

SUVEN PHARMA INC

Financial Statements

March 31, 2024 and 2023

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SUVEN PHARMA INC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders' of
Suven Pharma Inc.
Monmouth Junction, NJ

Opinion

We have audited the accompanying financial statements of Suven Pharma Inc. (a Delaware Corporation), which comprises the balance sheets as of March 31, 2024 and 31, 2023 respectively, and the related statements of operations, statement of changes in stockholder's equity, and cashflows 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 Suven Pharma Inc. as of March 31, 2024 and March 31, 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Suven Pharma Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Suven Pharma 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 Suven Pharma 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.

Ram Associates

Hamilton, NJ

April 25, 2024

Hamilton, New Jersey

SUVEN PHARMA INC

Balance Sheets

March 31,

| | <u>2024</u> | <u>2023</u> |
|--|------------------------------------|------------------------------------|
| <u>ASSETS</u> | | |
| Current assets : | | |
| Cash | \$ 3,497,663 | \$ 2,458,903 |
| Other current assets | 15,249 | 467,024 |
| Total current assets | <u>3,512,912</u> | <u>2,925,927</u> |
| Investments | 15,803,667 | 15,803,667 |
| TOTAL ASSETS | <u><u>\$ 19,316,579</u></u> | <u><u>\$ 18,729,594</u></u> |
| <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u> | | |
| Current liabilities : | | |
| Other current liabilities | \$ 123,648 | \$ 1,500 |
| Deferred tax liabilities | 2,123,638 | 2,123,638 |
| Total current liabilities | <u>2,247,286</u> | <u>2,125,138</u> |
| Stockholder's equity: | | |
| Common stock, par value \$0.01; 1,500 shares authorized, issued and outstanding | 15 | 15 |
| Additional paid-in capital | 16,999,985 | 16,999,985 |
| Retained earnings/accumulated deficit | 69,293 | (395,544) |
| Total stockholders' equity | <u>17,069,293</u> | <u>16,604,456</u> |
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | <u><u>\$ 19,316,579</u></u> | <u><u>\$ 18,729,594</u></u> |

- See accompanying notes to the financial statements-

SUVEN PHARMA INC
Statements of Income/Operations
For The Years Ended March 31,

| | 2024 | 2023 |
|--|-------------------|---------------------|
| General and administrative expenses | \$ 7,160 | \$ 53,467 |
| Operating loss before other income / (expense) | (7,160) | (53,467) |
| Other income | | |
| Other income | 647,027 | - |
| Income/loss before income tax expenses | 639,867 | (53,467) |
| Income tax expenses | 175,030 | 218,015 |
| Net income / loss | \$ 464,837 | \$ (271,482) |

- See accompanying notes to the financial statements-

SUVEN PHARMA INC
Statements of Changes in Stockholder's Equity
For The Years Ended March 31,

| | Common stock | | Additional paid-in capital | Retained earnings | Total stockholder's equity |
|----------------------------------|---------------------|--------------|----------------------------------|----------------------|----------------------------------|
| | Number of shares | Amount | | | |
| Balance at March 31, 2022 | 1,500 | \$ 15 | \$ 16,999,985 | \$ (124,062) | \$ 16,875,938 |
| Net loss | | | | (271,482) | (271,482) |
| Balance at March 31, 2023 | 1,500 | \$ 15 | \$ 16,999,985 | \$ (395,544) | \$ 16,604,456 |
| Net income | | | | 464,837 | 464,837 |
| Balance at March 31, 2024 | <u>1,500</u> | <u>\$ 15</u> | <u>\$ 16,999,985</u> | <u>\$ 69,293</u> | <u>\$ 17,069,293</u> |

- See accompanying notes to the financial statements-

SUVEN PHARMA INC

Statements of Cash Flows

For The Years Ended March 31,

| | 2024 | 2023 |
|---|--------------|--------------|
| Cash flows from operating activities | | |
| Net income / loss | \$ 464,837 | \$ (271,482) |
| Adjustment to reconcile net income to net cash provided by operating activities | | |
| Changes in assets and liabilities : (Increase) / Decrease in: | | |
| Escrow | - | 971,250 |
| Other current Assets | 451,775 | 147,141 |
| Increase / (Decrease) in : | | |
| Other current liabilities | 122,148 | (170,380) |
| Deferred tax liabilities | - | (126,312) |
| Total adjustments | 573,923 | 821,699 |
| Net cash provided by operating activities | 1,038,760 | 550,217 |
| Net increase in cash and cash equivalents | 1,038,760 | 550,217 |
| Cash at the beginning of the year | 2,458,903 | 1,908,686 |
| Cash at the end of the year | \$ 3,497,663 | \$ 2,458,903 |
| Supplemental disclosure of cash flows information: | | |
| Cash paid during the year for: | | |
| Income taxes | \$ 73,796 | \$ 218,015 |
| Interest | - | - |

- See accompanying notes to the financial statements-

SUVEN PHARMA, INC.
Notes to The Financial Statements
For The Years Ended March 31, 2024 and 2023

1. Nature of Business

Suven Pharma, Inc. (the “Company”) was incorporated in the State of Delaware in March 2019. The Company was established to focus on Contract Development and Manufacturing Operations (CDMO) business in United States of America. The Company is wholly owned subsidiary (“WOS”) of Suven Pharmaceuticals Limited, India (the “Parent”).

2. Summary of Significant Accounting Policies

a) Accounting Policies

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

b) Use of Estimates

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

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

c) Revenue Recognition

The Company has not yet commercialized any products for sale. The Company has not generated revenue during the years ended March 31, 2024, and 2023.

d) Cash and cash equivalents.

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

e) Accounts Receivables

The Company extends credit to clients based upon the management’s assessment of their creditworthiness on an unsecured basis. Total bad debts for the years ended March 31, 2024,

SUVEN PHARMA, INC.
Notes to The Financial Statements
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and 2023, were \$Nil and \$Nil. Management has determined that no allowance for credit losses is necessary as of March 31, 2024, and 2023.

f) Allowance for Credit Losses

The Company calculates expected credit losses for its trade accounts receivable and contract assets. Expected credit losses include losses expected based on known credit issues with specific customers as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectability. The Company updates its allowance for credit losses on a quarterly basis with changes in the allowance recognized in income from operations.

g) Income Tax

Income taxes have been provided for using an assets and liability approach in which deferred tax assets and liabilities are recognized for the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided for the portion of deferred tax assets when, based on available evidence, it is not “more-likely-than-not” that a portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates and laws.

The Company files income tax returns in the U.S. federal jurisdiction, and various State jurisdictions. The Company’s tax returns from the date of inception, which is March 4th, 2019, are subject to examination by federal and state taxing authorities following the date of filing.

h) Advertising Costs

The Company expenses advertising cost as incurred. Advertising expenses for the years ended March 31, 2024, and 2023, were \$ Nil and \$ Nil.

3. Credit and Business Concentration

The Company’s financial instruments that are exposed to the concentration of credit risks consist primarily of cash and accounts receivable. The Company maintains its cash in bank accounts, which at times exceed the federally insured limit of \$250,000. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk in cash. As of March 31, 2024, and 2023, the uninsured portion of cash balance were \$3,247,663 and \$2,208,903.

4. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures* defines fair value and establishes a hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. FASB ASC 820 defines fair value as the selling price that would be

SUVEN PHARMA, INC.
Notes to The Financial Statements
For The Years Ended March 31, 2024 and 2023

received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Certain financial instruments are carried at a cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash, accounts receivable, accounts payable and accrued expenses and other liabilities.

5. Equity

Suven Pharmaceuticals Ltd, India is holding the entire investment of \$17 million in the Company, as of March 31, 2024.

6. Investments

The Company holds a 7% equity stake in class A units in Rising Aggregator LP (subsidiary of HIG Capital Partners) valued at \$15,803,667.

As of March 31, 2024, and 2023, the value of the investments were \$15,803,667 and \$15,803,667.

7. New Accounting Pronouncements

Financial Instruments - Credit Losses: Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Credit Losses) - The amendment in this ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update affect an entity to varying degrees depending on the credit quality of the assets held by the entity, their duration, and how the entity applies current GAAP. Accounting Standards Update 2019-10 amends the mandatory effective dates for implementation of accounting for Credit Losses for all entities as follows:

Public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application continues to be

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allowed. Adoption of this standard did not have any material impact on the financial statements of the Company.

8. Commitments

The Company has no leased office premises, and it operates from group Company (Suven Pharmaceuticals Limited,) office located at 1100 Cornwall Road, Suite # 110, Monmouth Junction, New Jersey 08852.

9. Litigation and Contingencies

Currently, the Company is not involved in any legal action or arbitration that it expects to have a material adverse effect on the business, financial condition, results of operations or liquidity of the Company. All legal costs are expensed as incurred.

10. Subsequent Events

For the year ended March 31, 2024, and 2023, the Company has evaluated subsequent events for potential recognition and disclosure through April 25, 2024, the date the financial statements were available for issuance. No reportable subsequent events have occurred through April 25, 2024, which would have a significant effect on the financial statements as of March 31, 2024, and 2023 except as otherwise disclosed.