

## **RHIZEN PHARMACEUTICALS SA**

**BASEL**

### **FINANCIAL STATEMENTS AS OF 31 MARCH 2025**

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- **REPORT OF THE STATUORY AUDITOR AS OF 31 MARCH 2025**
  - **COMPARATIVE BALANCE SHEETS AS OF 31 MARCH 2025 AND 2024**
  - **COMPARATIVE INCOME STATEMENTS FOR 2025 AND 2024**
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**YVERDON-LES-BAINS, 28 APRIL 2025**

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## Report of the statutory auditor to the General Meeting of Rhizen Pharmaceuticals AG, Basel

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### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of **Rhizen Pharmaceuticals AG**, 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, succursale d'Yverdon-les-Bains**

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

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Licenced 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)

# Rhizen Pharmaceuticals AG

## Statement of financial position for the year ended 31 March 2025

		31.03.2025	31.03.2024
		USD	USD
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	6	1 722 808	8 121 618
Cash and Cash Equivalent	7	4 367 909	6 719 179
		<u>6 090 716</u>	<u>14 840 796</u>
<b>Non Current assets</b>			
Investment	8	99 000	99 000
<b>Total assets</b>		<b>6 189 716</b>	<b>14 939 797</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	9	122 760	122 760
Retained Earnings		<u>2 288 916</u>	<u>2 135 459</u>
Total equity		<u>2 411 676</u>	<u>2 258 220</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	<u>3 778 041</u>	<u>12 681 577</u>
		<u>3 778 041</u>	<u>12 681 577</u>
<b>Total equity and liabilities</b>		<b>6 189 716</b>	<b>14 939 797</b>

## Rhizen Pharmaceuticals AG

### Statement of profit or loss and other comprehensive income as at 31 March 2025

		31.03.2025	31.03.2024
	Note	USD	USD
Revenue	4	2 868 926	5 240 000
General & Administrative expenses	4.1	2 715 470	5 388 253
<b>Profit / (loss) before tax</b>		<b>153 456</b>	<b>-148 253</b>
Income tax expense	5	-	-
<b>Profit / (loss) for the year</b>		<b>153 456</b>	<b>-148 253</b>

# Rhizen Pharmaceuticals AG

Schedule to the financial statements for the year ended

31 March 2025

4. Revenue	31.03.2025	31.03.2024
	USD	USD
Income from Operations	2 550 000	5 240 000
Other Income	318 926	-
<b>Total</b>	<b>2 868 926</b>	<b>5 240 000</b>

4.1 General & Administrative expenses	31.03.2025	31.03.2024
	USD	USD
Research And Development Expense	1 651 657	2 548 904
Cost of Sales - FERT	-	1 090 244
Professional Fees	322 659	1 045 325
Salary in Foreign Currency	522 979	433 577
Patent Filing,Registration & Attorney	66 176	66 817
Insurance - General	-	34 188
Office Exp	30 686	25 411
Subscription	-	7 654
Postage	11 266	11 312
Accounting Services	30 121	17 994
Rates And Taxes	79	302
Auditors Remuneration	11 596	11 195
Misc. Expenses General	35	303
Legal Fees	-	4 725
Travelling Expense	-	49 707
Bank Charges	67 082	6 614
Rent Others	-	-
Exchange Loss - Vendors	-846	28 489
Computer Expenses	-	-
Freight And Forwarding - Direct	4 654	-
Lab Consumables Consumed - MM	-	6 975
Exchange Gain - Vendors	-2 674	-1 483
Milestone Payments	-	-
	<b>2 715 470</b>	<b>5 388 253</b>

# Rhizen Pharmaceuticals AG

## 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
Deposit Given	27 375	27 375
Amounts owed by Branch, Subsidiary and Associates	1 655 445	8 046 177
Prepayments	40 542	46 576
Indirect taxation	-554	1 490
	1 722 808	8 121 618
7. Cash & Cash Equivalent		
	31.03.2025	31.03.2024
	USD	USD
Cash at bank and Deposit	4 367 909	6 719 179
8. Investments		
	31.03.2025	31.03.2024
	USD	USD
Investment in Dahlia Therapeutics SA	99 000	99 000
	99 000	99 000
9. Share capital		
	31.03.2025	31.03.2024
	USD	USD
<b>Authorised share capital</b>		
120,000 Ordinary shares of CHF 1 each	122 760	122 760
<b>Issued and fully paid-up share capital</b>		
120,000 Ordinary shares of CHF 1 each	122 760	122 760
10. Trade and other payables		
	31.03.2025	31.03.2024
	USD	USD
Advance from Customers	3 669 883	6 191 548
Accruals	18 287	16 000
Amount due to Parent company/Branch	17 307	6 250 032
Provision for Income Tax	72 564	72 564
Other payables	-	151 433
	3 778 041	12 681 577

## Notes to the financial statements as at 31 March 2025

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### 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 categorized 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.



## **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.

### 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 recognised 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.

## Rhizen Pharmaceuticals AG

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

	Share Capital	Accumulated Losses	Total
	USD	USD	USD
At 1 April 2023	122 760	2 283 712	2 406 472
Profit for the year	-	-148 253	-148 253
As at 31 March 2024	122 760	2 135 459	2 258 219
At 1 April 2023	122 760	2 135 459	2 258 219
Profit for the year	-	153 456	153 456
Other comprehensive income	-	-	-
Total Comprehensive income	-	-	-
As at 31 March 2024	122 760	2 288 915	2 411 675

# Rhizen Pharmaceuticals AG

## Statement of cash flows

for the year ended 31 March 2025

		31.03.2025	31.03.2024
	Note	USD	USD
<b>Cash flows from operating activities</b>			
Profit / loss before tax	4	153 456	-148 253
Working capital changes:			
Change in trade and other receivables		6 398 810	-1 404 507
Change in trade and other payables		-8 903 536	-4 455 435
<b>Net cash generated from operating activities</b>		<b>-2 351 270</b>	<b>-6 008 194</b>
 <b>Cash Flow from Investing Activity</b>			
Net movement in cash and cash equivalents		-2 351 270	-6 008 194
Cash and cash equivalents at beginning of year		6 719 179	12 727 373
 <b>Cash and cash equivalent at end of year</b>	7	<b>4 367 909</b>	<b>6 719 179</b>