

Glenmark Pharmaceuticals South Africa Proprietary Limited
(Registration number 2001/020429/07)
Annual Financial statements
for the year ended 31 March 2025

Glenmark Pharmaceuticals South Africa Proprietary Limited

(Registration number 2001/020429/07)

Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing and distribution of pharmaceutical products
Directors	SS Kazi
Registered office	Second Floor Building D Stone Ridge Office Park 8 Greenstone Place Edenvale 1609
Business address	Second Floor Building D Stone Ridge Office Park 8 Greenstone Place Edenvale 1609
Holding company	Glenmark South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Glenmark pharmaceuticals Limited incorporated in India
Banker	Standard Bank
Auditor	Forvis Mazars
Company registration number	2001/020429/07
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Company's Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: AF Naberman Chartered Accountant (SA)
Issued	30 May 2025

Glenmark Pharmaceuticals South Africa Proprietary Limited

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Directors' Responsibilities and Approval

The directors are required in terms of the Company's Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the Companies Act of South Africa. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year from the date of this report and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and his report is presented on pages 4 - 6.

The annual financial statements set out on pages 10 - 36, which have been prepared on the going concern basis, were approved by the board of directors on 30 May 2025 and were signed on their behalf by:

Approval of financial statements

SD/-

Director

Practitioner's Compilation Report

To Glenmark Pharmaceuticals South Africa Proprietary Limited

I have compiled the annual financial statements of Glenmark South Africa Proprietary Limited, as set out on pages 10 - 36, based on information you have provided. These financial statements comprise the statement of financial position of Glenmark Pharmaceuticals South Africa Proprietary Limited as at 31 March 2025, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with IFRS® Accounting Standards. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with IFRS Accounting Standards.

SD/-

Virtual CFO
AF Naberman
30 May 2025
Pretoria

Castle Gate Offices, 2nd Floor
c/o Solomon Mahlangu Drive & Van Ryneveld Avenue
Waterkloof Ridge, Pretoria, 0181
Private Bag X17, Brooklyn Square, 0075

Tel: +27 12 347 3820
Fax: +27 12 347 3737
Email: office.za.pta@forvismazars.com

forvismazars.com/za



Glenmark Pharmaceuticals South Africa Proprietary Limited

Independent Auditor's Report

31 March 2025

To the Shareholder of Glenmark Pharmaceuticals South Africa Proprietary Limited

Opinion

We have audited the financial statements of Glenmark Pharmaceuticals South Africa Proprietary Limited set out on pages 10 to 36, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Glenmark Pharmaceuticals South Africa Proprietary Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMP Atwood, JM Barnard, AK Batt, S Beets, T Beukes, WI Blake, HL Burger, MJ Cassan, C Coetzee, JC Combrink, JR Comley, TVDL De Vries, CR De Wee, G Deva, Y Dockrat, S Doolabh, A Driscoll, M Edelberg, JJ Eloff, T Erasmus, F Esterhuizen, Y Ferreira, MH Fisher, B Frey, T Gangen, M Groenewald, K Hoosain, MY Ismail, B Jansen, J Kasan, D Keeve, J Marais, TL Maree, N Mayat, B Mbunge, G Molyneux, A Moruck, R Murugan, S Naidoo, MG Odendaal, W Olivier, MT Rossouw, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibanda, MR Snow, EM Steyn, HH Swanepoel, AL Swartz, DM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendorff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Glenmark Pharmaceuticals South Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2025”, which includes the Directors’ Report as required by the Companies Act of South Africa and the detailed income statement. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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 ISAs 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 ISAs, we exercise professional judgement 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 by the directors.
- Conclude on the appropriateness of the 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

Forvis Mazars
Partner: Johan Eloff
Registered Auditor
30 May 2025
Pretoria

Glenmark Pharmaceuticals South Africa Proprietary Limited

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Annual Financial Statements for the year ended 31 March 2025

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Glenmark Pharmaceuticals South Africa Proprietary Limited for the year ended 31 March 2025.

1. Incorporation

The company was incorporated on 28 August 2001 and obtained its certificate to commence business on the same day.

2. Nature of business

Glenmark Pharmaceuticals South Africa Proprietary Limited was incorporated in South Africa and is engaged in the manufacturing and distribution of pharmaceutical products. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

No dividends were declared or paid to the shareholder during the year under review.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality	Changes
Dr A Chopra	Indian	Resigned: 31 March 2025
SS Kazi	Indian	

7. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

8. Holding company

The company's holding company is Glenmark South Africa Proprietary Limited which holds 100% (2024: 100%) of the company's equity. Glenmark South Africa Proprietary Limited is incorporated in South Africa.

9. Ultimate holding company

The company's ultimate holding company is Glenmark pharmaceuticals Limited which is incorporated in India.

10. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

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Directors' Report

11. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Auditor

Forvis Mazars continued in office as auditor for the company for 2025.

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Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Notes	2025	2024
Assets			
Current Assets			
Inventories	3	97 499 148	46 595 148
Trade and other receivables	4	133 824 865	103 498 816
Current tax receivable		-	1 255 242
Cash and cash equivalents	5	84 706 341	40 750 273
		316 030 354	192 099 479
Non-Current Assets			
Property, plant and equipment	6	771 941	331 919
Right-of-use assets	7	3 954 296	4 574 336
Intangible assets	8	11 339 511	11 339 511
Deferred tax	9	2 810 181	440 161
		18 875 929	16 685 927
Total Assets		334 906 283	208 785 406
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	10	264 806 701	135 851 820
Lease liabilities	11	620 040	810 039
Current tax payable		165 118	-
		265 591 859	136 661 859
Non-Current Liabilities			
Lease liabilities	11	4 587 360	4 827 291
Total Liabilities		270 179 219	141 489 150
Equity			
Share capital	12	4 800 400	4 800 400
Reserves	13	94 500 000	94 500 000
Accumulated loss		(34 573 336)	(32 004 144)
		64 727 064	67 296 256
Total Equity and Liabilities		334 906 283	208 785 406

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Annual Financial Statements for the year ended 31 March 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	14	327 145 580	300 458 988
Cost of sales	15	(179 935 462)	(173 022 303)
Gross profit		147 210 118	127 436 685
Other operating losses	16	684 949	(6 322 576)
Other operating expenses	17	(151 139 134)	(105 376 207)
Operating (loss) profit		(3 244 067)	15 737 902
Investment income	18	122 241	406 309
Finance costs	19	(771 916)	(433 476)
(Loss) profit before taxation		(3 893 742)	15 710 735
Taxation	20	1 324 552	(11 456 037)
Total comprehensive (loss) income for the year		(2 569 190)	4 254 698

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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Loan from parent	Accumulated loss	Total equity
Balance at 01 April 2023	500	4 799 900	4 800 400	94 500 000	(36 258 842)	63 041 558
Total comprehensive income for the year	-	-	-	-	4 254 698	4 254 698
Balance at 01 April 2024	500	4 799 900	4 800 400	94 500 000	(32 004 146)	67 296 254
Total comprehensive Loss for the year	-	-	-	-	(2 569 190)	(2 569 190)
Balance at 31 March 2025	500	4 799 900	4 800 400	94 500 000	(34 573 336)	64 727 064
Note	12	12	12	13		

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Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	21	45 231 017	15 094 295
Interest income		122 241	406 309
Finance costs		(366 590)	-
Tax (paid) received	22	374 892	(1 537 879)
Net cash from operating activities		45 361 560	13 962 725
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(570 234)	(93 837)
Purchase of intangible assets	8	-	(1 505 618)
Net cash used in investing activities		(570 234)	(1 599 455)
Cash flows from financing activities			
Lease payments		(835 258)	(772 356)
Total cash and cash equivalents movement for the year		43 956 068	11 590 914
Cash and cash equivalents at the beginning of the year		40 750 273	29 159 359
Total cash and cash equivalents at end of the year	5	84 706 341	40 750 273

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Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS® Accounting Standards as issued by the International Accounting Standards Board and the Company's Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period apart from the application of new standards and interpretations that became effective during the year under review.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment testing

The company reviews and tests the carrying value of Property, plant and equipment, Right of use assets and Intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Glenmark Pharmaceuticals South Africa Proprietary Limited

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Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment the carrying amount of the replacement part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	5 years
Office equipment	Straight line	5 years
Computer software	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Intangible assets acquired separately are measured on initial recognition at cost and following initial recognition.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.

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Accounting Policies

1.4 Intangible assets (continued)

- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

The residual value, useful life and amortisation method of intangible assets are reviewed at the end of each reporting year. If the expectation differ from previous estimates, the charge is accounted for prospectively as a change in accounting estimate.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Gains and losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset as recognised in profit or loss on derecognition.

Amortisation is provided to write down the intangible assets, on a straight line basis as follows:

Item		Useful life
Intellectual property rights purchased (Covarex)		Indefinite
Intellectual property rights purchased (Methylprednisolone)		Indefinite
Intellectual property rights purchased (Molucide)		Indefinite
Intellectual property rights purchased (Budesonide)	Straight line	Indefinite

1.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

Note 25 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.5 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any except for trade receivables which are measured at transaction prices determined under IFRS 15.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables expose the company to credit risk. Refer to note 25 for details of risk exposure and management thereof

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating losses (note 16).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other receivables (note 4)

Impairment

The company recognise a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updted at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable

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Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating losses (note 16).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other payables note (note 10).

Cash and cash equivalents

Cash refers to cash on hand and demand deposits with banks and other financial institutions.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant changes in value.

Cash and cash equivalents are subsequently measured at amortised cost.

Cash and cash equivalents expose the company to credit risk. Refer to note 25 for details of risk exposure and management thereof.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are a legally enforceable right and being offset against each other.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the entity should assess whether:

- The contract involves the use of an identified asset;
- The right to obtain the economic benefits from the use of the asset throughout the period of use; and
- The entity has the right to direct the use of the asset. The entity has the right when it has the decision-making that are most relevant to changing how and for what purpose the asset is used.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has conducted that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of the asset as well as the right to direct the use of the asset.

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Accounting Policies

1.7 Leases (continued)

Company as lessee

The entity recognises right-of-use assets and liabilities for all leases except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets with an underlying asset value of R5,000.

Lease liabilities are measured at the present value of the remaining lease payments, discounted at the entity's incremental borrowing rate. Right-of-use assets are initially measured at amounts equal to the value of lease liabilities.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 11).

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 19).

Right-of-use assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct cost.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss.

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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Accounting Policies

1.8 Inventories (continued)

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

Loans from the parent company which are repayable at the discretion of the subsidiary are classified as equity.

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Accounting Policies

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.12 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Sales of pharmaceutical products.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Consideration payable to a customer is treated as a reduction in revenue unless the payment to the customer is in exchange for a distinct goods or service. Logistic fees, advertising and marketing allowances and other related allowances payable to customers are offset against revenue. The company recognises revenue when it transfers control of a product or service to a customer.

No element of financing is deemed present as the sales are not made on extended credit terms (not greater than 12 months).

Sale of goods - pharmaceutical products

The company sells pharmaceutical products to leading wholesale and retail pharmacies in South Africa.

Revenue is recognised when control of the goods have been transferred, being at the point where the customer takes possession of the pharmaceutical products.

Interest is recognised in profit and loss, using the effective interest method.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 Borrowing costs

Borrowing costs recognised as an expense in the period in which they are incurred.

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Accounting Policies

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.16 Related parties

A related party is related to an entity if any of the following situations apply to it:

- Individual control: The party is controlled or significantly influenced by a member of key management personnel a person who controls the entity
- Key management: The party is a member of an entity or it's parents key management personnel

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Figures in Rand	2025	2024
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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

There were no new standards nor amendments to standards and interpretations applicable for the first time during the year under review which had a material impact on the financial statements.

2.2 Standards and interpretations not yet effective

The following new standards and interpretations not yet effective applicable to the company and that are expected to have a material impact on the company:

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact:
• IFRS 18 - Presentation and disclosure in Financial Statements	01 January 2027	Impact is currently being assessed.

3. Inventories

Pharmaceutical products	97 499 148	46 595 148
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4. Trade and other receivables

Financial instruments:

Trade receivables	130 231 071	101 673 405
Deposits	234 738	234 738

Non-financial instruments:

VAT	3 342 576	1 590 673
Prepayments	16 480	-

Total trade and other receivables	133 824 865	103 498 816
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Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The company only deals with a small number of large enterprises that have never defaulted on payments. Forward looking information available does not provide any indication that this will change. Accordingly no provision for expected credit losses were recognised.

Trade receivables to the extent of RNil (2024: R1,733,554) have been provided for as a loss allowance but are subject to collection activity.

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Rand Amount

Rand	130 465 809	101 673 405
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Figures in Rand	2025	2024
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	84 706 341	40 750 273
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All the company's bank accounts are dominated in South African Rand.

6. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	1 261 184	(489 243)	771 941	690 951	(359 032)	331 919

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Office equipment	331 919	570 234	(130 212)	771 941

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Office equipment	359 422	93 837	(121 340)	331 919

7. Right-of-use assets

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right-of-use asset	6 289 276	(2 334 980)	3 954 296	6 289 276	(1 714 940)	4 574 336

Reconciliation of right-of-use assets - 2025

	Opening balance	Depreciation	Total
Right-of-use asset	4 574 336	(620 040)	3 954 296

Reconciliation of right-of-use assets - 2024

	Opening balance	Depreciation	Total
Right-of-use asset	5 199 500	(625 164)	4 574 336

The right-of-use asset relates to the lease of an office building. The lease term is 10 years (2024 - 10 years)

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2024

8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Intellectual Property rights purchased (Budesonide)	725 250	-	725 250	725 250	-	725 250
Intellectual Property rights purchased (Covarex)	8 500 000	-	8 500 000	8 500 000	-	8 500 000
Intellectual Property rights purchased (Methylprednisolone)	1 123 669	-	1 123 669	1 123 669	-	1 123 669
Intellectual Property Rights purchased (Molucide)	990 592	-	990 592	990 592	-	990 592
Total	11 339 511	-	11 339 511	11 339 511	-	11 339 511

Reconciliation of intangible assets - 2025

	Opening balance	Total
Intellectual Property rights purchased (Budesonide)	725 250	725 250
Intellectual Property rights purchased (Covarex)	8 500 000	8 500 000
Intellectual Property rights purchased (Methylprednisolone)	1 123 669	1 123 669
Intellectual Property rights purchased (Molucide)	990 592	990 592
	11 339 511	11 339 511

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Total
Intellectual Property rights purchased (Budesonide)	-	725 250	725 250
Intellectual Property rights purchased (Covarex)	8 500 000	-	8 500 000
Intellectual Property Rights purchased (Methylprednisolone)	1 123 669	-	1 123 669
Intellectual Property rights (Molucide)	210 224	780 368	990 592
	9 833 893	1 505 618	11 339 511

Impairment testing for indefinite useful life intangible assets

The useful life of the product development cost (Budesonide, Covarex, Methylprednisolone and Molucide) is considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the company.

An impairment assessment is performed on indefinite useful life intangible assets annually, or more frequently if there are indicators that the balance might be impaired. Finite useful life intangible assets are reviewed annually, but only assessed for impairment when there are indicators that the balance might be impaired. Impairment testing is performed by comparing the recoverable amount to the carrying value of the intangible asset.

The recoverable amount of cash generating units are determined as the higher of value in use and fair value less costs to sell.

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8. Intangible assets (continued)

Impairment testing for indefinite useful life intangible assets (continued)

Value in use

Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management. The estimated future cash flows and discount rates are pre-taxed based on assessment of the current risks applicable to the specific asset and/or entity and country in which it operates or the product is sold.

Management determines the expected performance of the assets based on the following:

- an assessment of products in question against existing market conditions taking into account past performance.

Key assumptions on the impairment test for indefinite useful life assets were as follow:

Product	Carrying value	Period covered by forecast	Average growth in turnover	Pre-tax discount rate applied to cash flows (% per annum)
Budesnide	725,250	4 years	3%	22%
Covarex	8,500,000	4 years	3%	22%
Methylprednisolone	1,123,669	4 years	3%	22%
Molucide	990,592	4 years	3%	22%

9. Deferred tax

Deferred tax liability

Temporary differences IFRS 16 Right-of-use asset	(1 067 660)	(1 235 066)
Temporary difference prepaid expenses	-	(300 212)
Total deferred tax liability	(1 067 660)	(1 535 278)

Deferred tax asset

Temporary differences leave pay provision	-	358 860
Temporary differences on accruals	2 471 842	94 500
Temporary difference on IFRS 16 lease liability	1 405 998	1 522 079
Total deferred tax asset	3 877 840	1 975 439

Deferred tax liability	(1 067 660)	(1 535 278)
Deferred tax asset	3 877 840	1 975 439
Total net deferred tax asset	2 810 180	440 161

Recognition of deferred tax asset

Based on the current years' tax loss and past years' carry forward tax losses aggregating to R22,800,541 (2024: R26,719,032), the company could have created a deferred tax asset amounting to R6,156,146 (2024: R7,214,139) at the prevailing tax rate of 27%. However, the company has not recognised any deferred tax asset on carry forward losses.

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10. Trade and other payables

Financial instruments:

Trade payables	253 885 493	132 378 955
Accrued expenses	9 221 214	2 293 869

Non-financial instruments:

Payroll liabilities	1 699 994	1 178 996
	264 806 701	135 851 820

Exposure to currency risk

The company is exposed to currency risk related to trade payables because certain wholesale transactions are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The currencies in which the company deals primarily is US Dollars.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

The net carrying amounts, in Rand, of trade and other payables are denominated in the following currencies.

Rand Amount

Rand	31 175 246	29 749 239
US Dollar	227 963 958	96 903 914
Euro	5 667 497	9 198 667

Fair value of Trade and other payables

264 806 701	135 851 820
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The net carrying amounts, in foreign currency of the above exposure was as follows:

Foreign currency amount

US Dollar	12 256 127	5 141 337
Euro	285 876	451 092

Rand per unit of foreign currency:

US Dollar	18,600	18,848
Euro	19,825	20,392

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to with regards to trade and other payables. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated trade and other payables and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Company

At 31 March 2025, if the Rand/dollar exchange rate had been 1% per annum (2024: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R2,336,315 (2024: R1,048,838) higher or lower.

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11. Lease liabilities		
Lease liabilities		
Maturity analysis:		
- Within one year	861 708	810 039
- In second to fifth year inclusive	4 045 400	3 796 955
- More than five years	1 589 090	2 699 873
	<u>6 496 198</u>	<u>7 306 867</u>
Less finance charges component	(1 288 798)	(1 669 537)
Present value of minimum lease payments	5 207 400	5 637 330
- Current liabilities	620 040	810 039
- Non-current liabilities	4 587 360	4 827 291
	<u>5 207 400</u>	<u>5 637 330</u>
12. Share capital		
Authorised		
1,000 Ordinary shares of R1 each	1 000	1 000
Issued		
500 Ordinary shares of R1 each	500	500
Share premium	4 799 900	4 799 900
	<u>4 800 400</u>	<u>4 800 400</u>
13. Loan from parent		
Glenmark South Africa Proprietary Limited	94 500 000	94 500 000
The loan is unsecured, bears no interest and is repayable at the discretion of the subsidiary.		
14. Revenue		
Revenue from contracts with customers		
Sale of goods - pharmaceutical products	327 145 580	300 458 988

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14. Revenue (continued)		
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Sale of goods		
Sale of goods - pharmaceutical products	349 753 110	483 302 280
Amounts payable to customer - distribution fees, logistic fees and other allowances	(22 607 530)	(182 842 292)
	327 145 580	300 459 988
Timing of revenue recognition		
At a point in time		
Sale of goods Pharmaceutical products	349 753 110	483 302 280
Amounts payable to customer - distribution fees, logistical fees and other allowances	(22 607 530)	(182 843 292)
	327 145 580	300 458 988
15. Cost of sales		
Sale of goods	170 971 950	165 871 109
Freight charges	8 963 512	7 151 194
16. Other operating losses		
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	684 949	(6 322 576)
17. Other operating expenses		
Auditor's remuneration - external		
Statutory and quality related audit fees	185 622	820 730
Remuneration, other than to employees		
Professional services	4 853 325	4 259 224
Depreciation and amortisation		
Depreciation of property, plant and equipment	130 212	121 340
Depreciation of right-of-use assets	620 040	625 164
Total depreciation and amortisation	750 252	746 504
Other		
Advertising	28 228 921	21 483 175
Distribution cost	17 094 617	10 419 566
Drug registration fees	3 587 337	3 964 405
Promotions	41 451 505	15 547 036
18. Investment income		
Interest income		
Bank and other cash	122 241	406 309

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19. Finance costs		
Tax authorities	223 695	-
Lease liabilities under IFRS 16	405 326	433 476
Other Interest paid	142 895	-
Total finance costs	771 916	433 476
20. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	1 045 468	826 268
Deferred		
Originating and reversing temporary differences	(2 370 020)	10 629 769
	(1 324 552)	11 456 037
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit (loss)	(3 893 742)	15 710 735
Tax at the applicable tax rate of 27% (2024: 27%)	(1 051 310)	4 241 898
Tax effect of adjustments on taxable income		
Tax losses (utilised)/carried forward	(273 342)	7 214 139
	(1 324 652)	11 456 037
21. Cash generated from operations		
Profit (loss) before taxation	(3 893 742)	15 710 735
Adjustments for:		
Depreciation and amortisation	750 252	746 504
Interest income	(122 241)	(406 309)
Finance costs	771 916	433 476
Changes in working capital:		
Inventories	(50 904 000)	(8 079 709)
Trade and other receivables	(30 326 049)	(8 043 911)
Trade and other payables	128 954 881	14 733 509
	45 231 017	15 094 295
22. Tax (paid) refunded		
Balance at beginning of the year	1 255 242	543 631
Current tax for the year recognised in profit or loss	(1 045 468)	(826 268)
Balance at end of the year	165 118	(1 255 242)
	374 892	(1 537 879)

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23. Related parties

Relationships

Ultimate holding company

Holding company

Fellow subsidiary

Glenmark Pharmaceuticals Limited

Glenmark South Africa Proprietary Limited

Glenmark Pharmaceuticals Kenya Proprietary Limited

Related party balances

Loan accounts - Owing (to) by related parties

Glenmark South Africa Proprietary Limited	94 500 000	94 500 000
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Amounts included in Trade receivable regarding related parties

Glenmark Pharmaceuticals Kenya Proprietary Limited	546 480	394 821
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Amounts included in Trade payables regarding related parties

Glenmark Pharmaceuticals Limited	134 959 890	88 988 113
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Glenmark Specialities SA	81 107 330	6 339 940
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Related party transactions

Sales to related parties

Glenmark pharmaceuticals Kenya (Proprietary) Limited	546 480	891 405
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Purchases from related parties

Glenmark Pharmaceuticals Limited	71 623 447	91 169 884
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Glenmark Specialities SA	80 612 064	6 570 815
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24. Directors' and prescribed officer' emoluments

Compensation paid to key management:

Prescribed officers

2025

	Emoluments	Total
For services rendered	4 082 060	4 082 060
	4 082 060	4 082 060

2024

	Emoluments	Total
For services rendered	3 836 746	3 836 746
	3 836 746	3 836 746

Prescribed officers are involved in the strategic and operational processes of the company.

No emoluments were paid to the directors of the company .

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2024

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Notes	Amortised cost	Total
Trade and other receivables	4	130 465 809	130 465 809
Cash and cash equivalents	5	84 706 341	84 706 341
		215 172 150	215 172 150

2024

	Notes	Amortised cost	Total
Trade and other receivables	4	101 908 143	101 908 143
Cash and cash equivalents	5	40 750 273	40 750 273
		142 658 416	142 658 416

Categories of financial liabilities

2025

	Notes	Amortised cost	Total
Trade and other payables	10	263 106 707	263 106 707

2024

	Notes	Amortised cost	Total
Trade and other payables	10	134 672 824	134 672 824

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25. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Currency risk.

The directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

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25. Financial instruments and risk management (continued)

Financial risk management (continued)

Credit risk (continued)

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit risk is assessed as low. When determining the risk of default, management consider information such as payment history to date, industry in which the customer is operating, period for which the customer has been in business, external credit references etc. Trade receivables and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

	Notes	2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	4	130 465 809	-	130 465 809	101 908 143	-	101 908 143
Cash and cash equivalents	5	84 706 341	-	84 706 341	40 750 273	-	40 750 273
		215 172 150	-	215 172 150	142 658 416	-	142 658 416

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented.

Refer to the notes specific to the exposures in the table above, for additional information concerning credit risk.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

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25. Financial instruments and risk management (continued)

Liquidity risk (continued)

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total
Non-current liabilities					
Finance lease liabilities	11	-	4 045 400	1 589 090	5 634 490
Current liabilities					
Finance lease liabilities	11	861 708	-	-	861 708
		(861 708)	(4 045 400)	(1 589 090)	(6 496 198)

2024

		Less than 1 year	1 to 2 years	2 to 5 years	Total
Non-current liabilities					
Finance lease liabilities	11	-	3 796 955	2 699 873	6 496 828
Current liabilities					
Trade and other payables	10	134 672 824	-	-	134 672 824
Finance lease liabilities	11	810 039	-	-	810 039
		(135 482 863)	(3 796 955)	(2 699 873)	(141 979 691)

26. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

27. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

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Detailed Income Statement

Figures in Rand	Notes	2025	2024
Revenue	14	327 145 580	300 458 988
Cost of sales	15	(179 935 462)	(173 022 303)
Gross profit		147 210 118	127 436 685
Other operating gains (losses)			
Foreign exchange gains (losses)		684 949	(6 322 576)
Other operating expenses			
Advertising		(28 228 921)	(21 483 175)
Auditor's remuneration - external audit	17	(185 622)	(820 730)
Bad debts		-	(416 000)
Bank charges		(171 994)	(143 384)
Computer expenses		(522 381)	(382 591)
Depreciation		(130 212)	(121 340)
Depreciation on right-of-use assets		(620 040)	(625 164)
Distribution costs		(17 094 617)	(10 419 566)
Drug registration fee		(3 587 337)	(3 964 405)
Employee costs		(45 016 667)	(38 639 642)
Insurance		(207 228)	(146 205)
Motor vehicle expenses		(2 304 828)	(2 514 926)
Origination and agency cost		(83 350)	(47 631)
Postage and courier		(542 807)	(392 444)
Professional fees		(4 853 325)	(4 259 224)
Promotions		(41 451 505)	(15 547 036)
Recruitment		(1 287 228)	(966 858)
Repairs and maintenance		(373 969)	(180 024)
Royalties and license fees		(77 681)	(157 283)
Staff welfare		(1 068 684)	(872 513)
Sundry staff expenses		(82 765)	(216 730)
Telephone and fax		(498 311)	(508 428)
Training		(36 672)	3 634
Transport and freight		(30 533)	(27 761)
Travel - local		(2 011 286)	(1 862 811)
Travel - overseas		(189 600)	(205 090)
Utilities		(190 529)	(174 476)
		(150 848 092)	(105 091 803)
Operating (loss) profit	17	(2 953 025)	16 022 306
Investment income	18	122 241	406 309
Finance costs	19	(771 916)	(433 476)
(Loss) profit before taxation		(3 602 700)	15 995 139
Taxation	20	1 324 552	(11 456 037)
Total comprehensive (loss) income for the year		(2 278 148)	4 539 102