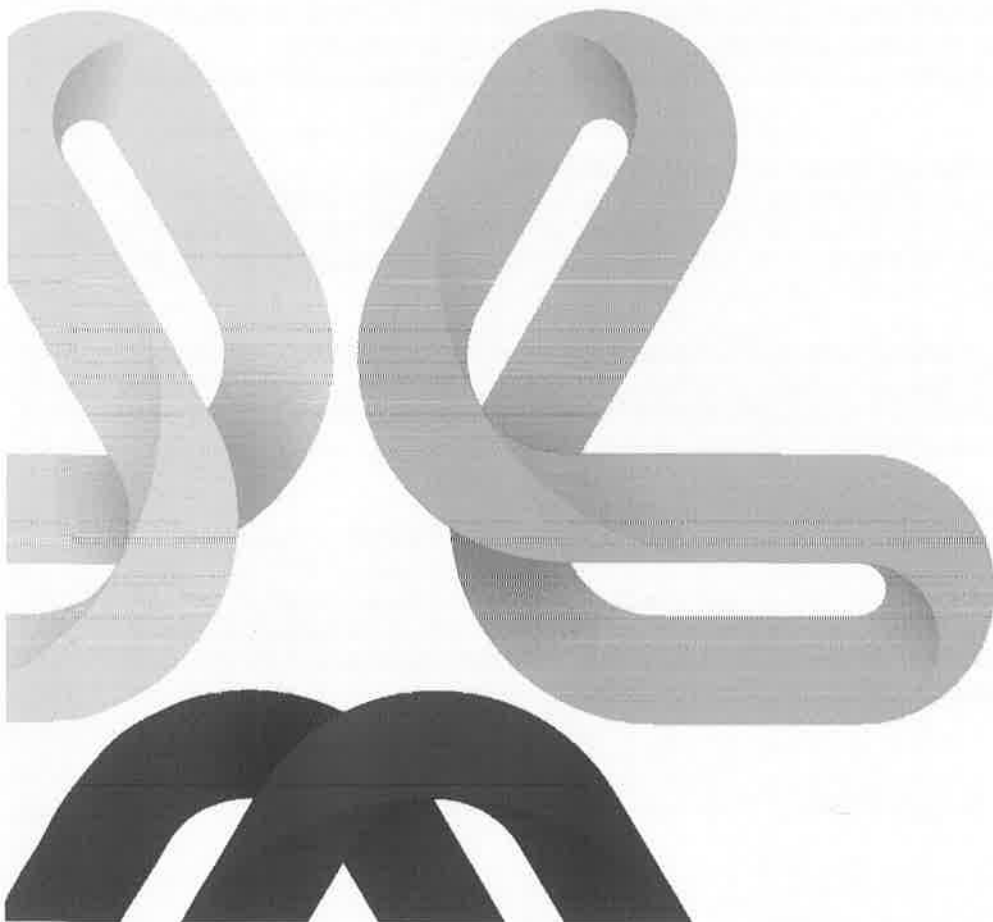




# **Glenmark Specialty SA Neuchâtel**

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

**Financial Statements for the year ended March 31, 2024**



---

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

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

## **Report of the Statutory Auditor**

To the General Meeting of the Shareholders of  
**Glenmark Specialty SA, Neuchâtel**

### **Opinion**

We have audited the financial statements of Glenmark Specialty SA, which comprise the balance sheet as at March 31, 2024, and 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 or its relevant committee 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 appropriation 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, 2023 as prescribed by article 699 paragraph 2 CO.

Geneva

**Grant Thornton AG**

Mohamed Kadri  
Licensed audit expert  
Auditor in charge

Moritz Herbst  
Licensed auditor

#### Enclosures:

- Financial statements (balance sheet, income statement, cash flow statement and notes)
- Proposed appropriation of accumulated losses



## **Financial Statements**

according to Swiss Code of Obligations

Company **Glenmark Specialty SA**

**Place du Port 2, Neuchâtel, Switzerland**

Financial year **2023-2024**

Closing date **31.03.2024**



Glenmark Specialty SA  
Place du Port 2, Neuchâtel, Switzerland

Balance sheet as at	31.03.2024	31.03.2023
	(in Swiss francs)	
<b>Assets</b>		
<b><u>Current assets</u></b>		
Cash and cash equivalents	2,722,630	5,779,836
Accounts receivable	76,143,573	37,018,145
<i>due from third parties</i>	6,959,945	3,174,588
<i>due from group companies</i>	69,183,628	33,843,557
Other current receivables	1,051,577	211,406
<i>due from third parties</i>	86,261	211,406
<i>due from group companies (Advances)</i>	965,316	-
<i>due from shareholders</i>	-	-
<b>Total current assets</b>	<b>79,917,780</b>	<b>43,009,387</b>
<b><u>Non-current assets</u></b>		
Financial assets	4,502	4,501
Property, plant and equipment	5,999	3,127
Intangible assets	102,762,458	228,904,481
<b>Total non-current assets</b>	<b>102,772,959</b>	<b>228,912,109</b>
<b>Total assets</b>	<b>182,690,739</b>	<b>271,921,496</b>
<b>Liabilities</b>		
<b><u>Short-term liabilities</u></b>		
Accounts payable	113,446,474	51,128,064
<i>due to third parties</i>	7,866,214	297,232
<i>due to group companies</i>	105,580,260	50,830,832
Other short-term liabilities	-	49,567
Accrued expenses and deferred income	2,699,692	621,398
<b>Total short-term liabilities</b>	<b>116,146,166</b>	<b>51,799,029</b>
<b><u>Long-term liabilities</u></b>		
Long-term interest-bearing liabilities	21,129,162	182,007,186
<i>due to shareholders</i>	21,129,162	182,007,186
Long-term provisions	862,539	6,660,377
<b>Total long-term liabilities</b>	<b>21,991,701</b>	<b>188,667,563</b>
<b><u>Shareholder's equity</u></b>		
Share capital	30,000,000	30,000,000
Statutory capital reserves	140,000,000	-
<i>Reserves from capital contributions</i>	140,000,000	-
Statutory retained earnings	72,745	1,444
<i>General statutory retained earnings</i>	72,745	1,444
Available earnings	(125,519,873 )	1,453,460
<i>Profit carried forward</i>	1,382,159	27,438
<i>Profit / (Loss) for the year</i>	(126,902,032 )	1,426,022
<b>Total shareholder's equity</b>	<b>44,552,872</b>	<b>31,454,904</b>
<b>Total liabilities and shareholders' equity</b>	<b>182,690,739</b>	<b>271,921,496</b>

**Glenmark Specialty SA**

Place du Port 2, Neuchâtel, Switzerland

**Profit and loss statement for the financial year**

	<b>2024</b>	<b>2023</b>
	<i>(in Swiss francs)</i>	
Gross proceeds from sales of goods and services	78,752,872	76,656,380
Cost of sales	(50,563,836 )	(41,811,041 )
<b>Net proceeds from sales of goods and services</b>	<b>28,189,036</b>	<b>34,845,339</b>
Staff expenses	(5,930,126 )	(3,311,221 )
Administrative expenses	(27,543 )	(33,876 )
Other operating expenses	(9,373,572 )	(7,033,973 )
Depreciation and valuation adjustments to fixed assets	(13,923,267 )	(13,921,151 )
<b>Operating expenses</b>	<b>(29,254,508 )</b>	<b>(24,300,221 )</b>
<b>Profit / (Loss) for the year before interest and taxes</b>	<b>(1,065,472 )</b>	<b>10,545,118</b>
Financial income	12,419,898	3,206,830
Financial expenses	(9,219,712 )	(12,145,188 )
Extraordinary, non-recurring or prior-period expenses	(128,329,420 )	-
<b>Profit / (Loss) for the year before tax</b>	<b>(126,194,706 )</b>	<b>1,606,760</b>
Direct Taxes	(707,326 )	(180,738 )
<b>Profit / (Loss) for the year</b>	<b>(126,902,032 )</b>	<b>1,426,022</b>

**Glenmark Specialty SA**

Place du Port 2, Neuchâtel, Switzerland

**Cash flow statement for the financial year**

	<b>2024</b>	<b>2023</b>
	<i>(in Swiss francs)</i>	
Profit / (Loss) for the year	(126,902,032 )	1,426,022
Depreciation and valuation adjustments to fixed assets	142,252,688	13,921,151
Increase/decrease in provisions not affecting the fund	(5,797,838 )	1,383,818
Increase/decrease in trade receivables and other current receivables	(39,965,599 )	5,771,765
Increase/decrease in trade payables and other current liabilities	62,268,843	(18,171,466 )
Increase/decrease in accrued expenses and deferred income	2,078,294	264,655
<b>Cash flow from operating activities</b>	<b>33,934,356</b>	<b>4,595,945</b>
Investment/divestment of financial assets	(1 )	3,001
Investment/divestment of property, plant and equipment	(7,833 )	(1,446 )
Investment/divestment of intangible assets	(16,105,704 )	(4,596,430 )
<b>Cash flow from investing activities</b>	<b>(16,113,538 )</b>	<b>(4,594,875 )</b>
Net increase/decrease in long-term interest-bearing liabilities	(20,878,024 )	(4,536,766 )
<b>Cash flow from financing activities</b>	<b>(20,878,024 )</b>	<b>(4,536,766 )</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3,057,206 )</b>	<b>(4,535,697 )</b>
<b>Change in cash and cash equivalents</b>		
Balance at the beginning of the financial year	5,779,836	10,315,532
Balance at the end of the financial year	2,722,630	5,779,836
<b>Change in cash and cash equivalents</b>	<b>(3,057,206 )</b>	<b>(4,535,697 )</b>



**Glenmark Specialty SA**  
Neuchâtel, Switzerland

**Notes to the Financial Statements**  
(in Swiss francs)

**NOTE 1 - GENERAL**

**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).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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:

Plant and equipment	2.5 Years
Furniture, fixtures and office equipment	2.5 Years
Vehicles	2.5 Years
Computer equipment	2.5 Years

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

**Intangible Assets**

**Research and Development**

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably by project, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient technical and other resources to complete the development and to use or sell the asset.

The expenditures capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in profit or loss as incurred.

The company's internal drug development expenditures are capitalized only if they meet the recognition criteria as mentioned above. Where regulatory and other uncertainties are such that the criteria are not met, the expenditures are recognized in profit or loss as incurred. This is almost invariably the case prior to approval of the drug by the relevant regulatory authority. Where, however, the recognition criteria are met, intangible assets are capitalized and amortized on a straight-line basis over their useful economic lives from product launch.

Intangible assets relating to products in development, other intangible assets not available for use and intangible assets, having indefinite useful life are subject to impairment testing at each balance sheet date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognized immediately in the income statement.





#### **Amortization**

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than for goodwill, intangible assets not available for use and intangible assets having indefinite life, from the date that they are available for use.

The estimated useful lives are as follows:

- Molecules: 10 years from the date of the launch on the market
- IP on Brands 5 years from acquisition

#### **Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that the 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.

#### **Revenue recognition**

All income whether for goods or services, operating or non-operating needs to be accounted for on accrual basis except for molecule sales which will be accounted on cash basis.

### **NOTE 3 - INFORMATION ON BALANCE SHEET AND INCOME STATEMENT**

#### **Intangible assets**

The intangible asset position in the balance sheet consists of Intellectual property rights in products for CHF 68,626,392 (March 31, 2023: CHF 82,544,699 ) and molecules under development for CHF 34,136,066 (March 31, 2023: CHF 146,359,782).

#### **Full-Time Equivalents**

The annual average number of full-time equivalents for the reporting year is 11 and previous year is less than 10.

#### **Liabilities due to pension fund**

The amounts payable at December 31, 2023 and March 31, 2024 in respect of statutory pension obligations are CHF 0.

### **NOTE 4 - OTHER INFORMATION**

#### **Group VAT**

Since January 2021, Glenmark Holding SA (GHSA) and Glenmark Specialty SA (GSSA) are in the same VAT Group and jointly responsible.

#### **Audit Fees**

Audit fees for FY 2024 amount to CHF 36,000 ( CHF 36,000 for FY 2023)



### Long-term interest-bearing liabilities

Glenmark Specialty SA shall repay to Glenmark Holding SA the loan within five years from April 1, 2023 or such extended period as may be mutually agreed between the parties.

	31.03.2024	31.03.2023
Due within 5 years	21 129 162	182 007 186
Due after 5 years	-	-
<b>Total long-term interest-bearing liabilities</b>	<b>21 129 162</b>	<b>182 007 186</b>

### Reserves from capital contribution

On 15th March 2024 CHF 140,000,000 of loan from Glenmark Holding SA was converted into reserves from capital contribution.

### Extraordinary non-recurring or prior-period expenses

Extraordinary, non-recurring or prior-period expenses includes write-off/impairment of certain intangibles due to de-prioritisation aggregating to CHF 128,329,420

### NOTE 5 - SIGNIFICATION EVENTS AFTER THE BALANCE SHEET DATE

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

### NOTE 6 - TAX LOSSES

The company has tax losses aggregating to CHF 126,902,032 (PY CHF 0) based on current years' tax loss and past years' carry forward tax losses. These losses expire over 7 years as per local tax regulations. These losses are subject to correction adjustment, if any, and approval by the tax authorities.

Expiry period	31.03.2024	31.03.2023
Next 2 years	-	-
3-4 years	-	-
More than 4 years	126 902 032	-
<b>Total</b>	<b>126 902 032</b>	<b>-</b>



**Glenmark Specialty SA**  
Place du Port 2, Neuchâtel, Switzerland

**Proposal for Carrying Forward the Balance Sheet Loss**  
(in Swiss francs)

as at March 31  
2024

Profit carried forward  
Loss for the year

1,382,159  
(126,902,032 )

**Total Balance Sheet Loss**

**(125 519 873)**

**Motion of the Board of Directors**  
**on the Allocation of the Balance Sheet Loss**  
(in Swiss francs)

as at March 31  
2024

**Total Balance Sheet Loss**

**(125 519 873)**

**Carried forward to new account**

**(125 519 873)**

