Divi's Laboratories Limited

Subsidiary Companies Financial Statements 2025-26

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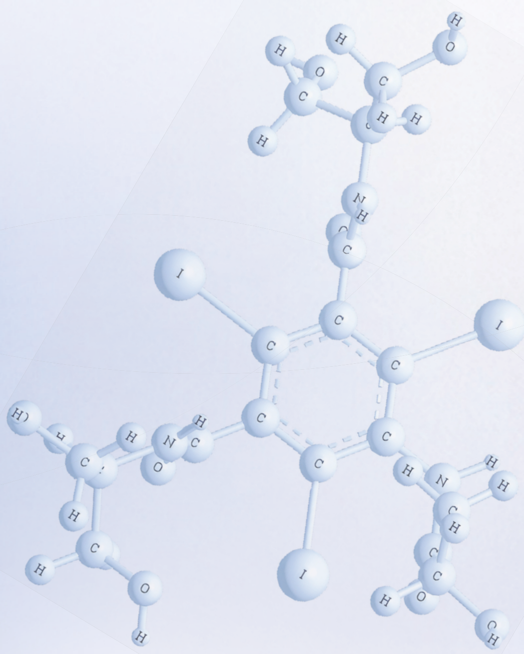

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Management Report for the financial year 2025-26

We are pleased to present our management report and the financial statements for the financial year ended March 31, 2026. This year marks a remarkable milestone for our company as we celebrate our 20th anniversary. We have proudly served our customers with unwavering dedication to quality, unmatched supply reliability, an expansive protfolio of ingredient solutions and a steadfast commitment to innovation. Today, we would like to reflect on our journey, acknowledge the trust placed in us by our partners and look to an even brighter future together.

Financial results

US $

Particulars	2025-26	2024-25
Sales, Net	38,624,364	31,767,802
Cost of Goods Sold	35,301,424	26,891,968
Gross Profit	3,322,940	4,875,834
Selling, General and Admin. Expenses	3,508,798	3,171,512
(Loss) Income before Income taxes	(185,858)	1,704,322
(Benefit From) Provision for Income Taxes	(154,348)	872,176
Net (Loss) Income	(31,510)	832,146
Retained Earnings, End of year	11,805,268	11,836,778

For the current financial year, the company earned a net sales income of $ 38,624,364 as against $31,767,802 for the previous financial year. Gross profit for the year amounted to $ 3,322,940 as against previous year of $ 4,875,834. Uncertainty on potential tariffs imposed from the US government. Increased cost of movement of goods due to geo-political uncertainties in other part of the world, increased cost of procurement of goods and pricing pressure impacted the gross margin for the current financial year. Increase in employee costs and moderate variance in other selling, general and administration expenses for the year have a loss before income taxes for the current financial year. Net Loss for the current financial year came to $ (31,510) versus $ 832,146 for the previous financial year.

As our company has been earning net income, the retained earnings as of March 31st, 2026 is $ 11,805,268 as against $11,836,778 as of March 31, 2025.

No distribution of profit is recommended for the current financial year.

Market and Outlook

The global market for Carotenoids valued at approximately USD 1.78 billion to USD 3.1 billion in 2026, with an estimated CAGR between 4% and 5%. Growth is heavily driven by aquaculture (astaxanthin for salmon feed) and natural food colorants and vitamins continues a much larger sector, valued at approximately USD 174.45 billion in 2026, compounding at a 6% CAGR and the company is positioning itself with planned investments into marketing as well as capabilities to grow above this rate.

The Company has been supplying a full range of carotenoids and market targeted vitamins to the nutritional, one of our greatest strengths is the comprehensive range of our ingredient solutions. With more than hundred formulations designed for every application - from baked goods, confectionery and dairy to beverages, supplements and specialty foods - we enable our customers to think big and experiment freely. Our experts collaborate to recommend ideal ingredients for each unique project, whether the goal is clean label, enhanced nutrition or bold new colors. We are here to support every vision.

Unusual Items after the financial year

No item, transaction or event of a material nature has arisen during the period between the end of the financial year and the date of this report, which would affect substantially the operations of the company.

Responsibility Statement

In the opinion of the Management, the accompanying financial statements were drawn up to give a true and fair view of the state of affairs of the company as on March 31, 2026 and of the results of the business for the year ended on that date. The Management has taken all reasonable steps to prepare these financial statements on a going concern basis in accordance with generally accepted accounting principles in the United States of America.

8th May, 2026

Heinz Niggli
Director & Vice President

Magone & Company, P.C.
Certified Public Accountants
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Independent Auditors' Report

To the Stockholder of
Divis Laboratories (USA), Inc.

Opinion

We have audited the accompanying financial statements of Divis laboratories (USA), Inc. (a New Jersey Corporation), which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of operations and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Divis Laboratories (USA), Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Divis Laboratories (USA), Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Divis Laboratories (USA), Inc.'s ability to continue as a going concern for a reasonable period of time.

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

MAGONE & COMPANY, P.C.
Parsippany, New Jersey
May 8th 2026

Balance Sheets
March 31, 2026 and 2025

US $

	2026	2025
ASSETS		
CURRENT ASSETS :		
Cash	2,216,729	1,679,054
Accounts receivable, net	10,511,730	10,123,136
Inventories net	10,407,872	9,223,281
Prepaid taxes and other expenses	243,594	698,251
TOTAL CURRENT ASSETS	23,379,925	21,723,722
PROPERTY AND EQUIPMENT, NET	35,066	38,936
RIGHT-OF-USE ASSETS UNDER OPERATING LEASE	98,802	205,062
SECURITY DEPOSITS	16,206	16,206
DEFERRED TAX ASSETS, NET	168,355	115,366
TOTAL ASSETS	**23,698,354**	**22,099,292**
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES :		
Current maturities of operating lease obligations	90,874	103,788
Accounts payable	10,933,794	8,954,440
Income taxes payable	5,231	427,554
Accrued expenses	306,588	129,258
TOTAL CURRENT LIABILITIES	11,336,487	9,615,040
OPERATING LEASE OBLIGATIONS, LESS CURRENT MATURITIES	6,599	97,474
TOTAL LIABILITIES	11,343,086	9,712,514
STOCKHOLDER'S EQUITY :		
Common stock	20	20
Capital in excess of par value	549,980	549,980
Retained earnings	11,805,268	11,836,778
TOTAL STOCKHOLDER'S EQUITY	12,355,268	12,386,778
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**23,698,354**	**22,099,292**

The accompanying notes are an integral part of these financial statements.

Statements of Operations and Retained Earnings
For the Years Ended March 31, 2026 and 2025

US $

	2026	2025
SALES, NET	38,624,364	31,767,802
COST OF GOODS SOLD	35,301,424	26,891,968
GROSS PROFIT	3,322,940	4,875,834
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES :		
Salaries and employee benefits	2,363,253	2,073,388
Sales promotion	203,463	329,672
Travel and entertainment	319,029	178,912
Office	157,252	162,488
Rent	132,868	134,385
Commissions	128,879	77,532
Professional fees	56,964	62,698
Pension	54,480	49,004
Telephone	23,578	33,291
Insurance	28,075	19,508
Depreciation	11,357	10,123
Miscellaneous	29,600	40,511
TOTAL SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	3,508,798	3,171,512
(LOSS) INCOME BEFORE INCOME TAXES	(185,858)	1,704,322
PROVISION FOR (BENEFIT FROM) INCOME TAXES :		
Current	(101,358)	798,246
Deferred	(52,990)	73,930
(BENEFIT FROM) PROVISION FOR INCOME TAXES	(154,348)	872,176
NET (LOSS) INCOME	(31,510)	832,146
RETAINED EARNINGS, BEGINNING OF YEAR	11,836,778	11,004,632
RETAINED EARNINGS, END OF YEAR	11,805,268	11,836,778

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows
For the Years Ended March 31, 2026 and 2025

US $

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net (loss) income	(31,510)	832,146
ADJUSTMENTS TO RECONCILE NET (LOSS) INCOME TO NET CASH		
PROVIDED BY OPERATING ACTIVITIES :		
Write-off of accounts receivable	56,003	56,517
Depreciation	11,357	10,123
Allowance for credit losses	4,930	56,517
Write-off of inventories	-	191,311
(Benefit from) provision for deferred income tax	(52,990)	73,930
(Increase) decrease in assets :		
Accounts receivable	(449,527)	(881,858)
Inventories	(1,184,591)	590,210
Prepaid taxes and other expenses	454,658	7,308
Increase (decrease) in liabilities :		
Accounts payable	1,979,354	117,031
Income taxes payable	(422,323)	(131,178)
Accrued expenses	177,330	(6,187)
Operating lease obligations	2,471	2,471
NET CASH PROVIDED BY OPERATING ACTIVITIES	545,162	903,725
CASH FLOWS FROM INVESTING ACTIVITIES :		
Acquisitions of property and equipment	(7,487)	(16,796)
NET CHANGE IN CASH	537,675	886,929
CASH, BEGINNING OF YEAR	1,679,054	792,125
CASH, END OF YEAR	2,216,729	1,679,054
SUPPLEMENTAL CASH FLOW INFORMATION :		
Cash paid during the year for Income taxes	83,491	940.039

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements
March 31, 2026 and 2025

NOTE 1 - NATURE OF BUSINESS

Divis Laboratories (USA), Inc. (the "Company") was formed as a Delaware corporation in 2005 and later registered to do business in New Jersey on February 1, 2006. The Company is a wholly owned subsidiary of Divi's Laboratories Ltd. (India) (the "Parent Company") and was formed to distribute dietary supplements and pharmaceutical ingredients in North America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Company has adopted the indirect method of presenting the statements of cash flows.

Accounts Receivable

Accounts receivable arise in the normal course of business and are recorded based on revenue earned. Accounts receivable are stated, net of an allowance for credit losses. The Company performs ongoing evaluations of its customers and generally does not require additional collection proceedings or require collateral. Accounts are written off as they are deemed uncollectible based on a periodic review of the accounts. The allowance for credit losses is estimated based on the historical collection information and a review of the accounts receivable at year-end. The allowance is increased by a provision for credit losses, which is charged to expense, and reduced by write-offs, net of recoveries. Allowance for credit losses was $363,897 and $417,732 as of March 31, 2026 and 2025, respectively.

Inventory

The Company's inventory consists primarily of dietary supplements and pharmaceutical ingredients, which are considered finished products and goods. The inventory is determined on a weighted average basis. A valuation allowance is provided for obsolete and slow-moving inventory to write cost down to net realizable value (market), if necessary. The valuation allowance is based on the Company's evaluation of damage or expiration of inventory. Allowance for inventory obsolescence was $14,962 as of March 31, 2026 and 2025.

Property and Equipment

Major additions and improvements of property and equipment are capitalized at cost, net of accumulated depreciation. Maintenance, repairs and minor replacements are expensed when incurred. The cost and accumulated depreciation of items sold or otherwise disposed of are removed from the related property and accumulated depreciation accounts, and the resulting gain or loss, if any, is recorded. Depreciation is provided generally on the straight-line method at rates based on estimated service lives; current service lives range from 5 to 31 years.

Revenue Recognition

Revenue from the sale of products is recognized based on the price specified in the contract. The Company recognizes sales at a point in time. Sales are made with credit terms of 180 days from the invoice date.

Revenue is recognized at the point in time when control of the goods has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs from the point where the goods have been shipped to the specific location specified by customer, which is the time that the risk of loss is transferred to the customer, and customer has accepted liability of the goods in accordance with the sales contract.

Contracts may contain variable consideration, including rebates and discounts that generally decrease the transaction price. Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

Shipping and Handling Costs

The Company records shipping and handling costs as a component of cost of goods sold. Shipping and handling costs for the years ended March 31, 2026 and 2025 was $563,606 and $398,475, respectively.

Sales Promotion

The Company recognizes Sales Promotion costs as they are incurred. Sales Promotion expense for the years ended March 31, 2026 and2025 was $203,463 and $329,672, respectively, and are included on the statements of operations and retained earnings.

Income Taxes

Income taxes are accounted for using the asset and liability method, as required by FASB ASC 740. Under this method, deferred income taxes are recognized for the estimated future tax effects attributable to temporary differences and carryforwards. The measurement of deferred tax assets and liabilities is based on provisions of the enacted tax law; the effects of future changes in tax laws or rates are not anticipated. Significant items creating net deferred tax assets and liabilities include the allowance for credit losses, basis differences in property and equipment, and inventory valuation.

The Company files income tax returns in the U.S. federal jurisdiction, New Jersey, New York, California, Massachusetts, and other states. With few exceptions, the Company is no longer subject to U.S. federal, or state and local income tax examinations by tax authorities for fiscal years 2020 and prior. Based on the Company's assessment of many factors, including past experience and judgments about future events, the Company does not currently anticipate significant changes in its tax positions over the next 12 months.

Leases

The Company recognizes right-of-use assets and lease liabilities when the Company has both the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the identified asset.

A short-term lease is defined as a lease that, at the lease commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the Company is reasonably certain to exercise.

The Company has applied the short-term lease exception under Accounting Standards Condification (ASC) 842 in which the Company does not recognize a right-of-use asset and lease liability for short-term leases. This election has been made for all classes of underlying assets.

The Company utilizes the rate implicit in the lease if it is readily determinable, regardless of whether it is higher than the Company’s incremental borrowling rate, in determining the lease liability. If the rate implicit in the lease is not readily determinable, the discount rate reflects the Company’s incremental secured borrowing rate.

Subsequent Events

Subsequent events have been evaluated through May 8, 2026, the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through the date the financial statements were available to be issued that would require adjustment to or disclosure in the accompanying financial statements.

NOTE 3 - CONCENTRATION OF RISK

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation up to $250,000. As of March 31, 2026 and 2025, the cash balances exceeded this limit by approximately $1,970,000 and $1,432,000, respectively.

The Company is also subject to concentration with suppliers as it purchases substantially all of its products from its Parent Company and its subsidiaries. At March 31, 2026 and 2025, substantially all the accounts payable are payable to the Parent Company and its subsidiaries.

NOTE 4 - DISAGGREGATION OF REVENUE

The following table disaggregates revenue by country which the Company believes best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors for the year ended March 31, 2026 and 2025:

	2026	2025
United States of America	$ 19,938,099	$ 18,511,674
Chile	9,212,355	4,706,024
Canada	8,039,390	6,638,560
Other	1,434,520	1,911,544
	$ 38,624,364	$ 31,767,802

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	2026	2025
Accounts receivable	$ 10,875,627	$ 10,540,868
Less allowance for credit losses	363,897	417,732
	$ 10,511,730	$ 10,123,136

NOTE 6 - INVENTORIES

Inventories consist of the following as of March 31 :

	2026	2025
Finished goods	$ 10,422,834	$ 9,238,243
Less allowance for inventory obsolescence	14,962	14,962
	$ 10,407,872	$ 9,223,281

NOTE 7 - PROPERTY AND EQUIPMENT

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

	2026	2025
Computer equipment	$ 107,615	$ 103,704
Furniture and fixtures	59,756	58,308
Equipment	23,298	21,170
	190,669	183,182
Less accumulated depreciation	155,603	144,246
	$ 35,066	$ 38,936

Depreciation expense for the years ended March 31, 2026 and 2025 was $11,537 and $10,123, respectively.

NOTE 8 - PENSION PLAN

The Company has a 401(k) plan that covers all eligible employees. All employees may participate in the plan upon hire. The Company is obligated to contribute 3% of all eligible participant's compensation. Pension expense was $54,480 and $49,004 for the years ended March 31, 2026 and 2025, respectively.

NOTE 9 - INCOME TAXES

The provisions for income taxes were as follows for the years ended March 31:

	2026	2025
(Benefit from) provision for income tax:		
Federal	$ (106,589)	$ 716,067
State and local	5,231	82,179
	(101,358)	798,246
(Benefit from) provision for deferred income tax:		
Federal	(38,372)	53,536
State and local	(14,618)	20,395
	(52,990)	73,930
	$ (154,348)	$ 872,176

The (benefit from) provision for federal income taxes differs from that computed by applying federal statutory rates to income before federal income tax expense, as indicated in the following analysis:

	2026	2025
Expected federal tax provision at 21%	$ (39,030)	$ 357,908
Nondeductible expenses	10,916	66,647
Tax deductible expenses	(13,333)	(19,688)
Nontaxable income	-	(3,038)
Other	(59,911)	396,417
	$ (101,358)	$ 798,246

The deferred tax assets and liabilities were as follows as of March 31 :

	2026	2025
Deferred tax assets :		
Allowance for credit losses	$ 106,331	$ 121,412
Net operating loss carryover	59,965	-
Allowance of inventory obsolescence	4,339	4,339
Property and equipment	720	-
	168,355	125,481
Deferred tax liability:		
Property and equipment	-	(10,115)
Net deferred tax asset	$ 168,355	$ 115,366

Note 10 - COMMON STOCK

Common stock consists of 3,000 authorized shares of $0.01 par value common stock, of which 2,000 shares are issued and outstanding.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Company has agreements with several of its employees which provide for, among other things, base salaries, and benefits such as health insurance and pension matching. Each employment agreement includes a confidentiality clause pertaining to any internal, nonpublic trade information.

NOTE 12 - Leasing Activities

Short-Term Lease

The Company leases an apartment in Morristown, New Jersey for the use of its employees, Parent Company, or guests. The lease had an initial term for 12 months that was set to expire on July 24, 2025. The lease was then renewed for a term of 12 months and will expire on July 24, 2026. On expiry, the lease will automatically renew on month-on-month basis. The monthly base rent $4,520. The Company has elected not to capitalize this lease on the balance sheet in accordance with ASU 2016-02, Leases (Topic 842) as of March 31, 2026. Rent paid for the year ended March 31, 2026 under this short term lease is $40,680.

Operating Lease

In January 2020, the Company signed a lease for office space in Florham Park, New Jersey. The lease term is for seven years and will expire on April 30, 2027. The monthly base rent is $6,599 until the lease expires. The Company has elected to capitalize this lease on the balance sheet in accordance with ASU 2016-02, Leases (Toic 842).

The above leases include variable payment for common area maintenance based on the percentage of use, which are not determinable at the lease commencement and are not included in the measurement of the lease asset and liabilities.

Rent paid for the years ended March 31, 2026 and 2025 was $113,004 and $152,792, respectively.

The Company also maintains two lease agreements on vehicles. The one lease is for 39 months and is set to expire on February 26, 2027 with a monthly installment of $1,050. The other lease is for three years and is set to expire on August 28, 2026, with a monthly installment of $550.

The following summarizes the line items in the balance sheets wihcih include amounts for operating and finance leases as of March 31:

Operating Lease:

	2026	2025
Right-of-use assets under operating lease, net	$ 98,802	$ 205,062
Current maturities of operating lease obligations	$ 90,874	$ 103,788
Operating lease obligations, net of current maturities	6,599	97,474
Total operating lease liabilities	$ 97,473	$ 201,262

The maturities of lease liablities as of March 31, 2026 were as follows:

Year ending March 31:	
2027	$93,491
2028	6,599
Total lease payments	100,090
Less interest	2,617
Present value of lease liabilities	$ 97,473

The following summarizes the weighted average remaining lease term and discount rate as of March 31:

	2026	2025
Weighted Average Remaining Lease Term :		
Operating lease	1 Year	2 Years
Weighted Average Discount Rate :		
Operating lease	5.61%	6.45%

The following summarizes the line items in the operation statements which include the components of lease expense for the year ended March 31:

	2026	2025
Operating lease costs included in the statement of operations : and retained earnings	$ 115,475	$ 146,772

The following summarizes cash flow information related to leases for the year ended March 31 :

	2026	2025
Lease assets obtained in exchange for lease obligations: Operating lease	$ -	$ 57,228

NOTE 13 - RELATED PARTIES

The Company purchases substantially its entire inventory from the Parent Company or its subsidiaries. For the years ended March 31, 2026 and 2025, the Company purchased $35,266,312 and $25,314,105 respectively, of inventory from its Parent Company or its subsidiaries.

As of March 31, 2026 and 2025, the Company owes the Parent Company and its subsidiaries, related to the purchase of inventory, $10,847,728 and $8,811,940, respectively, which is included in accounts payable in the balance sheet.

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Management Report for fiscal year 2025-26

The Directors present their report and the financial statements for the financial year ended March 31, 2026. This financial year marks a significant milestone for our company as we celebrate our 20th anniversary. Over the past two decades, we have consistently served our customers with a strong commitment to quality, continuous supply reliability, a broad portfolio of ingredient solutions, and an enduring focus on innovation.

As we reflect on this important achievement, we take pride in the progress we have made and extend our sincere appreciation to our customers, partners, and stakeholders for the trust and support they have placed in us throughout our journey. Looking ahead, we remain committed to building on this strong foundation and pursuing continued growth and success in the years to come.

Financial results

CHF

Particulars	2025-26	2024-25
Sales Income	33,340,066	33,994,082
Material costs and stock adjustments	30,977,182	30,777,495
Production Profit	2,362,884	3,216,587
Personnel, Admin, Selling and Distribution Expenses	3,841,182	3,513,505
Depreciation	11,666	8,197
Operating (Loss)	(1,489,964)	(305,115)
Exchange Gain	197,167	282,837
Income Tax	9,547	-
Net (Loss)	(1,283,250)	(22,278)

The company earned a sales income of CHF 33,340,066 as against CHF 33,994,082 for the previous financial year. Production profit for the year amounted to CHF 2,362,884 as against profit of CHF 3,216,587 in the previous financial year.

Production profit for the current financial year declined primarily due to pricing pressures and increased costs associated with the movement of goods, driven by the global geopolitical environment. As a result, the company reported a net loss of CHF 1,283,250, compared with a net loss of CHF 22,278 in the previous financial year.

The increased loss was also related to organizational growth leading to higher employee related costs and an increase in selling, general, and administrative expenses incurred during the year.

Stockholders' equity is CHF 1,479,268 as at the end of the current financial year as against CHF 27,62,518 as at the end of previous financial year.

No distribution of profit / (Loss) is recommended for the current financial year.

Market and Outlook

The global carotenoid market is estimated to grow at an annual rate of approximately 4% to 5%. In this evolving market environment, Divi's Nutraceuticals continues to strengthen its position as a global manufacturer and supplier of a broad portfolio of carotenoids and vitamins, offering approximately one hundred product forms to customers worldwide.

Founded in 2006 as a subsidiary of Divi's Laboratories Ltd., Divi's Nutraceuticals has built its reputation on a strong commitment to quality and innovation. Supported by a dedicated team of scientists across Quality, Research and Development functions, the company leverages advanced technologies and exclusive production capabilities to deliver stateof-the-art ingredient solutions to customers in the supplement, food, beverage, pet food, and feed market globally.

One of the Company's core strengths lies in its comprehensive range of ingredient solutions tailored to market needs. With more than one hundred formulations designed for diverse applications - including baked goods, confectionery, dairy, beverages, nutritional supplements, and animal nutrition - Divi's Nutraceuticals enables customers to innovate with confidence. Through close technical collaboration, our experts support customers in selecting the most suitable ingredients for each application, whether the objective is clean label positioning, enhanced nutritional value, or differentiated product aesthetics.

During the financial year, supply reliability remained a critical priority for customers amid ongoing market uncertainties. In response, the Company maintained a strong focus on operational excellence and delivery performance across all regions. This commitment not only strengthened existing customer relationships but also created new business opportunities, reinforcing Divi's Nutraceuticals reputation as a reliable and trusted supplier in the market.

Directors

Mrs. Claudia Mastrangelo, Mr. Franz Probst and Mr Kiran S Divi continue as Directors of the company.

Unusual Items after the financial year

No item, transaction or event of material nature has arisen during the period between the end of the financial year and the date of this report, which would affect substantially the operations of the company.

Responsibility Statement

In the opinion of the Directors and Managers, the accompanying financial statements were drawn up so as to give a true and fair view of the state of affairs of the company as on March 31, 2026 and of the results of the business for the period. Directors and Managers have taken all reasonable steps to prepare these financial statements in accordance with the accounting principles generally accepted as per swiss Law and the company's articles of incorporation.

CH - Basel
April 30th, 2026

Mrs. Claudia Mastrangelo
Director

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Report of the independent auditor on financial statements to the Board of Directors of

Divi’s Laboratories Europe AG, Basel

Opinion

We have audited the financial statements of Divi’s Laboratories Europe AG (the Company), which comprise the balance sheet as at 31 March 2026, the statement of income for the year then ended, the statement of cash flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical 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 opinion.

Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud my involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of 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 our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 continue as a going concern.

We communicate with the Board of Directors 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.

Basel, 30th April 2026

SRG Swiss Audit Corporation Ltd.

Christoph Huber	**Philipp Aebin**
Licensed audit expert	Licensed audit expert
Auditor in charge	

Enclosures :

- Financial Statements (Balance Sheet, Income Statement, Cashflow Statement, Notes)

Financial Statements 2025/2026

Balance Sheet

	31st March, 2026 CHF	31st March, 2025 CHF
ASSETS		
Cash	1'903'481.72	439'127.05
A/R Trade/Other	8'089'286.90	9'185'962.65
A/R Intercompany Divi's Lab Ltd. USA	874'099.69	118'273.52
Prepaid Expenses & Deposits	1'576'853.33	333'803.26
Inventories	20'092'231.85	18'970'488.35
Total Current Assets	32'535'953.49	29'047'654.83
Fixed Assets	206'146.61	132'752.59
Less : Accumulated Depreciation	-93'892.26	-82.226.58
Fixed Assets, net	112'254.35	50'526.01
	32'648'207.84	29'098'180.84
LIABILITIES & EQUITY		
A/P Trade/Other	1'389'552.12	1'903'499.30
A/P Intercompany Divi's Lab Ltd. USA	5'134.09	84'301.65
A/P Intercompany Divi's Lab. Ltd. India	29'072'597.12	23'350'733.56
Accruals	701'656.52	997'128.13
Short-term Current Liabilities	31'168'939.85	26'335'662.64
Capital	100'000.00	100'000.00
Legal capital reserves	50'000.00	50'000.00
Retained Gains / Losses	2'612'518.20	2'634'796.23
Gain/ (Net Loss)	-1'283'250.21	-22'278.03
Stockholders' Equity	1'479'267.99	2'762'518.20
	32'648'207.84	29'098'180.84

Financial Statements 2025/2026
Statement of Income

	1.4.2025 - 31.3.2026 CHF	1.4.2024 - 31.3.2025 CHF
Sales	35’822’762.13	35’827’668.14
Carriage and freight outward	-2’482’695.70	-1’833’586.61
Sales	33’340’066.43	33’994’081.53
Material costs and stock adjustments	30’977’182.39	30’777’494.93
Material costs	30’977’182.39	30’777’494.93
Production Profit	2’362’884.04	3’216’586.60
Personnel	1’861’536.99	1’595’619.59
Recruiting, Travel & Memberships	188’643.61	176’621.77
Outside Services	213’983.45	184’200.25
Marketing & Promotional	1’224’721.36	1’245’704.22
R&M, Utilities, Insurance	352’297.04	311’358’86
Depreciation	11’665.68	8’196.61
Expenses	3’852’848.13	3’521’701.30
Operating Gain / (Loss)	-1’489’964.09	-305’114.70
Currency Differences	197’167.23	282’836.67
Income tax adjustment	9’546.65	0.00
Gain / (Net Loss)	-1’283.250.21	-22’278.03

Financial Statements 2025/2026
Statements of Cash Flows (indirect method)

	2025/2026 CHF	2024/2025 CHF
Gain/ (Net Loss)	-1’283’250.21	-22’278.03
Depreciation	11’665.68	8’196.61
Decrease (+) / Increase (-) A/R Trade/Other	1’096’675’75	-2’197’962.37
Decrease (+) / Increase (-) A/R Intercompany Divi's Lab. Ltd. USA	-755’826.17	1’548’343.52
Decrease (+) / Increase(-) Prepaid Expenses and Deposits	-1’243’050.07	-113’854.65
Decrease (+) / Increase (-) Inventories	-1’121’743.50	-2’569’398.17
Increase (+) / Decrease (-) A/P Trade/Others	-513’947.18	1’025’129.23
Increase (+) / Decrease (-) A/P Intercompany Divi's Lab. Ltd. USA	-79’167.56	-80’123.92
Increase (+) / Decrease (-) A/P Intercompany Divi's Lab. Ltd. India	5’721’863.56	1’485’008.97
Increase (+) / Decrease (-) Accruals	-295’471.61	1’423.54
Operating Cash Flow	1’537’748.69	-915’515.27
Investment (-) in Financial Assets	0.00	0.00
Investment (-) in Fixed Assets	-73’394.02	-11’987.95
Divestment (+) of Fixed Assets	0.00	0.00
Investing Cash Flow		
Increase (+) / Decrease (-) Financial Debt	0.00	0.00
Financing Cash Flow	0.00	0.00
Net change in the balance item cash	**1’464’354.67**	**-927’503.22**
Cash as of 31.03. (+)	1’903’481.72	439’127.05
Cash as of 01.04. (-)	-439’127.05	-1’366’630.27
Net change in the balance item cash	**1’464’354.67**	**-927’503.22**

Financial Statements 2025/2026
Notes

	31 March 2026 CHF	31 March 2025 CHF
1. The financial statements of Divi's Laboratories Europe AG have been prepared in accordance with the provisions of swisss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).		
2. Contingent Liabilities : bank guarantees for rental payments	93'500.00	18'000.00
3. Disputed claims	0.00	0.00
4. Undisputed claims	0.00	0.00
5. Assets pledged to secure liabilities	0.00	0.00
6. Residual leasing / rental Liabilities	638'000.00	0.00
In FY 2024/2025 Divi's Laboratories Europe AG has signed a new rental agreement, valid from 1st October 2025, for 5 years until 30.09.2030		
7. Accounts payable Pension Fund	52'683.08	44'259.70
	01.04.2025 - 31.03.2026 CHF	**01.04.2024 - 31.03.2025** CHF
8. Miscellaneous Income	0.00	0.00
9. Current Tax expenses		
Federal & Cantonal income tax	0.00	0.00
Capital Tax	5'000.00	3'500.00

10. Depreciation is charged at the following rates :
    a) Assets valuing individually not more than CHF 150 have been written-off 100%
    b) Furniture & Fixtures - 6.33% on Straight Line Method proportionate from purchase date
    c) Computers/peripherals - 16.21 % on Straight Line Method proportionate from purchase date
    d) Other Equipment - 4.75% on Straight Line Method proportionate from purchase date

	2025/26	**2024/25**
11. The annual average number of full-time equivalents	<50	<50

12 Significant events after the balance sheet date

No adjusting or other non-adjusting event to be disclosed occured subsequently to the balance sheet date until the authorization of these financial statements by the Board of Directors on 4th May 2026.

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