

**Hormosan Pharma Gesellschaft  
mit beschränkter Haftung  
Frankfurt am Main/Germany**

**Long-form report on the audit  
of the annual financial statements  
and the management report  
for the financial year  
from 1 April 2024 to 31 March 2025**

**TRANSLATION**

– German version prevails –

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Management report

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**General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and  
Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)**

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We draw attention to the fact that differences may arise due to the use of rounded figures and percentages.

**1            Audit engagement**

By resolution of the shareholders' meeting held on 1 November 2024 of

**Hormosan Pharma Gesellschaft mit beschränkter Haftung,  
Frankfurt am Main/Germany**

– hereinafter also referred to as “Hormosan” or “the Company” –

we were elected as independent auditors for the financial year from 1 April 2024 to 31 March 2025. Based on this resolution, the executive directors engaged us to conduct the audit of the annual financial statements and of the management report for the financial year ended 31 March 2025 in accordance with Sec. 317 German Commercial Code (HGB).

In accordance with Sec. 321 (4a) HGB, we confirm that our audit was conducted in compliance with the applicable regulations on independence.

Our long-form audit report has been prepared in accordance with the German Generally Accepted Standards for the Preparation of Long-form Audit Reports for the Audits of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) – Auditing Standard IDW AuS 450 (Revised) (10.2021).

The scope of the engagement and our responsibilities thereunder, towards both the Company and third parties, are governed by the agreement dated 2 and 8 July 2024 and complementarily by the enclosed “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” as of 1 January 2024.

This long-form audit report has been prepared solely to document the audit work performed to the Company and not for any purposes of third parties. In accordance with the legal position pursuant to Sec. 323 HGB, we do not accept or assume liability to third parties.

## **2 Fundamental findings**

### **Statement on the executive directors' assessment of the Company's position**

We draw attention to the following aspects of the annual financial statements and the management report prepared by the executive directors as well as the other audited documents which are of particular relevance in assessing the Company's position:

- Hormosan's revenue increased to mEUR 55.1 (prior year: mEUR 47.3).

Revenue from pharmaceutical sales increased by 17.0% (mEUR 7.5), in particular because Hormosan achieved surprisingly high sales volumes after being the first company to launch a generic drug with a specific active substance on the German market. The provision of services to affiliated companies generated revenue of mEUR 3.7 (prior year: mEUR 3.4).

- Net profit for the year amounted to mEUR 2.1 (prior year: mEUR 5.0).

Cost of materials increased from mEUR 22.9 in the prior year to mEUR 30.2. At 54.9%, the cost of materials to revenue ratio was above the prior year's figure of 48.4%. The increase was due to a change in the product mix and higher acquisition costs. The increase in personnel expenses to mEUR 8.7 (prior year: mEUR 7.7) was due to the increase in the number of employees from 77 to 84 and salary increases in the reporting year.

Amortisation, depreciation and write-downs of fixed assets increased from mEUR 0.6 to mEUR 3.7 in the financial year ended 31 March 2025. As a result of two new marketing authorisations acquired for a total of mEUR 9.2, amortisation amounted to mEUR 1.4 (prior year: mEUR 0.3). With regard to the marketing authorisation for Aarane, which was acquired for mEUR 5.6, a permanent impairment was identified as at 31 March 2025. Write-downs of marketing authorisations amounted to mEUR 2.3 (prior year: mEUR 0.3), of which mEUR 1.3 related to Aarane. The write-offs of mEUR 1.0 (prior year: mEUR 0.3) were due to a lack of marketing prospects with positive earnings contributions.

At mEUR 9.7, other operating expenses were at the same level as in the prior year (mEUR 9.6) and mainly included scientific information and advertising costs of mEUR 3.5 (prior year: mEUR 3.4), expenses for temporary workers of mEUR 1.7 (prior year: mEUR 1.6) and legal and consulting costs of mEUR 0.8 (prior year: mEUR 1.4).

The Company generated an EBITDA of mEUR 6.9 (prior year: mEUR 7.5). Income tax expenses amounted to mEUR 1.5 (prior year: mEUR 2.3).

- Total assets increased to mEUR 53.1 (prior year: mEUR 45.3).

Intangible fixed assets increased to mEUR 7.9 (prior year: mEUR 2.2) due to the acquisition of two new marketing authorisations.

Inventories decreased by mEUR 1.0 to mEUR 12.5. At mEUR 8.8, trade receivables were above the prior year's figure of mEUR 6.9, which was due to the higher revenue. Cash and cash equivalents amounted to mEUR 21.8 as at the balance sheet date (prior year: mEUR 20.5).

Equity amounted to mEUR 25.7 (prior year: mEUR 28.6) after a dividend of mEUR 5.0 was paid out before the balance sheet date. The equity ratio was 48.4% (prior year: 63.1%).

Other provisions amounted to mEUR 13.2 (prior year: mEUR 9.6), of which mEUR 6.3 (prior year: mEUR 3.6) related to discounts resulting from discount agreements concluded with statutory health insurance funds based on a tender process. The increase in provisions for such discounts was due to the fact that more drugs were sold under discount agreements with statutory health insurance funds than in the prior year. Trade payables amounted to mEUR 2.2, which was slightly below the prior year's figure of mEUR 2.5. Liabilities to affiliated companies increased from mEUR 1.0 to mEUR 6.6 and resulted from trade.

- Opportunities and risks of future development

The Company sees risks in the regulatory environment as governments and health insurance providers decide on the level of mandatory manufacturer discounts, the expansion of tenders for generic products, the restriction of product reimbursements and the formation of reference price groups. The Company is also exposed to the risk of supply bottlenecks for certain preparations, as changing suppliers for pharmaceutical products is not possible at short notice. In addition, geopolitical developments can have a negative impact on sales and procurement volumes. Opportunities are seen in the further expansion of business.

- Positive forecast for the financial year ending 31 March 2026

The Company forecasts an increase in revenue in the single-digit percentage range and a net profit for the year at the level of the financial year ended 31 March 2025.

In conclusion, we state, in accordance with Sec. 321 (1) sentence 2 HGB, that we deem the executive directors' assessment of the Company's position, notably the use of the going concern basis of accounting and their assessment concerning the future development of the Company as expressed in the annual financial statements and in the management report, to be realistic.

Additional information on the assessment of the Company's position is provided in our explanations on the overall presentation of the annual financial statements in chapter 5.2 of our long-form audit report.

### **3 Copy of the Independent Auditor's Report**

We have issued the following Independent Auditor's Report on the annual financial statements and the management report of Hormosan Pharma Gesellschaft mit beschränkter Haftung, Frankfurt am Main/Germany, for the financial year ended 31 March 2025 as set out in appendix 1:

#### **"INDEPENDENT AUDITOR'S REPORT"**

To Hormosan Pharma Gesellschaft mit beschränkter Haftung, Frankfurt am Main/Germany

#### **Audit Opinions**

We have audited the annual financial statements of Hormosan Pharma Gesellschaft mit beschränkter Haftung, Frankfurt am Main/Germany, which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss for the financial year from 1 April 2024 to 31 March 2025, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Hormosan Pharma Gesellschaft mit beschränkter Haftung, Frankfurt am Main/Germany, for the financial year from 1 April 2024 to 31 March 2025.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its financial performance for the financial year from 1 April 2024 to 31 March 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

#### **Basis for the Audit Opinions**

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

**Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report**

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required 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. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

**Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 this management report.



We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main/Germany, 30 April 2025

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

sig. Thomas Ludwig  
Wirtschaftsprüfer  
German Public Auditor

sig. Rainer Wiesner  
Wirtschaftsprüfer  
German Public Auditor"

## **4 Subject, nature and scope of the audit**

### **Subject of the audit**

Our audit covered:

- the accounting records,
- the annual financial statements (comprising the balance sheet, the statement of profit and loss and the notes to the financial statements), and
- the management report

of the Company.

The executive directors of the Company are responsible for the accounting records and the preparation of the annual financial statements and the management report in accordance with German commercial law; this also applies to the information which was provided to us concerning these documents. Further information is provided in the section "Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report" in the above copy of our auditor's report.

Our responsibility is to express an opinion on these documents and this information based on our audit conducted in accordance with professional auditing standards. Our responsibilities in this context are described in the sections "Basis for the Audit Opinions" and "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" of our auditor's report.

**Nature and scope of the audit**

Our audit was based on the prior year's annual financial statements audited by us, on which we issued an unqualified Independent Auditor's Report dated 30 April 2024; these annual financial statements were adopted on 1 November 2024.

We conducted our audit in accordance with Sec. 317 HGB and with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW).

Concerning the main features of our audit approach, we refer to the section "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" in the above copy of our auditor's report in chapter 3. In order to meet these requirements, we apply our risk- and process-based audit approach; for this purpose, we use our Levvia auditing software. It supports the planning, performing and documentation of the audit.

In accordance with Sec. 317 (4a) HGB, the scope of the audit does not include assurance on the future viability of the audited Company or on the effectiveness or efficiency with which the executive directors have conducted or will conduct the affairs of the Company.

We conducted the audit in December 2024 (interim audit) and between March and April 2025 (main audit).

In accordance with our audit plan, we did not rely on internal controls. Therefore, in accordance with our risk assessment, we did not reduce the scope of our substantive analytical procedures and tests of details of selected transactions and account balances. Tests of details were performed on the basis of judgemental selections of specific items and/or by applying sampling methods.

Our audit focused on:

- the substantiation and cut-off of revenue,
- the valuation of intangible fixed assets,
- the valuation of inventories,
- the valuation of trade receivables, and
- the completeness and valuation of provisions.

In order to assess the appropriateness of the Company's accounting records, as part of the interim audit, we obtained an overview of the organisation of the accounting records and an understanding of the controls relevant to the audit, and performed appropriate tests of design and implementation, in particular with regard to the relevant internal controls implemented.

The Company records its inventory by way of early year-end inventory counts. We observed a selected number of physical inventory counts. Furthermore, we examined whether the inventory accounting meets the requirements of the inventory method.

In auditing accounts receivable, accounts payable and provisions, we requested external confirmations from selected customers and suppliers and also from selected lawyers and tax accountants of the Company concerning its debits, claims, rights, credits and obligations. We did not request external confirmations of accounts receivable from, and accounts payable to, affiliated companies recorded in lists of account balances at the balance sheet date. In this context, we convinced ourselves that accounts receivable and accounts payable were recorded, maintained and processed in such a way that they could be substantiated reliably by other means.

Considering the disclosures in the annual financial statements, we evaluated the prospective information in the management report for plausibility and consistency with our audit evidence in respect of the annual financial statements.

The executive directors provided all information and evidence requested and on 30 April 2025 issued a written letter of representation in accordance with professional standards. In this letter of representation, the executive directors notably confirm that they fulfilled their responsibilities for the preparation of the annual financial statements and the management report in accordance with German commercial law and that all transactions have been recorded in the accounting records in accordance with German Legally Required Accounting Principles and are reflected in the annual financial statements or in the management report in accordance with the requirements of German commercial law.

## **5 Findings and explanations on the financial reporting**

### **5.1 Appropriateness of the financial reporting**

#### **5.1.1 Accounting records and other audited documents**

The accounting records comply with the legal requirements including the German Legally Required Accounting Principles. The information derived from the other audited documents is, in all material respects, appropriately presented within the accounting records, the annual financial statements and the management report.

#### **5.1.2 Annual financial statements**

The annual financial statements for the financial year ended 31 March 2025 are enclosed as part of appendix 1 to this long-form audit report.

The annual financial statements have been properly derived from the accounting records and the other audited documents. The legal requirements on classification, recognition and valuation and on the notes to the financial

statements have been complied with in all material respects. The disclosures on the total remuneration of the executive directors have been omitted, as permitted by Sec. 286 (4) HGB.

### **5.1.3 Management report**

The management report for the financial year ended 31 March 2025 is enclosed as part of appendix 1 to this long-form audit report.

According to the results of our audit, the management report complies, in all material respects, with German legal requirements.

## **5.2 Overall presentation of the annual financial statements**

### **5.2.1 Conclusions on the overall presentation of the annual financial statements**

We refer to our explanations on the overall presentation of the annual financial statements given below. The annual financial statements taken as a whole, i.e. the combined presentation of the balance sheet, the statement of profit and loss and the notes to the financial statements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

### **5.2.2 Explanations concerning the overall presentation of the annual financial statements**

Significant valuation methods are reported below.

#### **Intangible fixed asset: marketing authorisation for Aarane**

The marketing authorisation for Aarane was acquired in the financial year ended 31 March 2025 for mEUR 5.6. Amortisation was calculated on a pro rata temporis basis from the date of acquisition and amounted to mEUR 0.8. Aarane is a prescription-only, anti-inflammatory bronchodilator inhalation spray for the acute treatment of sudden shortness of breath and the targeted prevention of exercise-induced asthma.

As at the balance sheet date of 31 March 2025, the executive directors identified a permanent impairment associated with Aarane, which led to the recognition of a write-down of mEUR 1.3. Due to legal requirements, metered-dose inhalers that use fluorinated greenhouse gases and have not been adapted to use climate-friendly gases by 31 December 2029 may no longer be marketed from 1 January 2030 onwards. Given that the conversion of the Aarane inhalers to climate-friendly gases is not economically viable, the impairment test was prepared for the period from 1 April 2025 to 31 December 2029. An income capitalisation approach with projected revenue, cost of materials and distribution costs was used, applying a discount rate of 5.5%.

The planning for the financial years from 31 March 2026 onwards is based on revenue of mEUR 2.7, then mEUR 3.4, while a slight decrease in revenue to mEUR 3.3, then mEUR 3.3 and finally mEUR 1.7 is budgeted for the financial years from 31 March 2028 onwards. Due to delivery and product problems, revenue from Aarane amounted to only mEUR 1.0 between the acquisition date of 1 June 2024 and 31 March 2025. The executive

directors anticipate that sales volumes will now return to a higher level. If the revenue forecast is not met, a further write-down may be necessary in subsequent years.

**Provisions for discounts resulting from discount agreements concluded with statutory health insurance funds based on a tender process**

Pharmaceutical companies sell their medicines to pharmaceutical wholesalers and pharmacies at list prices, with corresponding revenue recognition. Statutory health insurance funds can use discount agreements based on a tender process to negotiate special conditions for active substances with one or more suppliers. In this case, pharmacies are obliged to dispense only those drugs to their customers that are specified in the discount agreement of the respective health insurance fund. Pharmaceutical manufacturers are selected through public tenders for individual active substances and are awarded contracts for their products either exclusively or in a multi-partner model for a term of two years.

By concluding a discount agreement with a statutory health insurance fund, drug manufacturers grant a discount on their products and in return become an exclusive supplier of the respective health insurance fund. At the pharmacy, a patient registered with the health insurance fund will not receive the medicine from the manufacturer indicated on the prescription, but a medicine from one of the manufacturers that have concluded a discount agreement with the patient's health insurance fund, provided that the medical practitioner has issued a corresponding prescription; the medicine must have the same active substance, pharmaceutical form, dosage and package size ("aut idem" rule). In accordance with this rule, pharmacies are obliged to substitute the prescribed medicine in favour of a discounted one. This does not apply only if the medical practitioner has prohibited substitution by crossing out the "aut idem" box on the prescription.

The discounts become due at the time the medicine is dispensed by the pharmacy to the patient. As neither the date nor the quantity are known at the time when Hormosan sells its pharmaceuticals to wholesalers or pharmacies, the amount of discounts that will be incurred after the balance sheet date for revenue generated in the financial year can only be estimated. The estimate is based on the discounts agreed with statutory health insurance funds, revenue and volume reports by INSIGHT Health GmbH, Waldems/Germany, (healthcare information service provider) and the financial year's revenue and discounts. In many cases, the discounts are not invoiced by the health insurance funds until several months after the information provider has published the data.

As at 31 March 2025, Hormosan recognised provisions for discounts payable to statutory health insurance funds of mEUR 6.3 (prior year: mEUR 3.6).

### 5.3 Information on the assets, liabilities, financial position and financial performance

#### Multi-year data overview

		2024/25	2023/24	2022/23	2021/22	2020/21
Revenue	kEUR	55,050	47,308	44,549	36,594	33,650
Cost of materials	kEUR	30,227	22,897	22,430	21,048	16,968
Cost of materials to revenue ratio	%	54.9	48.4	50.3	57.5	50.4
Personnel expenses	kEUR	8,724	7,675	6,915	6,886	6,487
Number of employees (Sec. 267 (5) HGB)	Heads	84	77	69	74	79
Revenue per employee	kEUR	655	614	646	495	426
EBITDA	kEUR	6,918	7,448	8,020	3,146	4,645
EBIT	kEUR	3,159	6,847	7,516	2,279	3,888
Profit for the year	kEUR	2,123	5,010	5,705	2,175	3,515
Intangible fixed assets	kEUR	7,403	2,199	1,683	2,015	2,711
Equity	kEUR	25,739	28,615	23,605	17,901	15,725
Equity ratio	%	48.4	63.1	54.3	50.8	49.9
Balance sheet total	kEUR	53,126	45,348	43,478	35,229	31,542

#### Credit facilities

The Company does not have its own credit facilities with banks.

**6 Concluding remark**

The above long-form audit report on our audit of the annual financial statements and of the management report of Hormosan Pharma Gesellschaft mit beschränkter Haftung, Frankfurt am Main/Germany, for the financial year from 1 April 2024 to 31 March 2025 complies with the legal requirements and the German Generally Accepted Standards for the Preparation of Long-form Audit Reports for the Audits of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) – Auditing Standard IDW AuS 450 (Revised) (10.2021).

Concerning the unqualified Independent Auditor’s Report issued by us, we refer to chapter 3 “Copy of the Independent Auditor’s Report”.

Frankfurt am Main/Germany, 30 April 2025

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

Signed:  
Thomas Ludwig  
Wirtschaftsprüfer  
German Public Auditor

Signed:  
Rainer Wiesner  
Wirtschaftsprüfer  
German Public Auditor

The publication or distribution of the annual financial statements and/or the management report to third parties in a form other than the version on which our Independent Auditor’s Report has been issued, or the translation into other languages requires our renewed representation if our Independent Auditor’s Report is quoted or reference is made to our audit in this context; in this respect, we draw attention to the regulation under Sec. 328 German Commercial Code (HGB).



**Hormosan Pharma Gesellschaft  
mit beschränkter Haftung  
Frankfurt am Main/Germany**

**Appendix 1**

Management report  
and annual financial statements  
for the financial year  
from 1 April 2024 to 31 March 2025

## **1. General information about the Company**

Hormosan Pharma GmbH focuses on the sale of prescription drugs to pharmaceutical wholesalers. The Company specialises in branded generics and speciality medicines for the treatment of severe headaches (particularly cluster headaches and severe migraines), pain therapy, sexual health (HIV, women's health, men's health), asthma, chronic obstructive pulmonary disease (COPD) and rare neurological disorders. In addition, generic products are sold, mainly for the central nervous system indication area.

The current product range comprises 59 products, including 51 generic products, some of which are sourced from the parent company, but the majority from third parties. Hormosan Pharma GmbH does not develop its own products. The product portfolio is based on licences purchased from third parties as licensors and on products developed by group companies. Finished product developments are taken over for registration and marketing authorisations that have already been granted are transferred.

Hormosan Pharma GmbH has been active on the German pharmaceuticals market since 1968. Since mid-2008, following its acquisition by the Lupin Group, the Company has been operating as German subsidiary of Nanomi B.V., which has its registered office in Oldenzaal/the Netherlands. Nanomi B.V. in turn is a subsidiary of Lupin Ltd., with headquarters in Mumbai/India. The Lupin Group is an international pharmaceutical group offering a broad range of generics as well as patented pharmaceutical forms and active substances. In particular, the companies of the Group specialise in the indication areas of cardiovascular disease, diabetes, asthma, paediatrics, neurology, gastroenterology, oncology, infections and pain.

## **2. Economic environment**

According to the IQVIA Market Report 2024, revenue in the German pharmaceutical market increased by 7.8% in the calendar year 2024, while sales rose by 1.7%. In the pharmacies segment, revenue increased by approximately 8.0% to bEUR 55.4. According to the IQVIA Market Report 2024, revenue from statutory health insurance funds grew by 9.5% to bEUR 57.2 in 2024, while sales volumes increased by 1.5%.

### 3. Financial performance

Hormosan Pharma GmbH generated a revenue of mEUR 55.1 in the past financial year, compared to mEUR 47.3 in the prior year. Revenue from the sale of medicinal products increased by 17.0% from mEUR 43.9 to mEUR 51.3. This was primarily due to unexpectedly high sales volumes for a product that was the first generic drug on the German market for a specific active substance. The increase was also driven by continued strong demand for products in the neurology segment and the launch of other new products. Service revenue increased by mEUR 0.3 to mEUR 3.7. Revenue and net profit for the year are significant financial performance indicators used to manage the Company.

Cost of materials increased by 32.0% from mEUR 22.9 to mEUR 30.2 in the past financial year, which was attributable to changes in the product mix and higher acquisition costs. The increase in cost of purchased merchandise of 32.2% (mEUR 7.2) was disproportionately high compared to the increase in revenue from pharmaceutical sales. Cost of purchased services, which amounted to mEUR 0.7 (prior year: mEUR 0.5), related to marketing and distribution expenses and was associated with revenue from affiliated companies for provided services. At 54.9%, the cost of materials to revenue ratio was above the prior year's figure of 48.4%. Gross profit (revenue less cost of materials) amounted to mEUR 24.8 (prior year: mEUR 24.4).

In the financial year 2024/25, personnel expenses increased to mEUR 8.7 (prior year: mEUR 7.7), which was due to salary increases and an increase in the average number of employees from 77 in the prior year to 84.

Amortisation, depreciation and write-downs of fixed assets amounted to mEUR 3.8 compared to mEUR 0.6 in the prior year, of which mEUR 2.3 (prior year: mEUR 0.3) related to write-downs of intangible fixed assets due to permanent impairment. Of this amount, mEUR 1.3 (prior year: mEUR 0.0) was attributable to write-downs to the lower fair value of mEUR 3.5 and mEUR 1.0 (prior year: mEUR 0.3) to write-offs to mEUR 0.0, as overall demand for these drugs had changed or an early termination of marketing had been decided. The company-specific economic lives of the marketing authorisations acquired for mEUR 9.2 in the financial year 2024/25 were six and ten years.

At mEUR 9.7, other operating expenses in the past financial year were roughly at the same level as in the prior year (mEUR 9.6). The item mainly included scientific information and advertising costs of mEUR 3.5 (prior year: mEUR 3.4), expenses for temporary skilled workers of mEUR 1.7 (prior year: mEUR 1.6) and legal and consulting costs of mEUR 0.8 (prior year: mEUR 1.4).

Short-term fixed deposits generated interest income of mEUR 0.5 (prior year: mEUR 0.4).

EBITDA (earnings before interest, income taxes, depreciation and write-downs of property, plant and equipment and amortisation and write-downs of intangible fixed assets) amounted to mEUR 6.9 (prior year: mEUR 7.5). This corresponded to 12.6% (prior year: 15.7%) of revenue. Earnings before income taxes amounted to mEUR 3.7 (prior year: mEUR 7.3). Income tax expenses decreased to mEUR 1.5 in the past financial year (prior year: mEUR 2.3).

Overall, a net profit for the year of mEUR 2.1 (prior year: mEUR 5.0) was realised.

The prior year's financial statements forecast a revenue increase in the low double-digit percentage range for 2024/25, as well as a net profit for the year slightly above the level of 2023/24. While the revenue target was met, the planned net profit for the year was missed because amortisation and write-downs of intangible fixed assets were higher than expected.

#### **4. Assets and liabilities**

As at 31 March 2025, Hormosan Pharma GmbH had total assets of mEUR 53.1, which was above the prior year's figure of mEUR 45.3.

Compared to the prior year, intangible fixed assets increased by mEUR 5.7 to mEUR 7.9, following investments in marketing authorisations of mEUR 9.2. At a net book value of mEUR 0.1, property, plant and equipment remained at the prior year's level.

As in the prior year, one long-term loan to an affiliated company amounted to mEUR 0.8.

Inventories decreased by mEUR 1.0 to mEUR 12.5. This was primarily due to more efficient inventory management.

Trade receivables increased from mEUR 6.9 to mEUR 8.8 due to the higher revenue. Receivables from affiliated companies amounted to mEUR 1.0, which was slightly below the prior year's level (mEUR 1.1).

Equity amounted to mEUR 25.7 as at 31 March 2025 (prior year: mEUR 28.6), with a dividend of mEUR 5.0 being paid out before the balance sheet date. The equity ratio was 48.4% (prior year: 63.1%).

Tax provisions amounted to mEUR 4.6 (prior year: mEUR 3.4). Other provisions increased from mEUR 9.6 to mEUR 13.2 and mainly included provisions of mEUR 6.3 for discounts resulting from discount agreements concluded with statutory health insurance funds based on a tender process (prior year: mEUR 3.6) and personnel provisions of mEUR 1.6 (prior year: mEUR 1.3). The volume of pharmaceuticals covered by discount agreements based on a tender process increased compared to the prior year.

Trade payables decreased slightly from mEUR 2.5 in the prior year to mEUR 2.2. Liabilities to affiliated companies amounted to mEUR 6.6 (prior year: mEUR 1.0) and primarily resulted from deliveries of merchandise and year-end settlements. The increase was due to payment behaviour before and after the balance sheet date compared to the prior year.

## **5. Financial position**

Cash and cash equivalents amounted to mEUR 21.8 as at the balance sheet date (prior year: mEUR 20.5).

In the financial year 2024/25, Hormosan Pharma GmbH invested a total of mEUR 9.4 (prior year: mEUR 1.1) in intangible fixed assets, which mainly related to marketing authorisations. As in the prior year, all of the Company's fixed assets were financed from equity.

## **6. Report on opportunities and risks**

Risks relate to future developments or events that may lead to a negative deviation from the business objectives projected by Hormosan Pharma GmbH. Risk management is an ongoing task at Hormosan Pharma GmbH, with the aim of enabling management to identify, assess and control risks.

### **Regulatory risks**

The German pharmaceutical market is subject to intervention by the government and health insurance providers, mostly with the aim of reducing costs. In particular, this is reflected in the level of mandatory manufacturer discounts, the expansion of tenders for generic products, the restriction of product reimbursements and the formation of reference price groups. Of the 51 generics sold by Hormosan Pharma GmbH, 23 are discounted for statutory health insurance funds, which significantly limits profit margins. All of these factors will continue to exist and will influence our pricing and, indirectly, sales volumes. This will further limit our market opportunities, in some cases significantly.

In addition to regulatory influence, medical research and development as well as new findings on active substances and products, which are made every day, can also have an impact on the marketability of our products. As a result, there is always a risk that our current product portfolio will have to be supplemented or substituted. In addition, there are risks associated with product development that could delay the start of marketing. This is particularly true for companies such as Hormosan Pharma GmbH, whose revenue growth relies heavily on new products.

### **Compliance risks**

Hormosan Pharma GmbH is committed to exclusively conducting all business processes in accordance with applicable laws and regulations as well as internal guidelines. The Company has therefore established a compliance system that is based on the applicable laws and monitors compliance with them. The system is continuously optimised to meet current requirements. Employees are informed about the compliance guidelines during training sessions. Management is convinced that the compliance system provides sufficient safeguards for compliance with national and international rules. However, training and compliance guidelines cannot completely guarantee that employees will not accidentally, negligently or intentionally violate laws, regulations or internal guidelines. Such violations could disrupt internal business processes and adversely affect the Company as a whole, in particular its assets, liabilities, financial position and financial performance.

## **Procurement risks**

Hormosan Pharma GmbH may be exposed to the risk of supply bottlenecks with regard to certain preparations. This is due to the fact that changing suppliers for pharmaceutical products is not possible at short notice. Further optimisation of inventory management and a reduction in dependence on individual suppliers will systematically continue to counteract this risk. In addition, changes in the purchase prices of important drugs can have a significant impact on the financial performance of Hormosan Pharma GmbH.

## **Financial risks and risks from financial instruments**

Management sees no indications that payment obligations cannot be met on time. Our liquidity management is intended to ensure that the Company remains solvent and financially flexible at all times by maintaining sufficient liquidity reserves.

Trade receivables are subject to credit risks. We analyse outstanding receivables and their age structure on a monthly basis to be able to initiate any necessary collection measures. Management considers the credit risk associated with loans and receivables from affiliated companies to be low. Hormosan Pharma GmbH is not exposed to any significant currency risk, as all relevant transactions are conducted in euros.

## **Personnel risks**

Thanks to our qualified workforce, in particular, no personnel bottlenecks or risks are expected. To counteract the growing labour shortage in Germany, Hormosan Pharma GmbH continuously works to improve its attractiveness as an employer. In order to meet the demand for qualified specialists in a timely manner while maintaining financial flexibility, the Company supplements its internal workforce with temporary skilled workers.

## **Macroeconomic risks**

The current state of global politics, which is characterised by unpredictable policy decisions and armed conflicts, may have a negative impact on the Company. These factors can lead to distortions in our sales markets and also place a heavy strain on supply chains. This may have negative consequences for Hormosan Pharma GmbH.

## **Opportunities**

Hormosan Pharma GmbH has a continuous opportunity management system in place to ensure sustainable business success. Our ability to seize growth opportunities and secure our long-term success is based on the Company's strategic success factors. Key strategic success factors include comprehensive product planning and licensor analysis. Our strategy decisions are integrated into and aligned with the Group's strategic policy.

To increase revenue, a targeted use of existing resources in the sales force and marketing activities is required. Hormosan Pharma GmbH provides ongoing training for its sales representatives, both for personal contact with medical practitioners in their practices and via digital media. Experience in recent years has shown that a well-balanced combination of different channels will be crucial for success in the future. In order to meet the demand for qualified specialists in a timely manner while maintaining financial flexibility, the Company supplements its internal workforce with temporary skilled workers.

## **7. Report on expected developments**

In the next financial years, Hormosan Pharma GmbH will keep focusing on expanding its business with both branded generics and specialities. The Company is particularly committed to driving growth in the core indication areas of headaches, rare neurological disorders, sexual health and inhalation. Revenue from statutory health insurance tenders will continue to be an effective vehicle for the widespread placement of our products in the distribution channels, particularly in pharmacies as the final point of sale.

Management expects revenue to increase in the single-digit percentage range in the financial year 2025/26. This financial year's investments in particular are expected to generate growth. The achievement of our plans will depend on the consistent further development and implementation of our strategic focus as well as general market developments. We expect a net profit for the year comparable to that of 2024/25.

Frankfurt am Main/Germany, 30 April 2025

The Management

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(Peer Seeger)

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(Sunil Makharia)

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(Thierry Volle)

**BALANCE SHEET AS AT 31 MARCH 2025**

**ASSETS**

	<b>31 March 2025 EUR</b>	<b>31 March 2024 EUR</b>
<b>A. <u>FIXED ASSETS</u></b>		
I. Intangible fixed assets		
1. Purchased licences in industrial property rights	7,403,251.80	1,087,408.53
2. Prepayments	456,409.70	1,111,820.52
	<u>7,859,661.50</u>	<u>2,199,229.05</u>
II. Property, plant and equipment Operating and office equipment	<u>53,904.22</u>	<u>66,313.46</u>
III. Long-term financial assets Loans to affiliated companies	<u>750,000.00</u>	<u>750,000.00</u>
	<u>8,663,565.72</u>	<u>3,015,542.51</u>
<b>B. <u>CURRENT ASSETS</u></b>		
I. Inventories		
1. Raw materials, consumables and supplies	19,668.63	23,361.79
2. Merchandise	12,472,210.67	13,499,135.93
	<u>12,491,879.30</u>	<u>13,522,497.72</u>
II. Receivables and other current assets		
1. Trade receivables	8,830,536.86	6,891,824.07
2. Receivables from affiliated companies	989,199.28	1,052,474.61
3. Other current assets	334,939.59	369,188.18
	<u>10,154,675.73</u>	<u>8,313,486.86</u>
III. Cash-in-hand, bank balances	21,781,686.87	20,481,507.89
	<u>44,428,241.90</u>	<u>42,317,492.47</u>
<b>C. <u>PREPAID EXPENSES</u></b>	34,074.19	14,954.63
	<u>53,125,881.81</u>	<u>45,347,989.61</u>



		<b><u>EQUITY AND LIABILITIES</u></b>	
		<b>31 March 2025</b>	<b>31 March 2024</b>
		<b>EUR</b>	<b>EUR</b>
A.	<b><u>EQUITY</u></b>		
I.	Subscribed capital	122,900.00	122,900.00
II.	Capital reserves	15,166,810.22	15,166,810.22
III.	Revenue reserves	1,463,834.95	1,463,834.95
IV.	Retained profits brought forward	6,861,605.60	6,851,813.11
V.	Profit for the year	2,123,479.90	5,009,792.49
		<u>25,738,630.67</u>	<u>28,615,150.77</u>
B.	<b><u>PROVISIONS</u></b>		
1.	Tax provisions	4,569,403.36	3,353,626.79
2.	Other provisions	13,212,852.17	9,560,169.71
		<u>17,782,255.53</u>	<u>12,913,796.50</u>
C.	<b><u>LIABILITIES</u></b>		
1.	Trade payables	2,178,878.28	2,529,804.07
2.	Liabilities to affiliated companies	6,593,402.31	980,214.94
3.	Other liabilities	832,715.02	309,023.33
		<u>9,604,995.61</u>	<u>3,819,042.34</u>
		<u>53,125,881.81</u>	<u>45,347,989.61</u>

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 1 APRIL 2024 TO 31 MARCH 2025

	2024/25 EUR	2023/24 EUR
1. Revenue	55,050,306.78	47,308,209.37
2. Other operating income	495,049.92	269,350.89
3. Cost of materials		
a) Cost of purchased merchandise	-29,537,830.20	-22,349,501.57
b) Cost of purchased services	-689,142.16	-547,529.17
4. Personnel expenses		
a) Wages and salaries	-7,598,422.01	-6,686,466.52
b) Social security, post-employment and other employee benefit costs	-1,125,809.55	-988,585.02
5. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of property, plant and equipment	-3,758,664.71	-600,433.02
6. Other operating expenses	-9,676,259.36	-9,557,630.56
7. Other interest and similar income	518,081.62	497,237.74
8. Interest and similar expenses	-18,521.07	-1,972.06
9. Income taxes	-1,535,309.36	-2,332,887.59
10. Earnings after taxes	2,123,479.90	5,009,792.49
11. Profit for the year	2,123,479.90	5,009,792.49

## Notes to the financial statements

of Hormosan Pharma GmbH, Frankfurt am Main/Germany,

for the financial year from 1 April 2024 to 31 March 2025

### 1. General information

Hormosan Pharma GmbH, which has its registered office at Hanauer Landstraße 139-143, 60314 Frankfurt am Main/Germany, is a limited liability company registered in the commercial register of the Frankfurt am Main/Germany local court under HRB 8706. The annual financial statements of Hormosan Pharma GmbH as at 31 March 2025 have been prepared in accordance with the requirements of the German Commercial Code (HGB) for large business corporations and the supplementary requirements of the German Limited Liability Companies Act (GmbHG).

### 2. Accounting and valuation methods

**Intangible fixed assets** purchased from third parties are measured at cost less straight-line amortisation. Intangible fixed assets acquired in the reporting period are amortised on a pro rata temporis basis using the straight-line method. Licence rights for marketing authorisations are amortised over a period of six to ten years, depending on the term of the licence or the shorter economic life. Write-downs are recognised for impairment that is expected to be permanent. If the reason for the impairment ceases to exist, the write-down is reversed up to the amount of amortised cost.

**Property, plant and equipment** is measured at acquisition cost less straight-line depreciation. Additions with acquisition costs of not more than EUR 800 are depreciated immediately in the year of acquisition. Depreciation rates are based on the expected company-specific economic life, which is 3 to 13 years for operating and office equipment.

**Loans** reported in long-term financial assets are recognised at nominal value or, in the event of impairment that is expected to be permanent, at the lower fair value. If the reason for the impairment ceases to exist, the write-down is reversed up to at most the acquisition cost. The option to recognise write-downs of long-term financial assets even if the impairment is not expected to be permanent is not exercised.

Raw materials, consumables and supplies reported in **inventories** are recognised at the lower of acquisition or replacement cost. Merchandise is recognised at the lower of acquisition cost, replacement cost or selling price less costs to be incurred until the sale. Acquisition costs are calculated at moving average prices. Appropriate write-downs are recognised for all identifiable risks in inventories resulting from above-average storage periods, reduced usability and lower replacement costs.

**Receivables and other current assets** are recognised at acquisition cost less specific valuation allowances for doubtful debts and global valuation allowances for the general credit risk.

Foreign currency assets are translated at the exchange rate as at the date of the transaction. Assets with a remaining term of up to one year are uniformly translated at the middle spot exchange rate as at the balance sheet date. Assets with a remaining term of more than one year are only translated at the middle spot exchange rate as at the balance sheet date if this results in a lower value.

**Deferred taxes** are calculated for differences between the amounts of assets, liabilities, pre-paid expenses and deferred income recognised in the financial statements and in the tax base, provided that these differences are expected to reverse in subsequent financial years and result in tax assets or tax liabilities. Deferred taxes are measured using a combined income tax rate of 32.0%. This includes the corporate income tax rate of 15.0% and the associated solidarity surcharge of 5.5%, as well as the average municipal trade tax rate of 16.1%. As in the prior year, the offsetting of deferred tax assets and liabilities resulted in net deferred tax assets, which mainly resulted from valuation differences relating to intangible fixed assets and other provisions. Any resulting net deferred tax liability is recognised as a deferred tax liability on the balance sheet. In the event of net deferred tax assets, the corresponding recognition option is not exercised.

**Tax provisions** for corporate income and municipal trade tax are calculated on the basis of expected taxable income and trade income.

**Other provisions** are recognised for uncertain liabilities and are measured at the settlement amount necessary according to sound business judgement, taking into account expected future price and cost increases.

**Liabilities** are recognised at the settlement amount.

Foreign currency liabilities are translated at the exchange rate as at the transaction date. Liabilities with a remaining term of up to one year are uniformly translated at the middle spot exchange rate as at the balance sheet date. Liabilities with a remaining term of more than one year are only translated at the middle spot exchange rate as at the balance sheet date if this results in a higher value.

### 3. Notes to the balance sheet

The development of acquisition costs and amortisation, depreciation and write-downs of the individual **fixed asset** items is presented in the enclosed statement of movements in fixed assets.

Other current assets of kEUR 72 (prior year: kEUR 72) had a remaining term of more than one year. As in the prior year, all **receivables** and sundry **other current assets** had a remaining term of not more than one year. Receivables from affiliated companies related to trade.

Based on the shareholders' resolution dated 24 March 2025, a **dividend** of kEUR 5,000 was paid out before the balance sheet date of 31 March 2025.

**Other provisions** mainly included provisions for discounts resulting from discount agreements concluded with statutory health insurance funds based on a tender process (kEUR 6,269; prior year: kEUR 3,560), personnel provisions (kEUR 1,618; prior year: kEUR 1,275) and provisions for mandatory discounts (kEUR 1,122; prior year: kEUR 1,126).

As in the prior year, all **liabilities** had a remaining term of up to one year. As in the prior year, liabilities to affiliated companies resulted from trade. Other liabilities included tax liabilities of kEUR 145 (prior year: kEUR 300).

There were no **contingent liabilities**.

**Other financial obligations** from rental and leasing agreements totalled kEUR 795, of which kEUR 662 related to the rental agreement for the head office premises and the remaining amount to vehicle leasing agreements. Of the total amount, kEUR 311 was due within one year and kEUR 484 between more than one and five years.

#### 4. Notes to the statement of profit and loss

At kEUR 51,313 (prior year: kEUR 43,861), the majority of **revenue** resulted from the sale of pharmaceuticals. Revenue from provided services amounted to kEUR 3,737 (prior year: kEUR 3,449). Revenue from product sales was generated almost exclusively in Germany.

**Personnel expenses** included post-employment benefit costs of kEUR 44 (prior year: kEUR 46).

**Write-downs** due to permanent impairment amounted to kEUR 2,326 (prior year: kEUR 279) and related to purchased licences in industrial property rights. In the financial year 2024/25, these were of exceptional size.

**Other operating expenses** mainly included scientific information and advertising costs of kEUR 3,486 (prior year: kEUR 3,387), expenses for temporary skilled workers of kEUR 1,713 (prior year: kEUR 1,604) and legal and consulting costs of kEUR 770 (prior year: kEUR 1,403). Currency translation losses amounted to kEUR 7 (prior year: kEUR 15).

**Other interest and similar income** included interest income from affiliated companies of kEUR 34 (prior year: kEUR 65).

#### 5. Other disclosures

##### Members of management

Peer Seeger, all departments

Anjan Selz, until 11 February 2025, Senior Vice President Lupin Northern Europe, Lupin Atlantis Holdings S.A., Zug/Switzerland

Sunil Makharia – President – Finance, Lupin Ltd., Mumbai/India

Thierry Volle, President EMEA Lupin Atlantis Holdings S.A., Zug/Switzerland

In accordance with Sec. 286 (4) HGB, the total remuneration paid to management is not disclosed, as only one person received remuneration from Hormosan.

The **average number of employees** was 84 (prior year: 77).

The **total fee charged by the auditor** amounted to kEUR 88 and related to audit services.

#### **Information about the consolidated financial statements**

Hormosan Pharma GmbH is included in the consolidated financial statements of Lupin Ltd., Mumbai/India, which prepares the consolidated financial statements for the smallest and largest group of companies. The consolidated financial statements of Lupin Ltd. are available at [www.Lupin.com/annual-reports.php](http://www.Lupin.com/annual-reports.php).

#### **Management's proposal on the appropriation of net profit**

Management proposes to carry forward the net profit for the year to new account.

#### **Significant events after the balance sheet date**

There were no significant events after the end of the financial year that have not been taken into account in the statement of profit and loss or in the balance sheet.

Frankfurt am Main/Germany, 30 April 2025

The Management

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(Peer Seeger)

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(Sunil Makharia)

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(Thierry Volle)

**Hormosan Pharma GmbH, Frankfurt am Main/Germany****Movements in fixed assets as at 31 March 2025**

	Acquisition cost				Balance as at 31 March 2025 EUR
	Balance as at 1 April 2024 EUR	Additions EUR	Reclassifications EUR	Disposals EUR	
<b>I. Intangible fixed assets</b>					
1. Purchased licenses in industrial property rights	5,512,547.29	9,200,000.00	811,864.52	0.00	15,524,411.81
2. Prepayments	1,111,820.52	156,453.70	-811,864.52	0.00	456,409.70
	<u>6,624,367.81</u>	<u>9,356,453.70</u>	<u>0.00</u>	<u>0.00</u>	<u>15,980,821.51</u>
<b>II. Property, plant and equipment</b>					
Operating and office equipment	667,087.40	50,234.22	0.00	0.00	717,321.62
<b>III. Long-term financial assets</b>					
Loans to affiliated companies	750,000.00	0.00	0.00	0.00	750,000.00
	<u>8,041,455.21</u>	<u>9,406,687.92</u>	<u>0.00</u>	<u>0.00</u>	<u>17,448,143.13</u>

		Accumulated amortisation, depreciation and write-downs			
		Balance as at 1 April 2024 EUR	Additions EUR	Disposals EUR	Balance as at 31 March 2025 EUR
<b>I.</b>	<b>Intangible fixed assets</b>				
1.	Purchased licenses in industrial property rights	-4,425,138.76	-3,696,021.25	0.00	-8,121,160.01
2.	Prepayments	0.00	0.00	0.00	0.00
		<u>-4,425,138.76</u>	<u>-3,696,021.25</u>	<u>0.00</u>	<u>-8,121,160.01</u>
<b>II.</b>	<b>Property, plant and equipment</b>				
	Operating and office equipment	<u>-600,773.94</u>	<u>-62,643.46</u>	<u>0.00</u>	<u>-663,417.40</u>
<b>III.</b>	<b>Long-term financial assets</b>				
	Loans to affiliated companies	0.00	0.00	0.00	0.00
		<u>-5,025,912.70</u>	<u>-3,758,664.71</u>	<u>0.00</u>	<u>-8,784,577.41</u>



		<b>Net book values</b>	
		Balance as at	Balance as at
		31 March 2025	31 March 2024
		EUR	EUR
<b>I. Intangible fixed assets</b>			
1. Purchased licenses in industrial property rights		7,403,251.80	1,087,408.53
2. Prepayments		456,409.70	1,111,820.52
		<u>7,859,661.50</u>	<u>2,199,229.05</u>
<b>II. Property, plant and equipment</b>			
Operating and office equipment		<u>53,904.22</u>	<u>66,313.46</u>
<b>III. Long-term financial assets</b>			
Loans to affiliated companies		750,000.00	750,000.00
		<u>8,663,565.72</u>	<u>3,015,542.51</u>

# General Engagement Terms

for

## Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

#### 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

#### 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

#### 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

#### 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

#### 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

#### 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.