Zydus Healthcare (USA) LLC.

FINANCIAL STATEMENTS

March 31, 2026 and 2025

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ZYDUS HEALTHCARE (USA) LLC

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INDEPENDENT AUDITOR'S REPORT

To the Member's
of Zydus Healthcare (USA) LLC.

Opinion

We have audited the accompanying financial statements of Zydus Healthcare (USA) LLC, which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of income and member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Zydus Healthcare (USA) LLC as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Zydus Healthcare (USA) LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Zydus Healthcare (USA) LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Zydus Healthcare (USA) LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Zydus Healthcare (USA) LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ram Associates

Ram Associates

Hamilton, NJ

May 20, 2026

ZYDUS HEALTHCARE (USA) LLC
Balance Sheets
March 31,

	(all in thousands except shares)			
	2026		**2025**	
ASSETS				
Current assets :				
Cash	$	335	$	584
Accounts receivable		881		736
Other current assets		5		6
Inventory		779		330
Total current assets		2,000		1,656
Property and equipment, net		4		5
Building		1,065		1,111
Land		665		665
Deferred Tax Asset		33		33
TOTAL ASSETS	$	3,767	$	3,470

LIABILITIES AND MEMBER'S EQUITY

Current liabilities :				
Accounts payable and accrued expenses	$	146	$	379
Other current liabilities		21		15
Total current liabilities		167		394
Long-term liabilities				
Loan from related party		500		2,500
Total current and long-term liabilities		667		2,894
Member's equity				
Members' capital		2,700		200
Retained earnings		400		376
Total member's equity		3,100		576
TOTAL LIABILITIES AND MEMBER'S EQUITY	$	3,767	$	3,470

-See accompanying notes to financial statements-

ZYDUS HEALTHCARE (USA) LLC
Statements of Income
For the years ended March 31,

	(all in thousands except shares)	
	2026	**2025**
Net sales	$ 3,140	$ 2,070
Service charges	20	19
Net revenue	3,160	2,089
Cost of sales	3,140	2,070
Gross profit	20	19
Operating expenses		
General and administrative expenses	49	10
Depreciation	47	49
Total operating expenses	96	59
Operating income (loss) before other income / (expenses)	(76)	(40)
Other income / (expenses)		
Other income	208	272
Interest expense	(71)	(150)
Total other income / (expenses)	137	122
Operating income before income taxes	61	82
Income taxes		
Federal income tax	26	35
State income tax	11	15
Deferred income tax	-	-
Income taxes	37	50
Net income	$ 24	$ 32

-See accompanying notes to financial statements-

ZYDUS HEALTHCARE (USA) LLC

Statements of Changes in Member's Equity

For the years ended March 31, 2026 and 2025

(all in thousands except shares)

	Member's equity	Retained earnings	Total member's equity
Balance at March 31, 2024	$ 200	$ 344	$ 544
Net income		32	32
Balance at March 31, 2025	$ 200	$ 376	$ 576
Additional capital	2,500		2,500
Net income		24	24
Balance at March 31, 2026	$ 2,700	$ 400	$ 3,100

-See accompanying notes to financial statements-

ZYDUS HEALTHCARE (USA) LLC

Statements of Cash Flows

For the Years Ended March 31,

(all in thousands except shares)

	2026	2025
Cash flows from operating activities		
Net income	$ 24	$ 32
Adjustment to reconcile net income to net cash used in operating activities		
Depreciation	47	49
Changes in assets and liabilities :		
(Increase) / decrease in :		
Accounts receivable	(145)	(212)
Other current assets	(448)	(290)
Increase / (decrease) in :		
Accounts payable and accrued expenses	(233)	363
Other current liabilities	6	8
Total adjustments	(773)	(82)
Net cash used in operating activities	(749)	(50)
Cash flows from financing activities		
Loan from related party	(2,000)	-
Additional capital	2,500	-
Net cash provided by financing activities	500	-
Net decrease in cash	(249)	(50)
Cash at the beginning of the year	584	634
Cash at the end of the year	$ 335	$ 584
Supplementary disclosure of cash flows information		
Cash paid during the year for :		
Income tax	$ 35	$ 40
Interest	71	150

-See accompanying notes to financial statements-

1) Organization and Description of Business

Zydus Healthcare (USA) LLC (ZHUL) was incorporated in Delaware on September 24, 2002. Subsequently ZHUL also registered its business in New Jersey on November 6, 2002. It is a wholly owned subsidiary of Zydus Life Sciences Limited, India (Zydus Life). Zydus Life manufactures and distributes prescription, over-the-counter and bulk Active Pharmaceutical Ingredients. ZHUL provides support services for research and development operations to Zydus Life, fellow subsidiaries and third-party entities. These support activities include the procurement of drug samples, reference standards, and related materials required for product development, regulatory filings, and other development activities

The Company is located at Pennington, New Jersey. Major portion of the facility was leased to Zydus Pharmaceuticals (USA), Inc, (ZPUI) a related party. Remaining portion is also leased to Zydus Therapeutics (USA) Inc., a related party.

2) Summary of Significant Accounting Policies

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

Revenue Recognition

The Company recognizes product sales revenue when the title and risk of loss have transferred to the customers, and when collectibles are reasonably assured.

Rental income is recognized as rents become due considering certainty of its realization. Rental payments received in advance are deferred until it becomes due.

Cash and Cash Equivalents

The Company considers all highly liquid investments (including money market funds) with original maturity at acquisition of three months or less to be cash equivalents.

Accounts Receivables

Accounts receivable from Zydus Life its parent Company as on March 31, 2026 and 2025 were $ 463 and $ 531 respectively.

Accounts receivable from Zydus Worldwide DMCC, as on March 31, 2026 and 2025 were $ Nil and $2 respectively.

Accounts receivable from Zydus Lifesciences Global FZE, as on March 31, 2026 and 2025 were $ 38 and $ 14 respectively.

Accounts Payables and Other Current Liabilities

Accounts payable to Zydus Pharmaceuticals (USA) Inc. on March 31, 2026 and 2025 were $ 18 and $ 12 respectively.

Credit and Business Concentration

Financial instruments that potentially subject the Company to concentration of credit risk are primarily cash and cash equivalents and trade accounts receivable. The Company maintains cash balances, which may exceed federally insured limits. The Company does not believe that this results in any significant credit risk. As of March 31, 2026 and 2025, the Company had $85 and $535, respectively, of uninsured cash balances. Concentration of credit risks with respect to accounts receivable are limited because of the credit worthiness of the Company's major customers. During the years ended March 31, 2026 and 2025, 69% and 61%, respectively of the sales (towards goods and service charges) were made to Zydus Lifesciences Global FZE, Zydus Worldwide DMCC and Zydus Lifesciences Ltd.

(In thousands except share and per share data)

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by the straight-line method. Depreciation of an asset commences when the asset is put into use. The estimated useful lives of the related assets range from 3 to 39.5 years.

Property and equipment consist of the following as of March 31:

	2026	2025
Computer Equipment	$ 48	$ 48
Furniture and Fixture	90	90
Machinery and Equipment	179	179
Building	1,802	1,802
Land	665	665
	2,784	2,784
Less : Accumulated Depreciation	1,050	1003
Net Assets	$ 1,734	$ 1,781

The Company charges repairs and maintenance costs that do not extend the lives of the assets, to expenses as incurred.

Depreciation expenses during the years ended March 31, 2026 and 2025 were $ 47 and $ 49 respectively.

3) Employee Benefit Plan

ZHUL has implemented an Employer sponsored 401K plan effective October 1, 2003. The Company has merged its 401K plan with the 401K plan of ZPUI effective from April 1, 2010. Under the plan, ZHUL will make Qualified-matching contribution to a maximum of 5% of the basic pay of the eligible employees. All qualified matching contributions are 100% vested and are subject to certain withdrawal restrictions. For the years ended March 31, 2026 and 2025, ZHUL made a matching contribution of $17 and $18 respectively.

(In thousands except share and per share data)

4) Related Party Transactions

Name of the Related Parties and the Nature of the Relationship:

Related entities (with whom transactions have taken place during the period)	**Nature of relationship**
Zydus Lifesciences Limited	Parent
Zydus Pharmaceuticals (USA) Inc.	Fellow Subsidiary
Zydus Therapeutics Inc	Fellow Subsidiary
Zydus Worldwide DMCC	Fellow Subsidiary
Zydus Lifesciences Global FZE	Fellow Subsidiary

The following transactions were carried out with the related parties in the ordinary course of business for the year ended March 31,

Nature of Transactions	**2026**	**2025**
Purchases:		
Reimbursement of Net Expenses Paid		
Zydus Pharmaceuticals (USA) Inc.	$ 61	$ -
Total	**$ 61**	**$ -**
Services		
Zydus Pharmaceuticals (USA) Inc.	$ 16	$ -
Total	**$ 16**	**$ -**
Sales:		
Sale of Goods		
Zydus Lifesciences Limited	$ 1,579	$ 159
Zydus Lifesciences Global FZE	595	1090
Total	**$ 2,174**	**$ 1,249**
Sale of Services		
Zydus Pharmaceuticals (USA) Inc.	$ 453	$ 440
Zydus Therapeutics Inc.	76	73
Total	**$ 529**	**$ 512**

(In thousands except share and per share data)

Reimbursement of Net Expenses Recovered		
Zydus Lifesciences Limited	$ 647	$ 702
Zydus Pharmaceuticals (USA) Inc.	-	3
Zydus Lifesciences Global FZE	362	225
Zydus Worldwide DMCC	23	73
Total	**$ 1,032**	**$ 1,003**

Finance:

Interest Expense		
Zydus Pharmaceuticals (USA) Inc.	$ 71	$ 150
Total	**$ 71**	**$ 150**

Outstanding:

Payable: Loans		
Zydus Pharmaceuticals (USA) Inc.	$ 500	$ 2,500
Total	**$ 500**	**$ 2,500**
Payable: Other than loan		
Zydus Pharmaceuticals (USA) Inc.	$ 18	$ 13
Total	**$ 18**	**$ 13**
Receivable: Other than loan		
Zydus Lifesciences Limited	$ 463	$ 531
Zydus Lifesciences Global FZE	38	14
Zydus Worldwide DMCC	-	2
Total	**$ 501**	**$ 547**

5) Income Taxes

The Company records income taxes using the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and the tax effect of net operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty of their realization.

(In thousands except share and per share data)

Income tax expense (benefit) was computed as follows for the years ended March 31,

	2026	2025
Federal income tax	$ 26	$ 35
State income tax	11	15
Total income taxes, current provision	36	50
Deferred income taxes (benefit)	-	-
Total income tax expense (benefit)	$ 36	$ 50

The deferred tax assets (liabilities) consist of the following at March 31,

	2026	2025
Other Items	$ 33	$ 33
Total deferred income taxes	$ 33	$ 33

The Company files income tax returns in the U.S. federal jurisdiction, and various State jurisdictions. The Company is generally subject to U.S. Federal, State and local examinations by tax authorities for the last three years.

6) Loan from Related Party

i. During the year, the Company had an outstanding $2.5 million loan from Zydus Pharmaceuticals USA Inc., bearing interest at 6% per annum. The loan was originally structured as a 30-year term, requiring 359 monthly interest-only payments of $12.50 due on the fifteenth day of each month, with all remaining principal, accrued interest, fees, and other charges due on January 5, 2040. The loan was fully repaid on September 3, 2025, and as of the balance sheet date, the Company had no remaining obligations under the agreement.

ii. During the year, the Company obtained a $0.5 million loan from Zydus Pharmaceuticals (USA) Inc., which bears interest at a prevailing market rate. The loan is treated as long-term in nature and is expected to be renewed on an annual basis; however, the agreement does not specify fixed repayment terms. As of March 31, 2026, the outstanding balance was $500.

7) Additional Capital

During the year, the Company received an additional capital contribution from Zydus Life, its parent company of $2.5 million.

8) New Accounting Pronouncements

Accounting Standards Update (ASU) 2023-09 Improvements to Income Tax Disclosures, Income Taxes (Topic 740): This ASU requires enhanced disclosures about a reporting entity's effective tax rate and its income taxes paid (refunded). Entities other than Public Business Entities are required to qualitatively disclose the nature and effect of the specific categories of reconciling items listed in ASC 740-10-50-12A(a) as well as individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Numerical reconciliation is not required. Further, income taxes paid must be disaggregated by foreign, domestic, and state taxes, with further disaggregation by jurisdiction on the basis of a quantitative threshold of 5 percent "of total income taxes paid (net of refunds received). However, comparative information for all periods presented is not required for the disclosures related to income taxes paid in an individual jurisdiction under ASC 740-10-50-23. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024, and for annual periods beginning after December 15, 2025, for all other entities.

9) SUBSEQUENT EVENTS

In accordance with FASB ASC 855, the Company has evaluated subsequent events through May 20, 2026, the date these financial statements were issued.