

ALNOVA PHARMACEUTICALS SA IN LIQUIDATION

LA CHAUX-DE-FONDS

FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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YVERDON-LES-BAINS, 28 APRIL 2025

Report of the statutory auditor to the General Meeting of Alnova Pharmaceuticals SA in liquidation, La Chaux-de-Fonds

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alnova Pharmaceuticals SA in liquidation**, which comprise the statement of financial position as at **31 March 2025**, statement of profit or loss and other comprehensive income, notes, statement of changes in equity and statement of cash flows, 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 Qualified Opinion

The presentation calls for the following comments: Contrary to the requirements of article 958d of the Swiss Code of Obligations, the financial statements do not present the counter-values in national currency.

We conducted our audit in accordance with Swiss law and 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 and 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.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but 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 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

GF Audit SA, branch of Yverdon-les-Bains

Licensed audit Expert
N°108'832
(Auditor in charge)

Licensed audit Expert
N°103'661

Yverdon-les-Bains, 28 April 2025

Enclosures :

- Financial statements (statement of financial position, statement of profit or loss and other comprehensive income, notes, statement of changes in equity and statement of cash flows)

Alnova Pharmaceuticals SA en Liquidation

Statement of financial position as at 31 March 2025

		31.03.2025	31.03.2024
	Note	USD	USD
ASSETS			
Current assets			
Trade and other receivables	6	167 168	167 058
Cash at bank	7	162 175	3 016
		<u>329 343</u>	<u>170 074</u>
Non Current assets			
Investment		-	-
Total assets		329 343	170 074
EQUITY			
Capital and reserves			
Share capital	8	198 000	198 000
Retained Earnings/(Accumulated Loss)		-73 121	-50 426
Total equity		<u>124 879</u>	<u>147 574</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	204 464	22 500
		<u>204 464</u>	<u>22 500</u>
Total equity and liabilities		329 343	170 074

Alnova Pharmaceuticals SA en Liquidation

Statement of profit or loss and other comprehensive income
for the year ended 31 March 2025

		31.03.2025	31.03.2024
	Note	USD	USD
Revenue	4	-	-
General & Administrative expenses	4.1	22 695	14 075
Profit / (loss) before tax		-22 695	-14 075
Income tax expense	5	-	-
Profit / (loss) for the year		-22 695	-14 075

Alnova Pharmaceuticals SA en Liquidation

Schedule to the financial statements for the year ended 31 March 2025

4. Revenue	31.03.2025	31.03.2024
	USD	USD
Miscellaneous Income	-	-
	-	-

4.1 General & Administrative expenses	31.03.2025	31.03.2024
	USD	USD
Bank Charges	1 321	1 864
Rates And Taxes	1 360	2 420
Accounting Services	11 970	6 769
Exchange Gain/Loss	-	1 432
Auditors Remuneration	4 351	1 590
Professional Fees	3 694	-
Total	22 695	14 075

Alnova Pharmaceuticals SA en Liquidation

Schedule to the financial statements for the year ended 31 March 2025

5. Tax Charge	31.03.2025	31.03.2024
	USD	USD
Income Tax Expense	-	-

6. Trade and other receivables

	31.03.2025	31.03.2024
	USD	USD
Amounts owed by Branch, Subsidiary and Associates	167 000	167 000
Indirect taxation	168	58
	167 168	167 058

Note: The amounts due by the ultimate parent company and by the shareholder are unsecured, interest free and repayable on demand.

7. Cash at bank

	31.03.2025	31.03.2024
	USD	USD
Cash at bank	162 175	3 016

8. Share capital

	31.03.2025	31.03.2024
	USD	USD
Authorised share capital		
200000 Ordinary shares of CHF 1 each	198 000	198 000
Issued and fully paid-up share capital		
200000 Ordinary shares of CHF 1 each	198 000	198 000

9. Trade and other payables

	31.03.2025	31.03.2024
	USD	USD
Accruals	2 500	2 500
Other payables	201 964	20 000
	204 464	22 500

10. Other information

The company is dissolved by decision of its General Meeting of 19.11.2024. The management has taken the decision to continue the activity.

Alnova Pharmaceuticals SA in liquidation

Notes to the financial statements as at 31 March 2025

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial information are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

1.1 Use of estimates and judgements

Accounting policies

Accounting convention and basis of preparation

These financial statements are presented using the USD, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the entity. They are prepared under the historical cost convention as modified by the fair valuation convention where required by Swiss laws. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entity, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with Swiss laws requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies

1.2 Basis of measurement

Assets and liabilities are measured at historical cost.

1.3 Functional and presentation currency

These financial statements are presented in USD, which is the Company's functional currency.

1.4 The accompanying financial statements comprise the following periods:

- Statements of financial position as of 31 March 2025.
- Statements of comprehensive income by function for the periods between 1 April 2024 and 31 March 2025.
- Statements of changes in equity for the periods between 1 April 2024 and 31 March 2025.
- Statements of cash flows for the periods between 1 April 2024 and 31 March 2025.

Alnova Pharmaceuticals SA in liquidation

2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.1 Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control- at a point in time or over time - requires judgement. The Company recognizes revenue from sale of goods based on a five step model:

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

2.2 Accounts receivables

Receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The management undertakes a periodic review of the amount recoverable from Accounts & other receivables and determines recoverability based on various factors such as ageing of receivables, payment history, collateral available & other knowledge about the receivables.

2.3 Trade payables

Payables are stated at nominal amounts payable for goods or services rendered.

2.4 Provisions

Provisions are recognized when the company has a present obligation as a result of past event & it is probable that the outflow of resources will be required to settle the obligation.

2.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

Alnova Pharmaceuticals SA in liquidation

3. Financial risk management

Financial risk factors

The Company has exposure to the following risks arising from financial instruments and are the most significant risks to which the entity is exposed to:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The entity's risk is limited to the carrying amount of financial assets recognized at the date of the Statement of Financial Position.

The company continuously monitors defaults of customers and other counterparts and incorporates this information into credit risk controls. The company's policy is to deal only with creditworthy counterparties.

None of the company's financial assets is secured by collateral or other credit enhancements. The credit risk for liquid funds is considered to be negligible, since the counterparties are reputable institutions with high quality external credit ratings.

Liquidity risk

The entity's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the entity's obligations when they become due.

Alnova Pharmaceuticals SA en Liquidation

Statement of changes in equity for the year ended 31 March 2025

	Share Capital	Accumulated Losses	Total
	USD	USD	USD
At 1 April 2023	198 000	-36 351	161 649
Profit for the year	-	-14 075	-14 075
As at 31 March 2024	198 000	-50 426	147 574
At 1 April 2024	198 000	-50 426	147 574
Profit for the year	-	-22 695	-22 695
Total Comprehensive income	-	-	-
As at 31 March 2025	198 000	-73 121	124 879

Alnova Pharmaceuticals SA en Liquidation

Statement of cash flows

for the year ended 31 March 2025

		31.03.2025	31.03.2024
	Note	USD	USD
Cash flows from operating activities			
Profit / loss before tax	4	-22 695	-14 075
Working capital changes:			
Change in trade and other receivables		-110	-432
Change in trade and other payables		181 964	16 951
Net cash generated from operating activities		159 159	2 444
Net movement in cash and cash equivalents		159 159	2 444
Cash and cash equivalents at beginning of year		3 016	572
Cash and cash equivalent at end of year	7	162 175	3 016