



Grant Thornton

Glenmark Specialty SA Neuchâtel

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

Financial Statements for the year ended March 31, 2025

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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, 2025, 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 available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

We draw attention to the fact that the ordinary general meeting held on October 7, 2024 resolved to off-set the balance sheet loss of CHF 125'519'873 with legal capital reserves as per article 674 para. 1 CO. As the Board of Directors' proposed off-setting had not been audited by us, such an off-set is a breach of the provisions of article 728a para. 1 No. 2 CO. From today's perspective and if it had been audited by us at the time, the resolution to off-set the balance sheet loss of CHF 125'519'873 would have complied with Swiss law and the company's articles of incorporation. The proposed off-setting was ultimately audited in June 2025.

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, 2024 as prescribed by article 699 para. 2 CO.

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 available earnings



Financial Statements

according to Swiss Code of Obligations

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

Financial year **2024-2025**

Closing date **31.03.2025**



Glenmark Specialty SA
Place du Port 2, Neuchâtel, Switzerland

Balance sheet as at

31.03.2025

31.03.2024

Assets

(in Swiss francs)

Current assets

Cash and cash equivalents

1,533,580

2,722,630

Accounts receivables

113,327,368

76,143,573

due from third parties

3,628,845

6,959,945

due from group companies

109,698,523

69,183,628

Other current receivables

12,759,064

1,051,577

due from third parties

30,146

86,261

due from group companies (Advances)

12,728,918

965,316

Prepaid expenses and Accrued income

305,097

-

Total current assets

127,925,109

79,917,780

Non-current assets

Financial assets

4,522

4,502

Other financial assets

4,522

4,502

Property, plant and equipment

7,069

5,999

Intangible assets

106,994,193

102,762,458

Total non-current assets

107,005,784

102,772,959

Total assets

234,930,893

182,690,739



Glenmark Specialty SA
Place du Port 2, Neuchâtel, Switzerland

Balance sheet as at	31.03.2025	31.03.2024
Liabilities and shareholders' equity <i>(in Swiss francs)</i>		
<u>Short-term liabilities</u>		
Accounts payable	88,918,424	113,446,474
<i>due to third parties</i>	<i>1,833,580</i>	<i>7,866,214</i>
<i>due to group companies</i>	<i>87,084,844</i>	<i>105,580,260</i>
Other short-term liabilities	131,778	-
<i>due to third parties</i>	<i>131,778</i>	<i>-</i>
Accrued expenses and deferred income	3,348,578	2,699,692
Total short-term liabilities	92,398,780	116,146,166
<u>Long-term liabilities</u>		
Long-term interest-bearing liabilities	62,354,618	21,129,162
<i>due to shareholders</i>	<i>62,354,618</i>	<i>21,129,162</i>
Long-term provisions	688,937	862,539
<i>due to third parties</i>	<i>688,937</i>	<i>862,539</i>
Total long-term liabilities	63,043,555	21,991,701
<u>Shareholders' equity</u>		
Share capital	30,000,000	30,000,000
Legal capital reserves	14,552,872	140,000,000
<i>Reserves from capital contribution</i>	<i>14,552,872</i>	<i>140,000,000</i>
Legal retained earnings	-	72,745
<i>General legal retained earnings</i>	<i>-</i>	<i>72,745</i>
Available earnings	34,935,686	(125,519,873)
<i>Accumulated profits brought forward</i>	<i>-</i>	<i>1,382,159</i>
<i>Profit / (Loss) for the year</i>	<i>34,935,686</i>	<i>(126,902,032)</i>
Total shareholders' equity	79,488,558	44,552,872
Total liabilities and shareholders' equity	234,930,893	182,690,739

**Glenmark Specialty SA**

Place du Port 2, Neuchâtel, Switzerland

Profit and loss statement for the financial year01.04.2024 - 31.03.202501.04.2023 - 31.03.2024*(in Swiss francs)*

Gross proceeds from sales of goods and services	114,306,201	78,752,872
Cost of sales	(55,597,522)	(50,563,836)
Net proceeds from sales of goods and services	58,708,679	28,189,037
Staff expenses	(5,767,972)	(5,930,126)
Administrative expenses	(42,364)	(27,543)
Other operating expenses	(9,420,954)	(9,373,572)
Depreciation and valuation adjustments to fixed assets & intangibles	(5,272,894)	(13,923,267)
Operating expenses	(20,504,184)	(29,254,508)
Profit / (Loss) for the year before interest and taxes	38,204,495	(1,065,472)
Financial income	4,334,918	12,419,898
Financial expenses	(5,119,514)	(9,219,712)
Extraordinary, non-recurring or prior-period expenses	(2,008,499)	(128,329,420)
Profit / (Loss) for the year before tax	35,411,401	(126,194,706)
Direct Taxes	(475,715)	(707,326)
Profit / (Loss) for the year	34,935,686	(126,902,032)



Glenmark Specialty SA
Place du Port 2, Neuchâtel, Switzerland

Cash flow statement for the financial year

01.04.2024 - 31.03.2025 01.04.2023 - 31.03.2024

(in Swiss francs)

Profit / (Loss) for the year	34,935,686	(126,902,032)
Depreciation, impairment and valuation adjustments to fixed assets	7,281,393	142,252,688
Net increase/decrease in short and long-term provisions	(173,602)	(5,797,838)
Net increase/decrease in current receivables	(48,891,282)	(39,965,599)
Net increase/decrease in accrued income and prepaid expenses	(305,097)	-
Net increase/decrease in short-term liabilities (excluding financial liabilities)	(24,396,272)	62,268,843
Net increase/decrease in accrued expenses and deferred income	648,886	2,078,294
Cash flow from operating activities	(30,900,288)	33,934,356
Investment/divestment of property, plant and equipment	(6,477)	(7,833)
Investment/divestment of financial assets	(20)	(1)
Investment/divestment of intangible assets	(11,507,721)	(16,105,704)
Cash flow from investing activities	(11,514,218)	(16,113,538)
Net increase/decrease in long-term interest-bearing liabilities	41,225,456	(20,878,024)
Cash flow from financing activities	41,225,456	(20,878,024)
Net decrease in cash and cash equivalents	(1,189,050)	(3,057,206)
Change in cash and cash equivalents		
Balance at the beginning of the financial year	2,722,630	5,779,836
Balance at the end of the financial year	1,533,580	2,722,630
Change in cash and cash equivalents	(1,189,050)	(3,057,206)



Glenmark Specialty SA
Place du Port 2, 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.

**Glenmark Specialty SA**

Place du Port 2, Neuchâtel, Switzerland

Notes to the Financial Statements

(in Swiss francs)

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: From 10 to 20 years (PY 10 years) from the date of the launch on the market
- Other IP 10 years (PY 5 years) from acquisition/filing

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

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.

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 63,359,458 (March 31, 2024: CHF 68,626,392) and molecules under development for CHF 43,634,735 (March 31, 2024: CHF 34,136,066).

Full-Time Equivalents

The annual average number of full-time equivalents for the reporting year is 13 and previous year was 12.

Liabilities due to pension fund

The amounts payable at March 31, 2024 and March 31, 2025 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 2025 amount to CHF 40,000 (PY CHF 40,000).



Glenmark Specialty SA
Place du Port 2, Neuchâtel, Switzerland

Notes to the Financial Statements
(in Swiss francs)

Long-term interest-bearing liabilities

Glenmark Specialty SA shall repay to Glenmark Holding SA the loan within five years from April 1, 2024 or such extended period as may be mutually agreed between the parties.

	31.03.2025	31.03.2024
Due within 5 years	62,354,618	21,129,162
Due after 5 years	-	-
Total long-term interest-bearing liabilities	62,354,618	21,129,162

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.

On 7th October 2024, accumulated loss on the balance sheet on 31st March 2025 was offset against legal retained earnings and legal capital reserves.

Extraordinary non-recurring or prior-period expenses

Extraordinary, non-recurring or prior-period expenses for FY 2024-25 includes write-off/impairment of certain intangibles due to de-prioritization aggregating to CHF 2'008'499 (PY 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 91,626,841 (PY CHF 126,902,032) 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	31.03.2025	31.03.2024
Next 2 years	-	-
3-4 years	-	-
More than 4 years	91,626,841	126,902,032
Total	91,626,841	126,902,032



Glenmark Specialty SA
Place du Port 2, Neuchâtel, Switzerland

Proposal appropriation of retained earnings
(in Swiss francs)

as at March 31
2025

Profit carried forward
Profit for the year

-
34 935 686

Total retained earnings

34 935 686

Motion of the Board of Directors
on the proposed appropriation of retained earnings
(in Swiss francs)

as at March 31
2025

Total retained earnings

34 935 686

– Allocation to legal retained earnings
– Distribution of dividends to shareholders

1,746,784
-

Balance carried forward to new account

33 188 902