

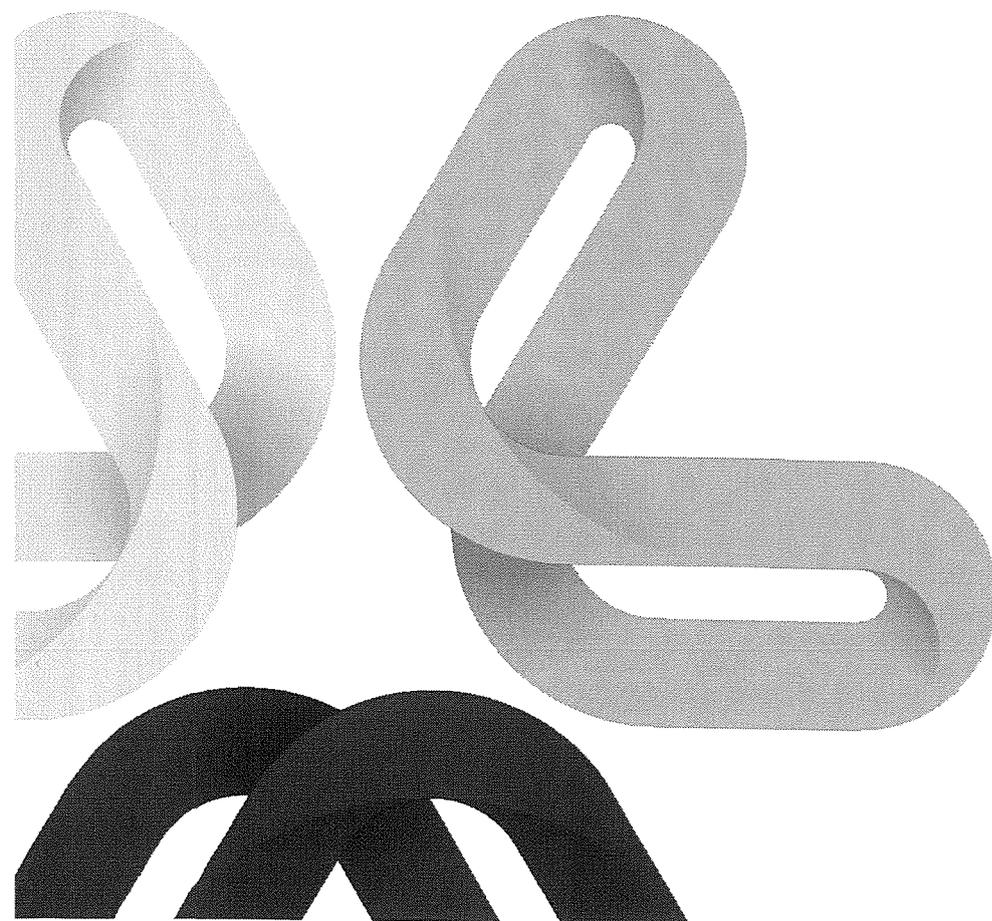


Grant Thornton

# **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, 2023



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**Grant Thornton AG**  
Rue du 31-Décembre 47  
P.O. Box 6388  
CH-1211 Genève 6  
T +41 22 718 41 41

[www.grantthornton.ch](http://www.grantthornton.ch)

## **Report of the Statutory Auditor**

To the General Meeting of the Shareholders of  
**Glenmark Holding SA, La Chaux-de-Fonds**

### **Opinion**

We have audited the financial statements of Glenmark Holding SA, which comprise the balance sheet as at March 31, 2023, the income statement and the cashflow statement 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 the 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, together with 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 or 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 may 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 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.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 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 confirm that the proposed allocation of accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

We further draw your attention to the fact that the Board of Directors did not call for the ordinary general meeting of the shareholders within 6 months following the Company's financial year-end closing date for the year to March 31, 2022 as prescribed by article 699 paragraph 2 CO.

#### **Grant Thornton AG**

Mohamed Kadri  
Audit expert  
Auditor in charge

Moritz Herbst

#### Enclosures:

- Financial statements (balance sheet, income statement, cashflow statement and notes)
- Proposed allocation of accumulated losses



**Glenmark HOLDING SA**  
La Chaux-de-Fonds, Switzerland

<b>Balance sheet as at</b>	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>Assets</b>		
	<i>(in Swiss francs)</i>	
<b>Current assets</b>		
Cash and cash equivalents	<b>1 070 566</b>	<b>1 095 832</b>
Accounts receivables -	<b>86 127 991</b>	<b>53 371 629</b>
due from group companies	<i>86 127 991</i>	<i>53 371 629</i>
Other current receivables	<b>10 197</b>	<b>45 865</b>
due from third parties	<i>10 197</i>	<i>45 865</i>
<b>Total current assets</b>	<b>87 208 754</b>	<b>54 513 326</b>
<b>Non-current assets</b>		
Financial assets -	<b>184 110 444</b>	<b>188 667 680</b>
Long-term receivables from group companies	<i>184 110 444</i>	<i>188 667 680</i>
Investments in group companies	<b>1 560 871 663</b>	<b>1 339 832 765</b>
<b>Total non-current assets</b>	<b>1 744 982 107</b>	<b>1 528 500 446</b>
<b>Total assets</b>	<b>1 832 190 861</b>	<b>1 583 013 772</b>



**Glenmark HOLDING SA**  
La Chaux-de-Fonds, Switzerland

<b>Balance sheet as at</b>	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>Liabilities</b>		
	<i>(in Swiss francs)</i>	
<b>Short-term liabilities</b>		
Accounts payables -	<b>23 344 841</b>	<b>38 553 741</b>
due to third parties	3 125 585	26 220
due to shareholders	20 219 256	38 527 521
Accrued expenses and deferred income	<b>25 131 966</b>	<b>25 741 039</b>
<b>Total short-term liabilities</b>	<b>48 476 807</b>	<b>64 294 780</b>
<b>Long-term liabilities</b>		
Long-term interest-bearing liabilities -	<b>871 480 380</b>	<b>811 384 980</b>
due to third parties	132 596 700	-
Long-term payables to group companies		
due to shareholders	738 883 680	811 384 980
<b>Total long-term liabilities</b>	<b>871 480 380</b>	<b>811 384 980</b>
<b>Shareholders' equity</b>		
Share capital	<b>1 142 239 894</b>	<b>942 239 894</b>
Legal retained earnings	<b>11 377 084</b>	<b>11 377 084</b>
General legal retained earnings	11 377 084	11 377 084
Legal capital reserves	<b>149 691 302</b>	<b>149 691 302</b>
Reserves from capital contribution	149 691 302	149 691 302
Accumulated deficit	<b>(391 074 606 )</b>	<b>(395 974 268 )</b>
Accumulated losses brought forward	(395 974 268 )	(397 523 453 )
Profit / (Loss) for the year	4 899 662	1 549 185
<b>Total shareholders' equity</b>	<b>912 233 674</b>	<b>707 334 012</b>
<b>Total liabilities and shareholders' equity</b>	<b>1 832 190 861</b>	<b>1 583 013 772</b>



**Glenmark HOLDING SA**  
La Chaux-de-Fonds, Switzerland

<b>Profit and loss statement for the financial year</b>	<b>01.04.2022 - 31.03.2023</b>	<b>01.04.2021 - 31.03.2022</b>
	<i>(in Swiss francs)</i>	
Professional service cost	(2 167 730 )	(2 251 393 )
Administrative expenses	(139 682 )	(127 953 )
<b>Loss for the year before interest and taxes</b>	<b>(2 307 412 )</b>	<b>(2 379 346 )</b>
<b>Financial income</b>	<b>63 255 522</b>	<b>50 542 223</b>
Dividend Income	31 000 818	23 992 064
Interest Income	14 859 139	11 587 653
Foreign Exchange Gain	17 395 565	14 962 506
<b>Financial expenses</b>	<b>(55 990 953 )</b>	<b>(51 563 507 )</b>
Interest Expenses	(33 930 283 )	(42 082 193 )
Other Financial Expenses	(607 626 )	(1 985 227 )
Foreign Exchange Loss	(21 453 044 )	(7 496 087 )
<b>Profit / (Loss) for the year before taxes</b>	<b>4 957 158</b>	<b>(3 400 630 )</b>
Non-operating expenses	(20 502 )	103 418
Extraordinary, non-recurring or prior-period expenses	-	4 891 151
<b>Profit / (Loss) for the year before taxes</b>	<b>4 936 655</b>	<b>1 593 939</b>
Taxes	(36 993 )	(44 754 )
<b>Profit for the year</b>	<b>4 899 662</b>	<b>1 549 185</b>

**Glenmark HOLDING SA**

La Chaux-de-Fonds, Switzerland

<b>Cash flow statement for the financial year</b>	<b>01.04.2022 - 31.03.2023</b>	<b>01.04.2021 - 31.03.2022</b>
	<i>(in Swiss francs)</i>	
<b>Operating activities</b>		
Net Income / (loss) for the year	4 899 662	1 549 185
Adjustments to operating activities	10 672 063	30 539 294
Interest received - Intercompany	(6 693 239 )	(11 587 653 )
Interest paid - Intercompany	14 152 763	37 901 378
Interest paid - Other than Intercompany	3 175 546	4 180 815
Income tax paid	36 993	44 754
 Operating CF after adjustments	 15 571 725	 32 088 479
 Net increase in current receivables	 (32 720 693 )	 (32 323 974 )
Net increase in short-term liabilities (excluding financial liabilities)	(15 208 901 )	20 034 702
Net increase in accrued expenses and deferred income	(609 073 )	8 630 826
 Income tax paid	 (36 993 )	 (44 754 )
<b>Net Cash flow from operating activities</b>	<b>(33 003 934 )</b>	<b>28 385 280</b>
 <b>Investing activities</b>		
Decrease of long term loans to group companies	4 557 236	(78 046 301 )
Investments in group companies	(221 038 898 )	(56 620 522 )
<b>Net Cash flow from investing activities</b>	<b>(216 481 662 )</b>	<b>(134 666 822 )</b>
 <b>Financing activities</b>		
Net increase in short-term financial liabilities	-	(36 784 410 )
Net increase in long-term financial liabilities	60 095 400	(29 233 108 )
Proceeds from capital increase	200 000 000	200 000 000
Interest received	6 693 239	11 587 653
Interest paid	(17 328 309 )	(42 082 193 )
<b>Net Cash flow from financing activities</b>	<b>249 460 330</b>	<b>103 487 943</b>
 <b>Net (decrease) / incr. in cash and cash equivalents</b>	<b>(25 266 )</b>	<b>(2 793 599 )</b>
 <b>Statement of net decrease in cash and cash equivalents</b>		
As at beginning of the year	1 095 832	3 889 431
As at end of the year	1 070 566	1 095 832
<b>Net decrease in cash and cash equivalents</b>	<b>(25 266 )</b>	<b>(2 793 599 )</b>



## **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.

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**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**

	2023		2022
	Capital	Votes	Votes
◦ Glenmark Specialty SA, Neuchâtel, Switzerland	CHF 30'000'000	100%	100%
◦ Glenmark Farmacêutica Ltda, São Paulo, Brazil	BRL 567'410'621	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 Sp.z.o.o, Warsaw, Poland	PLN 5'000'000	100%	100%
◦ Glenmark Therapeutics Inc., NJ Mahwah USA	USD 1.56	100%	100%
◦ Viso Farmaceutica SL, Madrid Spain	EUR 3'000	100%	100%
◦ Glenmark Pharmaceuticals Inc., NJ Mahwah USA	USD 8.17	100%	100%
◦ Glenmark Generics SA, Buenos Aires, Argentina	ARS 13'301'735'324	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 1.24	100%	100%
◦ Sintesy Pharma S.R.L, Milan, Italy	EUR 10'000	100%	0%

**Long-term interest-bearing liabilities**

	31.03.2023	31.03.2022
Due within 5 years	856 239 381	811 384 980
Due after 5 years	15 240 999	-
<b>Total long-term interest-bearing liabilities</b>	<b>871 480 380</b>	<b>811 384 980</b>

**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.

**Audit Fees**

Audit fees for FY 2023 amount to CHF 36'000 ( CHF 36'000 for FY 2022)

**Extraordinary, non-recurring or prior-period expenses**

None

**Share Capital Increase**

On September 27, 2022, Glenmark Holding SA increased its capital by conversion of the shareholder loan for an amount of CHF 200'000'000.

**Acquisition of Sintesy Pharma S-R.L**

On February 8, 2023, GHSA acquired Sintesy Pharma S.R.L. for EUR 700'000.00

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

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



## Glenmark HOLDING SA

### Accumulated Losses carried forward (in Swiss francs)

as at March 31  
2023

Accumulated losses brought forward

**(395 974 268 )**

Profit/(Loss) for the year

4 899 662

Accumulated losses available to the general meeting

**(391 074 606 )**

### Motion of the board of directors on the allocation of accumulated losses (in Swiss francs)

2023

Motion of the  
board of  
directors

Accumulated losses

Available to the general meeting

**(391 074 606 )**

Allocated to legal reserves

0

Accumulated losses to be carried forward

**(391 074 606 )**