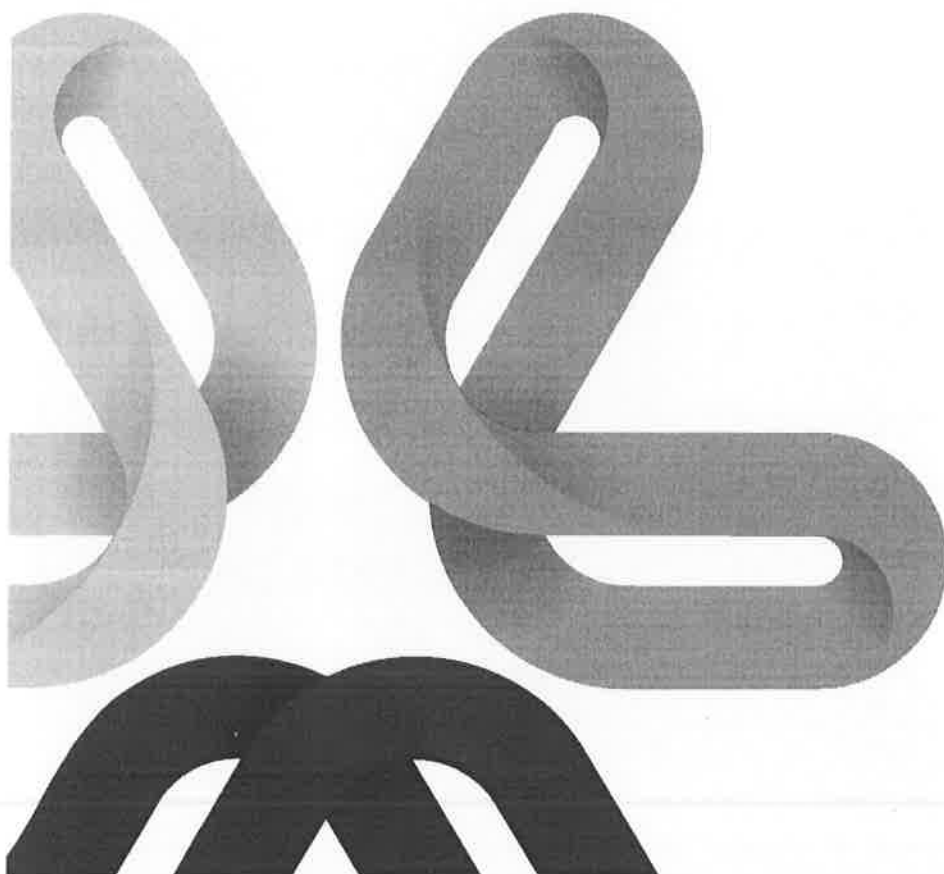


Glenmark Holding SA La Chaux-de-Fonds

Report of the Statutory Auditor
to the General Meeting of the Shareholders

Financial Statements for the year ended March 31, 2021



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**Report of the Statutory Auditor to the General Meeting of the Shareholders of
Glenmark Holding SA, La Chaux-de-Fonds**

Report of the Statutory Auditor on the Financial Statements

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Glenmark Holding SA for the year ended March 31, 2021.

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 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.

Opinion

In our opinion, the financial statements for the year ended March 31, 2021 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 recommend that the financial statements submitted to you be approved.

We draw your attention to the fact that the Board of Directors did not call for the ordinary general meeting of shareholders within 6 months following the Company's financial year-end closing date for the year to March 31, 2020 as prescribed by article 699 paragraph 2 of the Swiss Code of Obligations.

Grant Thornton SA

Erich Bucher
Audit Expert
Auditor in charge



Moritz Herbst

**Enclosure:**

- Financial statements (balance sheet, income statement, and notes)



Glenmark HOLDING SA
La Chaux-de-Fonds, Switzerland

Balance sheet as at	<u>31.03.2021</u>	<u>31.03.2020</u>
Assets		
		<i>(in Swiss francs)</i>
Current assets		
Cash and cash equivalents	3'889'431	796'280
Accounts receivables -	21'067'060	8'840'110
due from group companies	21'067'060	8'840'110
Other current receivables	26'461	55'340
due from third parties	26'461	55'340
Accrued income and prepaid expenses	-	-
Total current assets	24'982'951	9'691'729
Non-current assets		
Financial assets -	110'621'381	108'424'088
Long-term receivables from group companies	110'621'381	108'424'088
Investments in group companies	1'283'212'243	1'206'791'668
Total non-current assets	1'393'833'625	1'315'215'756
Total assets	1'418'816'576	1'324'907'486



Glenmark HOLDING SA
La Chaux-de-Fonds, Switzerland

Balance sheet as at	31.03.2021	31.03.2020
Liabilities		
		<i>(in Swiss francs)</i>
Short-term liabilities		
Accounts payables -	18'519'039	30'288'829
due to third parties	219'581	494'375
due to group companies	-	44'310
due to shareholders	18'299'458	29'750'144.33
Short-term interest-bearing liabilities -	36'784'410	49'338'375
due to third parties	36'784'410	49'338'375
Accrued expenses and deferred income	17'110'213	22'435'658
Total short-term liabilities	72'413'661	102'062'862
Long-term liabilities		
Long-term interest-bearing liabilities -	840'618'088	999'523'275
due to third parties	99'978'140	117'449'400
due to shareholders	740'639'948	882'073'875
Total long-term liabilities	840'618'088	999'523'275
Shareholders' equity		
Share capital	742'239'894	442'239'894
Legal retained earnings	11'377'084	11'377'084
General legal retained earnings	11'377'084	11'377'084
Legal capital reserves	149'691'302	149'691'302
Reserves from capital contribution	149'691'302	149'691'302
Accumulated deficit	(397'523'453)	(379'986'932)
Accumulated losses brought forward	(379'986'932)	(280'986'600)
Profit / (Loss) for the year	(17'536'521)	(99'000'332)
Total shareholders' equity	505'784'827	223'321'348
Total liabilities and shareholders' equity	1'418'816'576	1'324'907'486



Glenmark HOLDING SA
La Chaux-de-Fonds, Switzerland

Profit and loss statement for the financial year/period ended

31.03.2021

31.03.2020

(in Swiss francs)

Professional service cost	(3'329'870)	(2'613'547)
Administrative expenses	(21'476)	(20'774)
Other operating expenses	-	(185'665)
Loss for the year before interest and taxes	(3'351'346)	(2'819'986)
Financial income	55'520'457	34'781'717
Financial expenses	(66'692'520)	(70'210'070)
Profit / (Loss) for the year before taxes	(14'523'408)	(38'248'339)
Non-operating expenses	-	-
Extraordinary, non-recurring or prior-period expenses	(2'928'781)	(60'750'171)
Profit / (Loss) for the year before taxes	(17'452'189)	(98'998'510)
Taxes	(84'332)	(1'822)
Profit / (Loss) for the year	(17'536'521)	(99'000'332)



Notes to the financial statements

GLENMARK SIGNIFICANT ACCOUNTING POLICIES

• **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.

• **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

• **Impairment of assets**

The Company assesses at each Balance Sheet date whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the cash generating unit to which the assets belong. If the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is higher of the value in use and realizable value.

The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

If, at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



Glenmark HOLDING SA

La Chaux-de-Fonds, Switzerland

Notes to the financial statements

(in Swiss francs)

Details, analyses and explanations to the financial statements

The number of full-time equivalents did not exceed 10 on an annual average basis.

Investments in group companies

	2021		2020
	Capital	Votes	Votes
▫ Ichnos Sciences SA (Former Glenmark Pharmaceuticals SA) , La Chaux-de-Fonds		0%	100%
▫ Glenmark Specialty SA, La Chaux-de-Fonds Switzerland	CHF 30'000'000	100%	100%
▫ Glenmark Farmacêutica Ltda, São Paulo, Brazil	BRL 485'696'178	100%	100%
▫ Glenmark Pharmaceuticals s.r.o., Prague, Czech Republic	CZK 60'000'000	100%	100%
▫ Glenmark Distributors s.r.o., Prague, Czech Republic	CZK 10'000'000	100%	100%
▫ Glenmark Pharmaceuticals S.R.L., Bucharest, Romania		0%	100%
▫ Glenmark Pharmaceuticals Sp.z.o.o, Warsaw, Poland	PLN 5'000'000	100%	100%
▫ Glenmark Distributors Sp.z.o.o, Warsaw, Poland		0%	100%
▫ Glenmark Pharmaceuticals Europe R&D Ltd, Kenton, Middlesex, U.K.	GBP 800'708	100%	100%
▫ Glenmark Therapeutics Inc., NJ Mahwah USA	USD 1.36	100%	100%
▫ Viso Farmaceutica SL, Madrid Spain	EUR 3'000	100%	100%
▫ Glenmark Pharmaceuticals Inc., NJ Mahwah USA	USD 6.67	100%	100%
▫ Glenmark Generics SA, Buenos Aires, Argentina	ARS 1'630'612'430	100%	100%
▫ Glenmark Arzneimittel GmbH, Gröbenzell, Germany	EUR 50'000	100%	100%
▫ Glenmark Pharmaceuticals B.V. Amsterdam Holland	EUR 18'000	100%	100%
▫ Glenmark Pharmaceuticals Nordic AB, Goeteborg, Sweden	SEK 50'000	100%	100%
▫ Glenmark Pharmaceuticals Inc Canada, Fredericton NB, Ontario	CAD 2'110'600	100%	100%
▫ Glenmark Ukraine LLC, Kiev, Ukraine	UAH 18'538'305	100%	100%
▫ Ichnos Sciences Inc., Delaware, USA	USD 565'202	100%	100%

Group VAT

Ichnos Sciences SA (ISSA), Glenmark Holding SA (GHSA) and Glenmark Specialty SA (GSSA), as well as Ichnos Sciences Biotherapeutics SA (ISBSA) were in the same VAT Group and jointly responsible until December 31 2020.

Since January 2021 the VAT Group is including only two Glenmark companies (GHSA and GSSA) and are jointly responsible.

Extraordinary, non-recurring or prior-period expenses

Prior-period expenses are mainly related to late invoiced corporate guarantee fees on third party loans.

Significant events after the balance sheet date:

None