in 2025 compared to a loss of \$17.8 million in 2024) and lower impairment and net losses on disposal of assets, partially offset by lower other income and higher fines, surcharges and taxes assumed.

Income tax expense

Income tax expense includes two components: (i) current tax and (ii) deferred tax. Current tax is determined based on the applicable statutory tax rates in each jurisdiction in which the Group operates. Deferred tax arises from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, which may result in future taxable or deductible amounts. Income tax expense increased by approximately \$34.4 million, from a tax benefit of \$16.3 million for the year ended December 31, 2024 to a tax expense of \$18.1 million for the year ended December 31, 2025. The Group's effective tax rate differs from the corporate statutory rate primarily due to the tax effect of expenses that are not deductible in determining taxable profit, the tax effect of income that is not taxable in determining taxable profit, and the effect of different tax rates applicable to subsidiaries operating in other jurisdictions, as further described in Note 12 to the Consolidated Financial Statements.

EBITDA

We define EBITDA as profit (loss) for the year before net finance costs, income tax expense and depreciation and amortization. EBITDA is non-IFRS measures and are not measures of financial performance under IFRS.

	For the year ended December 31,		Increase/(Decrease)	
	2025	2024	\$ Change	% Change
	<i>(in thousands of U.S. dollars except percentages)</i>			
Income/Loss for the year	9,503	(68,300)	77,803	(113.9)%
Net finance expense (income)	9,095	30,601	(21,506)	(70.3)%
Income tax expense	18,078	(16,287)	34,365	(211.0)%
Depreciation and amortization	21,640	20,045	1,595	8.0%
EBITDA	58,316	(33,941)	92,257	(271.8)%

EBITDA improved by \$92.3 million, from an EBITDA loss of \$33.9 million for the year ended December 31, 2024 to EBITDA of \$58.3 million for the year ended December 31, 2025.

Of this improvement, \$39.0 million came from foreign currency exchange rate differences, recorded within other income (expenses), net. These moved from a loss of \$17.8 million in 2024 to a gain of \$21.2 million in 2025, primarily as a result of the appreciation of the Colombian peso against the U.S. dollar during 2025. Excluding this effect, EBITDA would have improved by \$53.2 million, from a loss of \$16.1 million in 2024 to \$37.1 million in 2025.

Management attributes the remaining improvement in 2025 operating results to the convergence of three factors. First, the capital injection and the Turn Around restructuring plan allowed the Group to redefine its short-term business strategy and stabilize the supply chain. This increased delivery capacity at its manufacturing plants and improved order fulfillment. Second, the reactivation of promotional investment, including activities with prescribing physicians and a substantial improvement in customer service, strengthened product availability at points of sale and improved product rotation in the market. Finally, the strategic focus on expense optimization, through the rightsizing plan, operational efficiencies at the Group's manufacturing plants and the divestiture of non-core businesses such as WPB, enabled the Group to build a leaner organizational structure aligned with its current size and needs.

B. LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been cash flow generated from operations, supplemented by credit arrangements with third parties. The principal uses of cash are to fund operating and capital expenditures, business or asset acquisitions, interest payments on debt, any mandatory or discretionary principal payment on our debt and investments in R&D.

As of December 31, 2025, our cash and cash equivalents amounted to \$33.0 million. We believe that our existing cash and cash equivalents and cash inflows from operations will be adequate to meet our anticipated cash needs for the next twelve months. We routinely monitor current and expected operational requirements and financial market conditions to evaluate other available financing sources including term and revolving bank credit. In determining our future capital requirements, we regularly consider, among other factors, known trends and uncertainties, and other contingencies.

During 2025, we successfully completed a comprehensive financial restructuring of our principal debt facilities, executing Amended and Restated agreements with our senior creditor group covering \$204,954 of outstanding principal, which extended maturities and harmonized our covenant package, together with a capital raise of \$134,409, including the conversion of our previously issued secured convertible notes into equity. As a result of these actions and the improvement in our underlying operating performance, as of December 31, 2025 we reported positive shareholders' equity of \$89.2 million (2024: shareholders' deficit of \$52.1 million), positive working capital of \$118.9 million (2024: deficit of \$199.2 million) and net income of \$9.5 million (2024: net loss of \$68.3 million). While net cash used in operating activities was \$56.3 million in 2025 (2024: net cash provided of \$88.4 million), this was primarily attributable to non-recurring working capital movements associated with the recapitalization process; prior to these working capital effects, we generated positive cash flows from operations of \$51.8 million during 2025, reflecting a significant improvement in our underlying cash-generating capacity. Our ability to generate cash remains subject to our operating performance, general economic conditions, industry trends and other factors, and to the extent our existing cash and cash equivalents together with cash flows from operations are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing, which may not be available on favorable terms or at all and could result in dilution to existing shareholders or additional contractual restrictions on our business.

Cash Flow for the years ended December 31, 2025 and 2024

The following table summarizes our consolidated statements of cash flows from operations for the years ended December 31, 2025 and 2024:

	For the year ended December 31,		Increase/ (Decrease)
	2025	2024	\$ Change
	<i>(in thousands of U.S. dollars)</i>		
Cash flow generated from operating activities	(56,323)	88,429	(144,752)
Cash flow (used in) investing activities	(7,865)	(26,759)	18,894
Cash flow (used in) financing activities	34,011	(50,402)	84,413
Net increase (decrease) in cash	(30,177)	11,268	(41,445)

Cash flow generated from operating activities

For the year ended December 31, 2025, net cash used in operating activities was \$56.3 million, compared to net cash provided by operating activities of \$88.4 million for the year ended December 31, 2024, a decrease of \$144.8 million.

The decrease was primarily attributable to unfavorable changes in working capital associated with the execution of the Group's 2025 recapitalization and financial restructuring, including the normalization of trade and other payables and an increase in inventories to secure raw materials and finished goods to support new customer orders and anticipated revenue growth, partially offset by higher cash flow from operating activities before changes in working capital, which increased to \$51.8 million in 2025 from \$12.8 million in 2024.

Management considers these working capital movements to be largely non-recurring in nature, reflecting the settlement of trade payables accumulated in prior periods and the strategic build-up of inventory levels, and not indicative of the Group's underlying cash-generating capacity, which improved significantly year-over-year as reflected in cash flow from operating activities before changes in working capital.

Cash flow (used in) investing activities

For the year ended December 31, 2025, net cash used in investing activities was \$7.9 million, compared to \$26.8 million during the year ended December 31, 2024, a decrease of \$18.9 million. Net cash used in investing activities for the year ended December 31, 2025 consisted primarily of \$7.7 million used in the acquisition of property, plant and equipment and right-of-use assets, and \$4.7 million in the acquisition and development of intangible assets, partially offset by \$4.6 million in proceeds from the sale of property, plant and equipment.

Cash flow (used in) financing activities

For the year ended December 31, 2025, net cash provided by financing activities was \$34.0 million, compared to net cash used in financing activities of \$50.4 million for the year ended December 31, 2024, an improvement of \$84.4 million. The improvement was primarily driven by \$95.7 million of proceeds from the issuance of share capital in connection with the Group's 2025 capital raise, partially offset by net repayments of borrowings of \$44.6 million (proceeds of \$10.0 million less payments of \$54.6 million) and \$9.5 million of interest paid on borrowings, compared to \$33.6 million of interest paid in 2024.

In addition, during 2024 the Group executed treasury share repurchases of \$0.8 million; no treasury share repurchases were made during 2025.

Off-Balance Sheet Arrangements

There is no commitments or obligations, including contingent obligations, arising from off-balance sheet arrangements with unconsolidated entities or persons that have a material current effect, or that are reasonably likely to have a material future effect, on our financial condition, changes in financial condition, net sales or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Financial Instruments and Risks

The Group's use of financial instruments and its financial risk management objectives and policies are set out below. In relation to its financial instruments, and where material for the assessment of its assets, liabilities, financial position and profit or loss, the Group is exposed to credit risk, liquidity risk and market risk (including currency and interest rate risk).

The Group's Financial Administrative Unit ("UAC," for its Spanish initials) supports, monitors and manages financial risks through internal reports that analyze exposures by degree and magnitude. These risks are managed in accordance with the Group's risk management policies, which are reviewed periodically to reflect changes in market conditions and in the Group's activities.

Credit risk. Credit risk refers to the risk that a counterparty fails to comply with its contractual obligations, resulting in a financial loss for the Group. The Group only transacts with financial institutions that hold risk certifications and/or are supervised by the relevant regulatory authorities in each jurisdiction in which it operates. The Group manages credit risk associated with its trade receivables through ongoing credit evaluations and expected credit loss allowances; the average credit period on the sale of medicines is 60 to 120 days.

Liquidity risk. The Group's Financial UAC has ultimate responsibility for liquidity management and has established an appropriate framework for the management of the Group's short-, medium- and long-term funding requirements, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Market risk. The Group carries out transactions denominated in foreign currencies, mainly related to imports, exports and indebtedness, which exposes it to foreign currency risk, primarily against the Colombian Peso and the Brazilian Real. The Group is also exposed to interest rate risk as a result of borrowings at both fixed and variable rates, including SOFR- and IBR-referenced debt. As of December 31, 2025, \$108,442 million, or 45.9%, of the Group's interest-bearing financial liabilities bore interest at variable rates (2024: \$98.2 million, or 36.7%). Management continuously monitors these exposures and periodically assesses the potential effects of interest rate and exchange rate fluctuations on the Group's results and financial position.

See Note 32. Financial instruments to the Consolidated Financial Statements for further quantitative disclosures regarding the Group's exposure to credit risk, liquidity risk and market risk, including sensitivity analyses.

Branches

As of December 31, 2025, the Company does not have any branches. The Group conducts its operations through its subsidiaries, as described under “—Overview” above and in Note 1. General Company Information to the Consolidated Financial Statements.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Our R&D activities are directed primarily toward the development of new products for corporate brands and development services for third parties, as well as the improvement of our manufacturing processes and delivery technologies. Our R&D platform is decentralized with research centers in Colombia (Barranquilla and Bogotá), and Brazil (Cotia, SP), employing a fully dedicated team of scientists, technicians and skilled personnel in R&D and innovation, as well as skilled personnel in processes such as formulation, analytical, manufacturing, packaging, and technological innovation related to ingredients, formulas and equipment.

Our corporate culture focuses on innovation and R&D. We rely on a combination of know-how, trade secrets, patents, copyrights, trademarks, and other intellectual property, nondisclosure and other contractual provisions, and technical measures to protect a number of our products, services, processes and intangible assets.

We have applied in Colombia, the United States and certain other countries for registration of a number of trademarks, service marks, and patents, some of which have been registered and issued, and also hold common law rights in various trademarks and service marks.

D. TREND INFORMATION

2027 Outlook

Management considers 2027 to represent an important growth challenge, with the goal of continuing to grow profitably and reach Adjusted EBITDA of over \$105 million. To achieve this, the Group will rely on five fundamental drivers. First, portfolio optimization, concentrating efforts on the most profitable and core products of each business unit, which will allow the Group to increase gross margin generation and achieve greater efficiencies in its manufacturing plants. Second, the capacity expansion investments carried out during 2026 are expected to begin to materialize their impact on results in 2027. Third, product placement is expected to benefit from the normalization of stocking trade in CENAM, a process expected to be completed during 2026. Fourth, the Group will implement savings strategies in material prices, supported by improved negotiations with suppliers and leveraged on corporate purchasing volume. Finally, the continued improvement of the business units in strengthening strategies to keep growing in rotation and, consequently, in market share.

Research and Development for Pharmaceuticals Industry

Continued strengthening in early-stage development pipelines for drugs and biologics, compounded by increasing clinical trial breadth and complexity, support our belief in the attractive growth prospects for development of delivery solutions. Large companies are in many cases reconfiguring their R&D resources, increasingly involving the use of strategic partners for important outsourced functions. Additionally, an increasing portion of compounds in development are from companies that do not have a full R&D infrastructure and thus are more likely to need strategic development solutions partners.

Aging Population in Latin America

Aging population demographics in Latin American countries, combined with health care reforms in many global markets that are expanding access to treatment to a greater proportion of their populations, will continue to drive increases in demand for pharmaceuticals, biologics, and consumer health products. Increasing economic affluence in developing regions will further increase demand for healthcare treatments, and we are taking active steps to allow us to participate effectively in these growth regions and product categories. In accordance with a report by the United Nations Department of Economics and Social Affairs, in 1975, 41% of the population in Latin America was 14 years of age or younger, 55% was between 15 and 64 years of age and 4% was 65 years of age or older, and in 2000, 31% of the population was 14 years of age or younger, 63% was between 15 and 64 years of age and 6% was 65 years of age or older. Pursuant to the report, it is estimated that by 2025, 22% of the population will be 14 years of age or younger, 68% will be between 15 and 64 years of age and 10% will be 65 years of age or older, and by 2050, 16% of the population will be 14 years of age or younger, 63% will be between 15 and 64 years of age and 21% will be 65 years of age or older.

We believe the market access and payor pressures our customers face, global supply chain complexity, and the increasing demand for improved treatments will continue to escalate the need for product differentiation, improved outcomes, and treatment cost reduction, all of which can often be addressed using our advanced delivery technologies.

Fast Growing Pharmaceuticals Market in Latin America

We participate in the global pharmaceutical and biotechnology industry, which has been estimated to generate more than \$1 trillion in annual revenue over the next eight years following 2020, including, but not limited to, the prescription drug and biologic sectors as well as consumer health, which includes the OTC and vitamins and nutritional supplement sectors. Innovative pharmaceuticals continue to play a critical role in the global market, while the share of revenue due to generic drugs and biosimilars is increasing in both developed and developing markets. Sustained developed market demand and rapid growth in emerging economies such as Latin America is driving the consumer health product growth rate to more than double that for pharmaceuticals. Payors, both public and private, have sought to limit the economic impact of pharmaceutical and biologics product demand through greater use of generic and biosimilar drugs, access and spending controls, and health technology assessment techniques, favoring products that deliver truly differentiated outcomes. Additionally, we believe the demand for innovative delivery systems will increase due to growing healthcare expenditures globally and the implementation of government reforms to improve the regulatory environment in Latin America and intellectual property protection.

Large and Fast-growing CDMO (Contract Development and Manufacturing Organization) Market

We participate in the CDMO market which, according to independent third-party industry reports, is estimated to continue its growth of 11.5% over the next five years. It is also estimated that outsourced pharmaceutical manufacturing will continue its growth of 7.9% over the next five years. We believe there

is a high potential to increase outsourced pharmaceutical manufacturing worldwide since only approximately 26% of global pharmaceutical manufacturing being outsourced. The CDMO industry is highly fragmented, with the top 10 manufacturers holding less than a 20% market share in terms of revenue, creating opportunities for inorganic growth through consolidation and entry into adjacent markets.

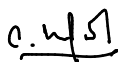
Healthcare Expenditures

We participate in global pharmaceutical and biotechnology industry; healthcare expenditure in Latin America is expected to outgrow other markets, including the European and American pharmaceutical and biotechnology markets. We believe this increase in expenditure is primarily driven by an increasing middle class across Latin America coupled with a rapidly aging population, with the percentage of individuals over 65 years of age expected to increase from 6% in 2020 to 21% by 2050.

Foreign Exchange Rates

Our operating network is global, and, as a result, we have substantial revenues and operating expenses that are denominated in currencies other than the U.S. dollar, the currency in which we report our financial results, and are therefore influenced by changes in currency exchange rates. For the years ended December 31, 2025 and 2024, approximately 68% and 61% of our revenue, respectively, was generated in currencies other than the U.S. dollar.

This report has been approved by Management and is issued for the purposes set forth above as part of the Company's Annual Report.



Firmado electrónicamente por: Carlos
D Garcia
Motivo: Firmo bajo mi propio
consentimiento y aceptación.
Fecha: 30 sept.. 2026 08:22:27 GMT+2

Director



Firmado electrónicamente por:
Alberto Eguiguren
Motivo: Firmo bajo mi propio
consentimiento y aceptación.
Fecha: 29 sept.. 2026 08:20:42 EDT

Director



Firmado electrónicamente por:
MELISSA ANGELINI
Motivo: Firmo bajo mi propio
consentimiento y aceptación.
Fecha: 29 sept.. 2026 14:41:56 EDT

Interim Chief Executive Officer