Annual Financial Statements

Management Report

and Auditor's Report

for the fiscal year from April 1, 2025, to March 31, 2026

of

Basics GmbH,
Leverkusen

TRANSLATED VERSION OF THE GERMAN ORIGINAL

Basics GmbH, Leverkusen
Balance Sheet as at March 31, 2026

	A S S E T S	€	31.03.2026 €	Previous year €
A.	**Fixed Assets**			
I.	**Intangible fixed assets**			
1.	Purchased software	15.655,00		39.760,94
2.	Prepayments	20.000,00		20.000,00
			35.655,00	59.760,94
II.	**Tangible fixed assets**			
1.	Other equipment, furniture and fixtures	122.523,95		106.965,99
2.	Prepayments	0,00		0,00
			122.523,95	106.965,99
B.	**Current Assets**			
I.	**Inventories**			
	Merchandise		13.933.225,02	11.946.443,37
II.	**Receivables and other assets**			
1.	Trade receivables	13.554.622,03		19.757.574,77
2.	Receivables due from related companies	1.262.975,68		1.058.232,71
3.	Other assets	875.057,62		725.277,82
			15.692.655,33	21.541.085,30
III.	**Cash on hand and bank balances**		32.404.563,06	45.711.602,73
C.	**Prepaid expenses**		68.007,68	259.528,04
			62.256.630,04	**79.625.386,37**

	E Q U I T Y A N D L I A B I L I T I E S	€	31.03.2026 €	Previous year €
A.	**Equity**			
I.	Subscribed capital	4.875.000,00		4.875.000,00
II.	Capital reserve	2.500.000,00		2.500.000,00
III.	Retained earnings brought forward	2.187.359,57		69.967,33
IV.	Annual net income	669.860,89		2.117.392,24
			10.232.220,46	9.562.359,57
B.	**Provisions / accruals**			
1.	Provisions for taxes	373.441,00		585.347,64
2.	Other provisions	50.163.348,38		60.939.488,98
			50.536.789,38	61.524.836,62
C.	**Liabilities**			
1.	Trade payables	161.131,46		1.704.563,90
2.	Liabilities due to related companies	1.270.014,41		5.743.172,86
3.	Other liabilities	56.474,33		1.090.453,42
	- thereof from taxes € 50.785,33 (Previous year: € 1.084.276,20) - thereof from social security € 5.289,40 (Previous year: € 4.963,59)			
			1.487.620,20	8.538.190,18
			62.256.630,04	**79.625.386,37**

Basics GmbH, Leverkusen

Income Statement
for the period from April 1, 2025 bis March 31, 2026

			2025/26	Previous year
		€	€	€
1.	Gross profit		9.676.528,64	9.190.545,75
2.	Personnel expenses			
	a) Wages and salaries	-3.187.009,71		-2.915.190,57
	b) Social security, post-employment and other employee benefit costs	-625.070,61		-585.932,50
	- thereof for pensions: € 139.210,77 (Previous year: € 139.434,18)-			
			-3.812.080,32	-3.501.123,07
3.	Amortisation of intangible and depreciation of tangible fixed assets		-57.183,84	-51.653,81
4.	Other operating expenses		-5.493.190,48	-4.817.410,37
5.	Other interest and similar income		650.216,04	1.988.288,81
6.	Interest and similar expenses		-683,00	0,00
7.	Taxes on income		-293.746,15	-691.255,07
8.	Result after taxes		669.860,89	2.117.392,24
9.	Other taxes		0,00	0,00
10.	Net income		669.860,89	2.117.392,24

Basics GmbH, Leverkusen

Changes in fixed assets in fiscal year 2025/26

	Acquisition and production costs				Accumulated amortisation / depreciation				Net book value	
	As of 01.04.2025	Additions	Disposals	As of 31.03.2026	As of 01.04.2025	Additions	Disposals	As of 31.03.2026	31.03.2026	31.03.2025
	€	€	€	€	€	€	€	€	€	€
I. Intangible fixed assets										
1. Purchased software	5.236.252,83	0,00	-560.814,63	4.675.438,20	5.196.491,89	14.895,59	-551.604,28	4.659.783,20	15.655,00	39.760,94
2. Prepayments	20.000,00	0,00	0,00	20.000,00	0,00	0,00	0,00	0,00	20.000,00	20.000,00
	5.256.252,83	0,00	-560.814,63	4.695.438,20	5.196.491,89	14.895,59	-551.604,28	4.659.783,20	35.655,00	59.760,94
II. Tangible fixed assets										
Other equipment, furniture and fixtures	526.628,45	58.154,49	-125.215,64	459.567,30	419.662,46	42.288,25	-124.907,36	337.043,35	122.523,95	106.965,99
	5.782.881,28	58.154,49	-686.030,27	5.155.005,50	5.616.154,35	57.183,84	-676.511,64	4.996.826,55	158.178,95	166.726,93

Basics GmbH,
Leverkusen

Annex to the financial statements for the financial year
from April 1, 2025, to March 31, 2026

I. General

Basics GmbH has its registered seat in Leverkusen and is registered in the Register of Companies of the Local Court in Köln (Reg. No. HRB 49673).

The annual financial statements were prepared on the basis of the German accounting regulations of the Commercial Code (HGB). In addition to these regulations, the provisions of the GmbH Act had to be observed. The total cost method was chosen for the profit and loss account.

According to § 267 HGB, the company is a medium-sized company.

II. Accounting and valuation principles

The valuation of **intangible assets and property, plant, and equipment** is carried out at acquisition cost minus scheduled straight-line depreciation over the useful life of the asset or at the lower fair value.

The **inventories** are measured, observing the lower of cost or market principle, at acquisition cost or the lower value attributable at the balance sheet date.

The valuation of the **trade accounts receivable,** the **other assets** as well as the **liquid funds** is carried out at nominal value.

The **prepaid expenses and deferred charges** show expenses prior to the date of the balance sheet as far as these expenses relate to a particular period after the date of the balance sheet.

The **provisions** are measured at the fulfillment amount necessary according to reasonable commercial judgment. They take into account all identifiable risks and uncertain obligations.

The **liabilities** are recognized at the settlement amount.

Foreign currency receivables and liabilities are valuated using the mean spot exchange rate as at balance sheet date.

III. Explanations of individual items of the financial statements

The **accounts receivable and the other assets** are all due within up to one year, except for an amount of k€ 27.

The **receivables from affiliated companies** relate to trade receivables amounting to k€ 1,263.

The **other assets** mostly include value-added tax and income tax receivables.

The **other provisions** mainly include obligations from discount agreements with various health insurance companies (k€ 48,234), outstanding invoices (k€ 1,282), and obligations from the personnel area (k€ 647). The amount of obligations from discount agreements is essentially estimated based on the quantities of the products included in the discount agreements sold to the pharmaceutical wholesalers.

All **liabilities** - as in the previous year - have a remaining term of less than one year. Liabilities to affiliated companies relate to liabilities from deliveries and services.

IV. Other information

Other financial obligations from lease agreements amount to k€128 (gross); the subject of the lease agreements is vehicles and office equipment.

The company's staff comprises 40 employees on an annual average.

In the financial year under review,

Hellen de Kloet, pharmacist, Amsterdam, Netherlands,

was the appointed director.

The company takes advantage of the option provided by article 286 para. 4 HGB.

Members of the advisory board:

Hellen de Kloet	Pharmacist	Amsterdam (Netherlands)
Prashant Savla	Merchant	Hoofddorp (Netherlands), correspondence address
Ahmed Banjaddi	Merchant	Leverkusen

Basics GmbH is a wholly owned subsidiary of Sun Pharma (Netherlands) B.V., Amsterdam/Netherlands, and is integrated in the consolidated financial statements of Sun Pharmaceutical Industries Limited, Mumbai/India. The consolidated financial statements of Sun Pharmaceutical Industries Limited can be inspected at https://www.sunpharma.com/investors-annual-reports-presentations.

After the end of the financial year, no events of particular significance have occurred that could lead to a changed assessment of the company.

The management proposes to carry forward the net profit to a new account.

Leverkusen, May 08, 2026

Basics GmbH,
Leverkusen

Hellen de Kloet

Basics GmbH,
Leverkusen

MANAGEMENT REPORT
for the 2025/26 Annual Financial Statements

Object of the company

Die Basics GmbH primarily distributes generic pharmaceutical products of the parent company Sun Pharmaceutical Industries Limited, based in Mumbai, India. Sun Pharmaceutical Industries Limited is the largest pharmaceutical company in India and is among the top 5 largest producers of generics worldwide.

The company operates with its product portfolio in the German healthcare market, focusing on generics in the pharmaceutical market. The main customers are wholesalers and pharmacies.

Economic report

General framework and business trend

In the period under consideration from April 1, 2025, to March 31, 2026, the total sales of the prescription-only generic market amounts to over €7.87 billion (Source: Insight Health, NPI MAT 03.2026). This represents a sales increase of approximately 3.1% compared to the previous period. In terms of sales volume, an increase of about 0.2% is recorded (Source: Insight Health, NPI MAT 03.2026).

Discount agreements continue to be established in the German pharmaceutical market in the generics-capable segment (generics, original drugs with expired patents) as a fixed component. The share of generic products regulated by discount agreements in physician prescriptions was approximately 76% in the period 03/2025-02/2026 (Source: Insight Health NVI-KT, MAT 02.2026).

Price competition remains intense. In addition, the further reduction of the reference price of certain, in part significant products and the continuing possibility for co-payment exemption will continue to affect profitability.

According to a ranking by Insight Health, Basics GmbH continues to be among the top 20 highest-grossing generic companies in Germany.

Also in this financial year, numerous statutory health insurance companies carried out tenders for discount contracts, in which our company participated successfully. To expand the portfolio, Basics GmbH introduced medicines for 4 new molecules in the financial year.

The business development in the reporting year (net profit €0.7 million) is generally assessed as satisfactory by management.

EARNINGS SITUATION

As in previous years, the focus is on expanding the discount business with health insurance companies, which has a significant impact on product sales.

The gross profit could be increased to €9.7 million (previous year: €9.2 million) during the reporting period.

Operating expenses in both personnel and administrative areas increased disproportionately, so that the operating result was €0.5 million lower.

The financial result is €1.3 million lower than in the previous year. On the one hand, liquid funds were reduced; on the other hand, the market interest rate for short-term deposits was at a significantly lower level than in the previous year.

After deduction of income taxes, the annual net profit amounts to €0.7 million.

FINANCIAL SITUATION

We cover our financial needs predominantly through obligations from rebate agreements that only become due in subsequent periods and our own funds. Cash flow from ongoing operations amounted to -€13.3 million for the fiscal year (previous year: -€4.2 million).

The value of inventories amounts to €13.9 million. The increase of €2.0 million is due to stocking effects in the tender business.

Receivables from goods and services have decreased as of the reporting date by €6.2 million to €13.6 million.

For other provisions, there is a decrease of €10.8 million to €50.2 million as of the reporting date.

The equity ratio has increased to 16.4%, particularly due to the decreased balance sheet total (previous year: 12.0%).

Financial indicators

For our internal management control, we use the net sales and the operating result (EBIT) as well as the EBIT as a percentage of sales as indicators.

Forecast, risks and opportunities

We continue to assess the expected development of Basics GmbH positively. The pharmaceutical industry offers significant growth potential in the generics sector, particularly with regard to the conclusion of additional rebate agreements, provided that service, price, and quality are strictly aligned with customer requirements.

Accordingly, sales-enhancing effects are expected from the launch of further new rebate agreements and product introductions in the coming years. It is particularly important here that the availability of products is ensured thanks to a professional inventory management system and that the stocks undergo a continuous review process.

For the current new business year, the introduction of various new molecules is planned. This includes, in particular, expansions or additions to the existing portfolio, which will both increase competitiveness and have positive effects on net profit.

As part of a routine GMP inspection, a GMP non-compliance statement (NCS) was issued for a subcontractor of Basics GmbH and published in the EudraGMDP database. As a result, there may temporarily be supply interruptions or delivery delays for the affected products. Basics GmbH currently expects a duration of about six months and has immediately initiated appropriate countermeasures, including the qualification of alternative sources of supply. Based on the current assessment, it is assumed that the impact on sales and earnings development in the fiscal year will be limited and temporary.

Overall, a net profit at the previous year's level is expected.

In general, the rebate contract business, in which Basics GmbH is primarily active, entails certain risks. These include sometimes considerable contractual penalties in the event of supply incapacity, as well as write-off costs that can arise from excess inventory of products with low turnover. The latter are encouraged by the statutory requirement of six months of inventory holding for pharmaceuticals in rebate contracts. This can lead to an increased need for stock provision. To minimize these risks and to ensure a continuous and needs-based supply of products, internal processes are continuously optimized accordingly.

To further minimize business risks on the procurement side, the sources of supply are additionally geographically diversified wherever possible (Europe and Asia).

The rising energy and raw material prices result in higher costs in production and distribution and accordingly affect the total costs of the products.

The conflict between Russia and Ukraine as well as the disputes in the Middle East currently have no direct impact on the company's business activities. However, negative effects cannot be ruled out in the future due to the global interconnections of the group's supply chains.

Due to the stable liquidity and equity situation of our company, we see no risks that could threaten its continued existence.

Leverkusen, May 08, 2026

General Management

Hellen de Kloet

TRANSLATED VERSION OF THE GERMAN ORIGINAL

INDEPENDENT AUDITOR'S REPORT

To Basics GmbH

Opinion

I have audited the financial statements of Basics GmbH - consisting of the balance sheet and the income statement for the fiscal year from April 1, 2025 to March 31, 2026 and the income statement for the financial year than ended, and the notes to the financial statements, including a summary of significant accounting and valuation policies. In addition, I have audited the management report for that financial year.

In my opinion

- the accompanying financial statements present fairly, in all material respects, the financial position of the Company and of its financial performance for the year then ended in accordance with the German commercial law applicable to corporations and generally accepted accounting principles in Germany.
- the accompanying management report provides a true picture of the state of the company. In all material respects, this management report is consistent with the financial statements, complies with German regulations and accurately presents the opportunities and risks of future development.

In accordance with § 322 (3) HGB ("German commercial law"), I declare that my audit has not led to any objections to the regularity of the financial statements and the management report.

Basis for Opinion

I conducted my audit in accordance with generally accepted audit principles defined by the German Institute of Chartered Auditors (IDW). My responsibility under those standards are further described below in the "Auditor's Responsibilities for the Audit" section of this report. I am independent of the Company in accordance with the rules and ethical requirements that are relevant to the audit of the financial statements in Germany, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the German commercial law applicable to corporations and generally accepted accounting principles in Germany. Furthermore, management is responsible for such internal control as they, in accordance with German Generally Accepted Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. accounting manipulation or misappropriation) or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

In addition, the management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent with the financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. In addition, management is responsible for the precautions and measures (internal control systems) they have deemed necessary to permit the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient and suitable evidence for the statements in the management report.

Auditor’s Responsibilities for the Audit

My 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 the management report as a whole provides a suitable view of the Company's position and whether it is consistent with the annual financial statements and the findings of my audit in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development and to issue an auditor’s report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and management report.

A further description of the auditor’s responsibilities for the audit of the financial statements is located at IDW’s (Institut der Wirtschaftsprüfer) website at: https://www.idw.de/idw/verlautbarungen/bestaetigungsvermerk/hgb-ja-non-pie. This description forms part of my auditor’s report.

Hamburg, May 8, 2026

Dietmar Genz
Wirtschaftsprüfer
(German Public Auditor)