

**Procaps Group, S.A.**  
*Société anonyme*

**ANNUAL ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2023**

Registered office: 9, rue de Bitbourg  
L - 1273 Luxembourg  
R.C.S. Luxembourg: B253360

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To the Shareholders of  
Procaps Group, S.A.  
9, rue de Bitbourg  
L-1273 LUXEMBOURG  
R.C.S. Luxembourg B253360

## **REPORT OF THE COMMISSAIRE**

In accordance with the Luxembourg legal and statutory requirements, we have a pleasure in presenting you with the results of our mandate as Commissaire which you have entrusted to us for the period ended 31 December 2023.

We have carried out our work in accordance with the provisions of Article 443-2 of the amended law of 10 August 1915 on commercial companies which does not require the Commissaire to give an opinion on the annual accounts and, therefore, this report does not constitute an audit carried out under International Standards on Auditing. These annual accounts are the responsibility of the Board of Directors. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguard of the assets of the Company. We have examined the attached Balance Sheet as of 31 December 2023 and the related Profit and Loss Account for the year then ended, to the extent which we deemed necessary, to the Company's accounting records and documents made available to us. We have checked the assets and liabilities by methods that we considered appropriate.

We have no observations to make on the annual accounts and propose to approve them and to give discharge to the Board of Directors.

Luxembourg, 29 May 2024



Carlos A. Piocuda Russo

**Annual Accounts Helpdesk :**

**Tel.** : (+352) 247 88 494  
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RCSL Nr. : B253360

Matricule : 2021 2201 694

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 31/12/2023 (in <sup>03</sup> USD )

Procaps Group, S.A.

9, rue de Bitbourg  
L-1273 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>1.149.176.377,13</u>	110 <u>1.149.056.377,13</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B253360

Matricule : 2021 2201 694

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	3 1.149.176.377,13	136 1.149.056.377,13
1. Shares in affiliated undertakings	1137	137 1.149.056.377,13	138 1.149.056.377,13
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145 120.000,00	146
6. Other loans	1147	147	148
<b>D. Current assets</b>	1151	151 55.854.588,50	152 45.247.277,91
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	4 8.582.660,91	164 570,63
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171	172
a) becoming due and payable within one year	1173	173	174
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 8.582.660,91	184 570,63
a) becoming due and payable within one year	1185	185 8.582.660,91	186 570,63
b) becoming due and payable after more than one year	1187	187	188

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Matricule : 2021 2201 694

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>47.224.358,04</u>	190 <u>45.040.000,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____ 5	209 <u>47.224.358,04</u>	210 <u>45.040.000,00</u>
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>47.569,55</u>	198 <u>206.707,28</u>
<b>E. Prepayments</b>	1199 _____ 6	199 <u>986.167,22</u>	200 <u>3.105.874,96</u>
<b>TOTAL (ASSETS)</b>		201 <u>1.206.017.132,85</u>	202 <u>1.197.409.530,00</u>

RCSL Nr. : B253360

Matricule : 2021 2201 694

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>7</u>	301 <u>1.182.644.446,77</u>	302 <u>1.174.064.148,65</u>
I. Subscribed capital	1303 _____	303 <u>1.213.241,83</u>	304 <u>1.213.241,83</u>
II. Share premium account	1305 _____	305 <u>1.124.844.230,13</u>	306 <u>1.127.028.588,17</u>
III. Revaluation reserve	1307 _____	307 <u>-3.670.180,23</u>	308 _____
IV. Reserves	1309 _____	309 <u>76.186.858,04</u>	310 <u>74.002.500,00</u>
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares	1313 _____	313 <u>47.224.358,04</u>	314 <u>45.040.000,00</u>
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 <u>28.962.500,00</u>	430 <u>28.962.500,00</u>
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>28.962.500,00</u>	434 <u>28.962.500,00</u>
V. Profit or loss brought forward	1319 _____	319 <u>-28.180.181,35</u>	320 <u>-4.838.844,01</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>12.250.478,35</u>	322 <u>-23.341.337,34</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
<b>C. Creditors</b>	1435 <u>8</u>	435 <u>23.372.686,08</u>	436 <u>23.345.381,35</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B253360

Matricule : 2021 2201 694

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	986.210,55	6.721.543,50
a) becoming due and payable within one year	1369	986.210,55	6.721.543,50
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	20.514.087,43	10.609.001,44
a) becoming due and payable within one year	1381	20.514.087,43	10.609.001,44
b) becoming due and payable after more than one year	1383	383	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	1.872.388,10	6.014.836,41
a) Tax authorities	1393	393	14.836,41
b) Social security authorities	1395	395	396
c) Other creditors	1397	1.872.388,10	6.000.000,00
i) becoming due and payable within one year	1399	1.872.388,10	6.000.000,00
ii) becoming due and payable after more than one year	1401	401	402
<b>D. Deferred income</b>	1403	403	404
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405	1.206.017.132,85	1.197.409.530,00

**Annual Accounts Helpdesk :**

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RCSL Nr. : B253360

Matricule : 2021 2201 694

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 31/12/2023 (in <sup>03</sup> USD )

Procaps Group, S.A.  
 9, rue de Bitbourg  
 L-1273 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 <u>-6.969.769,97</u>	672 <u>-16.280.285,26</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <b>9</b>	603 <u>-6.969.769,97</u>	604 <u>-16.280.285,26</u>
<b>6. Staff costs</b>	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____ <b>10</b>	621 <u>-466.612,89</u>	622 <u>-724.999,48</u>

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Matricule : 2021 2201 694

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	20.004.805,28	7.297,72
a) derived from affiliated undertakings	1729		
b) other interest and similar income	1731 11	20.004.805,28	7.297,72
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	-312.610,94	-6.327.991,97
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631 12	-312.610,94	-6.327.991,97
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	12.255.811,48	-23.325.978,99
<b>17. Other taxes not shown under items 1 to 16</b>	1637	-5.333,13	-15.358,35
<b>18. Profit or loss for the financial year</b>	1669	12.250.478,35	-23.341.337,34

# Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
(Expressed in USD)

## 1. GENERAL

Procaps Group, S.A. (the “Company”) was incorporated in Luxembourg on 29 March 2021 as a public limited liability company (*Société Anonyme* or “S.A.”) for an unlimited period of time. The Company is governed by the law of 10 August 1915 on commercial companies as amended. The Company has its registered office at 9 rue de Bitbourg, L-1273 Luxembourg. The Company is registered with the “*Registre de Commerce et des Sociétés* (“RCS”)” in Luxembourg under the number B253360. The Company’s ordinary shares and public warrants are listed in the United States National Association of Securities Dealers Automated Quotations (“NASDAQ”) since 30 September 2021.

Pursuant to Article 2 of the current articles of association, the Company’s corporate purpose is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.

The Company may grant loans to, as well as guarantees or security for the benefit of third parties to secure its obligations and obligations of other companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group of companies as the Company, or otherwise assist such companies.

The Company may raise funds through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debentures and generally issue securities of any type.

The Company may invest in real estate, intellectual property rights and any other movable or immovable assets in any kind of form.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the accomplishment of these purposes.

The Company’s financial year runs from 1 January to 31 December.

The Company also prepares consolidated financial statements which are published under International Financial Reporting Standards.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Basis of preparation

The annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention and on a going concern basis.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19th December 2002, determined and applied by the directors.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based

# Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
(Expressed in USD)

on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 2.2. Significant accounting policies

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these annual accounts.

### 2.2.1. Foreign currency translation

The Company maintains its books and records in US Dollars ("USD"). The balance sheet and the profit and loss account are expressed in USD.

#### *Translation of foreign currency transactions*

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions.

#### *Translation of foreign currency balances as at the balance sheet date*

- Financial assets denominated in currencies other than USD are translated at the historical exchange rates;
- Other assets denominated in currencies other than USD are translated at the lower between the exchange rate prevailing at the balance sheet date and historical exchange rate;
- Debts denominated in currencies other than USD are translated at the higher between the exchange rate prevailing at the balance sheet date and the historical exchange rate; and
- Cash at bank and in hand denominated in currencies other than USD are translated at the exchange rates prevailing at the balance sheet date.

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized unless it arises from cash at bank and in hand.

### 2.2.2. Formation expenses

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

### 2.2.3. Financial assets

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

### 2.2.4. Own shares

Own shares are valued at acquisition cost. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

# Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
(Expressed in USD)

## 2.2.5. Prepayment

Prepayments include expenditure items incurred during the financial year but relating to a subsequent financial year.

## 2.2.6. Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the related repayment premium is shown in the balance sheet as an asset and is amortized over the period of the related debt on a straight-line method.

## 2.2.7. Expenses

Expenses are accounted for on an accrual basis.

## 2.2.8. Income tax

The Company is subject to income taxes in Luxembourg.

## 2.2.9. Warrants

The Company assumed the obligations on the certain warrants as disclosed in note 7, which under Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements are recorded as part of Other non available reserves in the Capital and reserves section in the balance sheet. When such warrants are expected to be equity settled, the Company does not book any provision to cover any surplus of the fair value of those warrants compared to the amounts booked in Other non available reserves, as the Company will not suffer any loss in relation to those warrants in the future.

## 2.2.10. Derivative financial instruments

The Company may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. The Company records derivative financial instruments initially at cost.

Derivative financial instruments are fair valued based on market value. Unrealized gains and losses are recorded in revaluation reserves.

## Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
(Expressed in USD)

### 3. FINANCIAL ASSETS

Movements in financial assets during the year are as follows:

	Shares in affiliated undertakings USD	Investments held as fixed assets USD	Total USD
<b>Gross book value – opening balance</b>	<b>1.149.056.377,13</b>	<b>120.000,00</b>	<b>1.149.176.377,13</b>
Additions for the year	-	-	-
Reversal of capitalized acquisition related costs for the year	-	-	-
<b>Gross book value – closing balance</b>	<b>1.149.056.377,13</b>	<b>120.000,00</b>	<b>1.149.176.377,13</b>
<b>Accumulated value adjustment – opening balance</b>	-	-	-
Allocation for the year	-	-	-
Reversals for the year	-	-	-
<b>Accumulated value adjustment – closing balance</b>	-	-	-
<b>Net book value – opening balance</b>	<b>1.149.056.377,13</b>	<b>120.000,00</b>	<b>1.149.176.377,13</b>
<b>Net book value – closing balance</b>	<b>1.149.056.377,13</b>	<b>120.000,00</b>	<b>1.149.176.377,13</b>

Shares in affiliated undertakings as at 31 December 2023 consist of the following:

Name of undertakings	Registered office	% Ownership	Cost of investment USD	Last balance sheet date	Net equity* as at 31/12/2023 USD*	Profit/(Loss)* as at 31/12/2023 USD
Crynssen Pharma Group Limited	Seed Bldg C1 Midland Micro Enterprise Park, Burmarrad Road, Naxxar NXR 6345, Malta	100%	1.149.056.377,13	31/12/2023	161.363.692,94	-1.930.615,33

\* unaudited

On 31 March 2021, the Company, Ozlem Limited, Union Acquisition Corp. II, a company based in Cayman Islands, Crynssen Pharma Group Limited, a company based in Malta, entered into a Business Combination Agreement (the "Business Combination Agreement" or "BCA" or "the Transaction"). The Transaction was consummated on 29 September 2021 and as a result Crynssen Pharma Group Limited became a subsidiary of the Company.

The Board of Directors did not identify a permanent value adjustment within financial assets. Therefore, no adjustments in value of the financial assets have been recognized as at 31 December 2023.

*Investments held as fixed assets:*

On 8 November 2023, the Company acquired 33,908 shares in Unimed Del Peru S.A. consisting of 0.33% of its shareholding for an amount of USD 120.000,00.

# Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
(Expressed in USD)

## 4. DEBTORS

Debtors which are becoming due and payable within one year are composed of the following

	<b>Total 31/12/2023 USD</b>	<b>Total 31/12/2022 USD</b>
Advance tax payments	11.232,33	570,63
Other receivables	8.571.428,58	-
<b>Total</b>	<b>8.582.660,91</b>	<b>570,63</b>

*Other receivables:*

The Company entered into a settlement and release agreement on 11 May 2023 with various parties and recognized a settlement receivable for an amount of USD 20.000.000,00. As at 31 December 2023, the remaining settlement receivable balance amounts to USD 8.571.428,58 (2022: nil).

## 5. OWN SHARES

On 29 September 2021, the Company redeemed the below shares in connection with the Transaction:

- 4.000.000 redeemable A shares at USD 0,01 per share or USD 40.000,00
- 4.500.000 redeemable B shares at USD 10,00 per share or USD 45.000.000,00

During the year, the Company redeemed/acquired 653.784 of its own Ordinary shares for a total amount of USD 2.184.358,04 (see note 7).

The Board of Directors did not identify a permanent value adjustment within its investments in own shares. Therefore, no adjustments in value of the own shares have been recognized as at 31 December 2023.

## 6. PREPAYMENTS

Prepayments are composed of:

	<b>Total 31/12/2023 USD</b>	<b>Total 31/12/2022 USD</b>
Prepaid insurance	982.144,72	2.983.274,96
Prepaid interest (note 8)	977,50	117.600,00
Other prepayments	3.045,00	5.000,00
<b>Total</b>	<b>986.167,22</b>	<b>3.105.874,96</b>

## Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
(Expressed in USD)

### 7. CAPITAL AND RESERVES

Movements during the year are as follows:

	Subscribed capital USD	Share premium account USD	Reserve for own shares USD	Revaluation reserve USD	Other reserves USD	Profit or loss brought forward USD	Profit or loss for the financial year USD	Total USD
<b>Opening Balance</b>	<b>1.213.241,83</b>	<b>1.127.028.588,17</b>	<b>45.040.000,00</b>	-	<b>28.962.500,00</b>	<b>-4.838.844,01</b>	<b>-23.341.337,34</b>	<b>1.174.064.148,65</b>
Allocation of prior year's results to profit or loss brought forward	-	-	-	-	-	-23.341.337,34	-	-23.341.337,34
Results for the financial year	-	-	-	-	-	-	35.591.815,69	35.591.815,69
Movement in the revaluation reserve	-	-	-	-3.670.180,23	-	-	-	-3.670.180,23
Allocation for reserves for repurchase shares	-	-2.184.358,04	2.184.358,04	-	-	-	-	-
<b>Closing balance</b>	<b>1.213.241,83</b>	<b>1.124.844.230,13</b>	<b>47.224.358,04</b>	<b>-3.670.180,23</b>	<b>28.962.500,00</b>	<b>-28.180.181,35</b>	<b>12.250.478,35</b>	<b>1.182.644.446,77</b>

#### Subscribed capital

As at 31 December 2023, the subscribed capital of the Company amounts to USD 1.213.241,83 represented by 4.000.000 redeemable A shares, 4.500.000 redeemable B shares and 112.824.183 ordinary shares, all with nominal value of USD 0,01 per share.

Out of the 112.824.183 ordinary shares, 11.714.612 ordinary shares are subject to an escrow arrangement. Certain market conditions will be required to be met after the Transaction for these shares in escrow to be released to the shareholders. If the market conditions wouldn't be met within a defined time period (ten years for ordinary shares in escrow), such shares in escrow would be forfeited.

As at 31 December 2023, the authorized capital, excluding the issued share capital, of the Company is set at USD 6.871.758,17 consisting of 687.175.817 ordinary shares with nominal value of USD 0,01 per share (2022: USD 6.871.758,17 consisting of 687.175.817 ordinary shares with nominal value of USD 0,01 per share).

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## Share premium

The share premium was decreased by USD 2.184.358,04 allocated to reserve for own shares, in relation to the acquisition of redeemable A, redeemable B shares and ordinary shares (see note 5).

As at 31 December 2023, the share premium account amount to USD 1.124.844.230,13 (2022: USD 1.127.028.588,17).

## Legal Reserve

In accordance with Luxembourg law, the Company is required to allocate a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholders.

## Reserve for own shares

The Company purchased the redeemable A and B shares in 2021 and ordinary shares in 2023 which is shown in balance sheet as Own shares (see note 5). Accordingly, the Company has provided a non-distributable reserve in accordance with the Luxembourg law for an amount equivalent to the acquisition cost.

## Revaluation reserve

Revaluation reserve is linked to the fluctuation in temporarily not taxable currency translation adjustments to the forward contracts entered into by the Company.

As at 31 December 2023, the revaluation reserve amounts to a loss of USD 3.670.180,23 (2022: nil).

## Other reserves

Other reserves refer to the private and public warrants.

As at 31 December 2023 the other reserves of the Company amounted to USD 28.962.500,00 represented by 3.375.000 private warrants and 20.000.000 public warrants (2022: USD 28.962.500,00 represented by 3.375.000 private warrants and 20.000.000 public warrants). The Company entered into an assignment, assumption and amendment agreement (the "Warrant Amendment Agreement") with the SPAC in relation to the SPAC's private and public warrants. The Warrant Amendment Agreement was entered in connection to the BCA, wherein upon consummation of the Merger, the SPAC's private and public warrants will no longer be exercisable for the SPAC ordinary shares but instead will be exercisable for the Company's ordinary shares. The assignment and assumption of the SPAC's private and public warrants formed part of the Company's investment in the SPAC (see note 3).

The public warrants have the following terms:

- Each whole warrant entitles the holder to purchase one ordinary share at an exercise price of USD 11,50.
- The warrant is exercisable post Transaction and expires on the earlier of:
  - 5 years after the completion of the Transaction, i.e. 29 September 2026
  - the redemption date, or
  - the liquidation of the Company.

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- The Company may redeem the outstanding warrants, in whole and not in part, at a price of USD 0,01 per warrant at any time while the warrants are exercisable upon a minimum of 30 days prior written notice of redemption:
  - if, and only if, the last sales price of the common stock equals or exceeds USD 18,00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalization and the like) on each of twenty (20) trading days within any thirty (30) trading day period ending on the third trading day prior to the date on which notice of redemption is given.
  - however, that if and when the public warrants become redeemable by the Company, the Company may not exercise such redemption right if the issuance of ordinary shares upon exercise of the public warrants is not exempt from registration or qualification under applicable state blue sky laws or the Company is unable to effect such registration or qualification.
- The public warrants may be exercised, for cash (or on a “cashless basis”) at any time after notice of redemption shall have been given by the Company and prior to the redemption date.

The private warrants have the following terms:

- Each warrant entitles the holder to purchase one ordinary share at an exercise price of USD 11,50 per share. Only whole warrants are exercisable.
- Exercisable post Transaction and expires on the earlier of:
  - 5 years after the completion of the Transaction,
  - the redemption date, or
  - the liquidation of the Company.
- Redemption for cash shall not apply.

Out of the 3.375.000 private warrants, 2.875.000 private warrants are in escrow. Certain market conditions will be required to be met after the Transaction for these warrants in escrow to be released to the warrant holders. If the market conditions wouldn't be met within a defined time period (five years for warrants in escrow), such warrants in escrow would be forfeited.

## 8. CREDITORS

Creditors due and payable within one year are composed of the following:

	<b>Total 31/12/2023 USD</b>	<b>Total 31/12/2022 USD</b>
Trade creditors	986.210,55	6.721.543,50
Amounts owed to affiliated undertakings	20.514.087,43	10.609.001,44
Other creditors		
a) Tax authorities	-	14.836,41
b) Other creditors	1.816.388,10	6.000.000,00
Director fees	56.000,00	-
<b>Total</b>	<b>23.372.686,08</b>	<b>23.345.381,35</b>

### Amounts owed to affiliated undertakings

This refers to the amount due to the subsidiary, Crynssen Pharma Group Limited, for payments made on behalf of the Company which amounted to USD 20.514.087,43 (2022: USD 10.609.001,44).

# Procaps Group, S.A.

Notes to the annual accounts for the year ended 31 December 2023  
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## Other creditors

On 12 October 2022, the Company obtained a loan from Banita Management Limited in the amount of USD 6.000.000,00. The loan matured within 2 months from the date of subscription of the related agreement and bears 1,4% interest monthly. The loan was extended to 10 April 2023 and was settled on 12 April 2023.

Other creditors include an amount of USD 1.792.030,05 (2022: nil) relating to forward contracts the Company has entered into with Morgan Stanley.

## **9. OTHER EXTERNAL EXPENSES**

Other external expenses are composed of:

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Insurance expense	-3.201.435,80	-5.778.828,78
Legal fees	-1.471.542,46	-6.291.070,42
Audit fees and audit related fees	-1.446.529,02	-3.069.581,79
Other professional fees	-380.092,58	-541.968,75
Accounting and administration fees	-341.380,29	-228.608,20
Other expenses	-128.519,82	-354,94
Bank fees	-270,00	-80,00
Professional fees related to due diligence work	-	-369.000,00
Notary fees	-	-792,38
<b>Total</b>	<b>-6.969.769,97</b>	<b>-16.280.285,26</b>

## **10. OTHER OPERATING EXPENSES**

Other operating expenses are composed of:

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Directors' fees (note 14)	-315.112,89	-579.499,48
Listing fees	-151.500,00	-145.500,00
<b>Total</b>	<b>-466.612,89</b>	<b>-724.999,48</b>

# Procaps Group, S.A.

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## 11. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income are composed of:

	2023 USD	2022 USD
Other financial income (see note 4)	20.000.000,00	-
Foreign currency exchange gains	4.274,44	4.510,44
Interest on bank accounts	530,84	2.787,28
<b>Total</b>	<b>20.004.805,28</b>	<b>7.297,72</b>

## 12. INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are composed of:

	2023 USD	2022 USD
Other financial charges	-	-6.105.777,77
Interest on loan from Banita Management Limited (note 8)	-285.600,00	-218.400,00
Foreign currency exchange losses	-27.010,94	-3.814,20
<b>Total</b>	<b>-312.610,94</b>	<b>-6.327.991,97</b>

Other financial charges refer to loan facility fees, upfront and commitment fees due on the USD 485 million senior secured bridge facility entered by the Company with certain banks. The senior secured bridge facility was not utilized during the year ended 31 December 2022 and was terminated with effect on 6 January 2023.

## 13. STAFF

The Company did not employ any staff during the financial year ended 31 December 2023 (2022: nil).

## 14. EMOLUMENTS GRANTED TO THE BOARD OF DIRECTORS AND COMMITMENTS IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THE BOARD OF DIRECTORS

The Company granted emoluments as disclosed in note 10 during the financial year ended 31 December 2023. The Company has no commitments in respect of retirement pensions to members of its Board of Directors during the financial year ended 31 December 2023 (2022: nil).

## 15. ADVANCES AND LOANS GRANTED TO THE BOARD OF DIRECTORS

The Company did not grant any advances or loans to its Board of Directors during the financial year ended 31 December 2023 (2022: nil).

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## **16. OFF-BALANCE SHEET COMMITMENTS**

The Company has no other commitments and contingencies as at 31 December 2023 (2022: nil).

## **17. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Main transactions and balances with related parties are disclosed in the notes 3, 7 and 8 of the annual accounts.

## **18. SUBSEQUENT EVENTS**

On 14 May 2024, the Company has determined it was unable to file its Annual Report on Form 20-F for the fiscal year ended 31 December 2023, within the prescribed time period.

Additional time is necessary to prepare and complete the Company's review of its financial statements for the year ended 31 December 2023, in order for the Company to file its annual report on Form 20-F, including with respect to an ongoing internal investigation initiated by the Company's Audit Committee with the assistance of external advisors into matters involving the Company's historical accounting treatment and associated financial statement disclosure related to a 2012 loan in the amount of approximately USD 2.5 million that involved related parties.

The Company is working diligently to complete its financial statements in order to file its Form 20-F as soon as practicable; however, the Company no longer anticipates that it will be able to file its Form 20-F by 15 May 2024.

There are no other significant events after balance sheet date.