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Ichnos Sciences Biotherapeutics SA
Epalinges
(Formerly: Glenmark Biotherapeutics SA)

Financial Statements
for the Year ended March 31, 2020
and Report of the Statutory Auditor





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Report of the Statutory Auditor

To the General Meeting of the Shareholders of
Ichnos Sciences Biotherapeutics SA, Epalinges
(Formerly: Glenmark Biotherapeutics SA)

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Ichnos Sciences Biotherapeutics SA (formerly: Glenmark Biotherapeutics SA), which comprise the balance sheet, income statement, and notes for the year ended March 31, 2020.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the Company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements for the year ended March 31, 2020 comply with Swiss law and the Company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Geneva, September 28, 2020

Grant Thornton AG



Erich Bucher
Audit Expert
Auditor in charge



Moritz Herbst

Enclosures:

- Financial statements (balance sheet, income statement, and notes)
- Proposed appropriation of available earnings

Ichnos Sciences Biotherapeutics SA
Epalinges, Switzerland

Balance sheet as at	31-03-20	31-03-19
Assets		
	<i>(in Swiss francs)</i>	
<u>Current assets</u>		
Cash and cash equivalents	416,836	550,459
Accounts receivable -	-	361,081
<i>due from shareholders</i>	-	361,081
Other current receivables	288,087	65,434
<i>due from third parties</i>	288,087	65,434
Inventories	75,109	-
Prepaid expenses and accrued income	-	31,392
Total current assets	780,033	1,008,366
<u>Non-current assets</u>		
Financial assets	300,000	300,000
<i>Other financial assets</i>	300,000	300,000
Property, plant and equipment	3,019,359	-
Total non-current assets	3,319,359	300,000
Total assets	4,099,392	1,308,366
Liabilities		
<u>Short-term liabilities</u>		
Accounts payable	968,704	48,540
<i>due to third parties</i>	472,553	48,540
<i>due to shareholders</i>	496,151	-
Other short-term liabilities	37,765	104,604
<i>due to third parties</i>	37,765	104,604
Short-term provisions and accrued expenses	1,170,628	443,430
Total short-term liabilities	2,177,096	596,574
<u>Shareholders' equity</u>		
Share capital	250,000	250,000
Legal reserves	50,000	-
<i>Other capital reserves</i>	50,000	-
Voluntary retained earnings	1,622,295	461,792
<i>Accumulated profits brought forward</i>	411,792	-
<i>Profit for the period / year</i>	1,210,504	461,792
Total shareholders' equity	1,922,295	711,792
Total liabilities and shareholders' equity	4,099,392	1,308,366

Ichnos Sciences Biotherapeutics SA
Epalinges, Switzerland

Profit and loss statement for the period

31-03-20

from 13.08.2018 to 31.03.2019

(in Swiss francs)

Net proceeds from sales of goods and services	13,261,948	5,121,419
Staff expenses	(6,724,852)	(2,781,663)
Administrative expenses	(106,507)	(44,463)
Depreciation and valuation adjustments to fixed assets	(598,502)	-
<u>Other operating expenses</u>	<u>(4,411,165)</u>	<u>(1,734,374)</u>
Operating expenses	(11,841,025)	560,919
Profit for the period / year before interest and taxes	1,420,923	560,919
Financial income	14,003	-
Financial expenses	(12,478)	(12,195)
Profit for the period / year before taxes	1,422,447	548,724
Direct Taxes	(211,944)	(86,932)
Profit for the period / year	1,210,504	461,792

Ichnos Sciences Biotherapeutics SA
Epalinges, Switzerland

Notes to the financial statements

ICHNOS SIGNIFICANT ACCOUNTING POLICIES

- **Activity**

Ichnos Sciences Biotherapeutics SA (since October 18, 2019) / former Glenmark Biotherapeutics SA's principal activities consist of research and development, in the pharmaceutical field.

Glenmark Biotherapeutics SA was incorporated on August 13, 2018.

Therefore this first exercise has only 7.5 months (from August 13, 2018 until March 31,2019)

- **Basis of preparation**

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013). The consolidation is performed at Group level based on IFRS IASB

- **Foreign currency transactions**

Transactions in foreign currencies are converted into CHF at the prevailing exchange rate on the transaction date. Balance sheet items in foreign currency are converted using the year-end exchange rate. Exchange differences, except for unrealized gains which are deferred, are included in the determination of net income

- **Fixed assets (Property, plant and equipment)**

Fixed assets are stated at cost less accumulated depreciation and amortization.

The estimated useful lives are as follows:

- Factory and administrative buildings (leased)	5 years
- Plant and equipment	2.5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

- **Revenue recognition**

All income whether for goods or services, operating or non-operating needs to be accounted for on accrual basis.

Ichnos Sciences Biotherapeutics SA

Epalinges, Switzerland

Notes to the financial statements

Details, analyses and explanations to the financial statements

Revenue

Sales in the amount of CHF 13'261'948 was with Company's direct shareholder.

The number of full-time equivalents did not exceed 50 on annual average basis.

Details of other operating expenses

CHF	31-03-20	31-03-19
Premises Rent, Maintenance & Energy	1,781,588	989,996
Third Party Non Cap R&D Services	692,181	716,714
In-House R&D + P&D Expenses	1,619,022	0
Travel expenses	266,901	0
Professional services	51,474	27,664
Total	4,411,165	1,734,374

Pension liabilities

On 31st March 2020, the estimated pro-rated liability to the pension scheme is nil

Lease engagement (not terminable or expiring within 12 months of balance sheet date)

	Residual term (yrs)	31-03-20
Lease / Rent	within 1 year	1,173,708
Lease / Rent	more than 1 year	8,802,810
Total		9,976,518

Group VAT

Ichnos Sciences SA, Glenmark Holding SA and Glenmark Specialty SA as well as Ichnos Sciences Biotherapeutics SA are in the same VAT group and jointly responsible.

Property, Plant, and Equipment

The Property, Plant and Equipment net position in the balance sheet includes a Gross value of KCHF 3'618 and an Accumulated depreciation of KCHF 599.

Intangible assets

There are no intangibles

Financial assets

The amount of CHF 300'000 under financial asset is related to a Rent Guarantee, for the premises rent at Biopôle in Epalinges.

Significant events occurring after the balance sheet date

As far as currently known, the first cases of coronavirus infections in humans became known at the end of 2019, when the spread was locally limited. Only the significant expansion of the coronavirus since January 2020 has led to the current economic effects. In our opinion, the occurrence of the coronavirus is a global threat. With regard to the annual financial statements as of 31 March 2020, it is not considered an event subsequent to the balance sheet date with a material effect on such financial statements.

While the spread of the coronavirus has a negative impact on business activities, it is currently not possible to make a reliable estimate on the depth of the impact on business activities. We assume that this does not represent a threat to the Company's ability to continue as a going concern.

There are no further events after the balance sheet date that require disclosure.

Ichnos Sciences Biotherapeutics SA
Epalinges, Switzerland
Proposed appropriation of available earnings
(in Swiss francs)

	2020
Voluntary retained earnings at the beginning of the period	411,791.67
Profit for the period	1,210,503.64
Voluntary retained earnings available to the general meeting	1,622,295.31

Motion of the board of directors on the allocation of retained earnings
(in Swiss francs)

	2020
	Motion of the board of directors
Voluntary retained earnings Available to the general meeting	1,622,295.31
Allocation to legal retained earnings	-
Distribution of dividends to shareholders	-
Carried forward to new account	1,622,295.31