



July 23, 2024

CONFIDENTIAL TREATMENT REQUESTED

LUXEMBOURG BUSINESS REGISTERS

14, rue Erasme

L-1468 Luxembourg

Grand Duchy of Luxembourg

Re: Procaps Group, S.A.
9, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg : B253360
Nasdaq Symbol: PROC
(the "Company")

Subject: Notification of the Company's Independent Auditor's Wish to Withdraw its Audit Reports for the Financial Years ended 31 December 2021 and 2022 and Ongoing Investigation

Dear Sir / Madam,

The Company wishes to inform you about an important development concerning our financial statements.

On July 17, 2024, the Company received a letter from Deloitte Audit S.à r.l. (the "Deloitte Luxembourg Letter"), in its capacity as the independent auditor ("réviseur d'entreprises agréé") of the Financial Statements (as defined below) filed with the "Registre de Commerce et des Sociétés" in Luxembourg, stating that it wishes to withdraw its audit report regarding such Financial Statements. Deloitte Audit S.à r.l. requested that the Company take the necessary measures to notify the public that the associated audit report should not be relied upon and that revised financial statements, if necessary, and the associated audit report will be issued upon completion of the Investigation. The circumstances underlying the Deloitte Luxembourg letter are set forth below.

With the assistance of external advisors, the Company is conducting an ongoing internal investigation (the "Investigation") initiated by the Company's Audit Committee. This Investigation addresses the Company's historical accounting treatment and associated financial statement disclosure related to a 2012 related party loan amounting to \$2.5 million, which has been outstanding at least through December 2023. The Investigation has since expanded to include inquiries into other historical related party transactions identified during its course.

On July 3, 2024, the Company received a letter (the "Deloitte SAS Letter") from its independent registered public accounting firm, Deloitte & Touche S.A.S. ("Deloitte"), stating that Deloitte has withdrawn its audit report regarding the Company's consolidated financial statements as of December 31, 2022, and 2021, and for each of the three years in the period ended December 31, 2022, issued on May 12, 2023 (which



financial statements are contained in the Company's annual report on Form 20-F for the year ended December 31, 2022, filed with the Securities and Exchange Commission on May 12, 2023) (the "Financial Statements"). This action was taken because Deloitte can no longer rely on representations made in the Company's management representations letter with respect to the Financial Statements, including assurances that all related party transactions had been disclosed. Deloitte has requested that the Company notify the public that Deloitte's previously-issued audit report dated May 12, 2023, should not be relied upon and that revised financial statements, if necessary, and the associated audit report will be issued upon completion of the Investigation. This issue of non-reliance on management's representations had been previously discussed among management, the Audit Committee, and Deloitte. In accordance with our reporting obligations and applicable U.S. securities laws, the Company filed a Form 6-K with the U.S. Securities and Exchange Commission regarding this matter on July 10, 2024. The Form 6-K can be viewed at the following link:

https://www.sec.gov/Archives/edgar/data/1863362/000121390024060557/ea0209207-6k_procaps.htm.

Similarly, as noted above, on July 17, 2024, the Company then received the Deloitte Luxembourg Letter.

At this time, the Audit Committee has not determined that the Financial Statements contained a material error or require restatement. However, the Investigation remains ongoing, and the Company expects to make a final determination regarding the Financial Statements as expeditiously as possible. In connection with the Investigation's interim findings, the Company's management and Audit Committee have initiated a remediation process to address these findings.

Please be assured that the Company is committed to resolving this matter promptly and transparently. Should you require any further information or wish to discuss this matter in more detail, please do not hesitate to contact us.

Thank you for your attention to this matter.

Yours faithfully,

A handwritten signature in black ink, appearing to read "José Minski", is written over a circular scribble.

José Minski
Chairman of the Board of Directors
For and on behalf of Procaps Group, S.A.

David Yanovich
Member of the Board of Directors and
Chairman of the Audit Committee
For and on behalf of Procaps Group, S.A.



financial statements are contained in the Company's annual report on Form 20-F for the year ended December 31, 2022, filed with the Securities and Exchange Commission on May 12, 2023) (the "Financial Statements"). This action was taken because Deloitte can no longer rely on representations made in the Company's management representations letter with respect to the Financial Statements, including assurances that all related party transactions had been disclosed. Deloitte has requested that the Company notify the public that Deloitte's previously-issued audit report dated May 12, 2023, should not be relied upon and that revised financial statements, if necessary, and the associated audit report will be issued upon completion of the Investigation. This issue of non-reliance on management's representations had been previously discussed among management, the Audit Committee, and Deloitte. In accordance with our reporting obligations and applicable U.S. securities laws, the Company filed a Form 6-K with the U.S. Securities and Exchange Commission regarding this matter on July 10, 2024. The Form 6-K can be viewed at the following link:

https://www.sec.gov/Archives/edgar/data/1863362/000121390024060557/ea0209207-6k_procaps.htm.

Similarly, as noted above, on July 17, 2024, the Company then received the Deloitte Luxembourg Letter.

At this time, the Audit Committee has not determined that the Financial Statements contained a material error or require restatement. However, the Investigation remains ongoing, and the Company expects to make a final determination regarding the Financial Statements as expeditiously as possible. In connection with the Investigation's interim findings, the Company's management and Audit Committee have initiated a remediation process to address these findings.

Please be assured that the Company is committed to resolving this matter promptly and transparently. Should you require any further information or wish to discuss this matter in more detail, please do not hesitate to contact us.

Thank you for your attention to this matter.

Yours faithfully,

José Minski
Chairman of the Board of Directors
For and on behalf of Procaps Group, S.A.

A handwritten signature in black ink, appearing to read "David Yanovich", written over a horizontal line.

David Yanovich
Member of the Board of Directors and
Chairman of the Audit Committee
For and on behalf of Procaps Group, S.A.