ALEMBIC PHARMACEUTICALS CANADA LTD.

2026 Financial Statements

ALEMBIC PHARMACEUTICALS CANADA LTD.
Financial Statements

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Independent Auditor's Report

To the shareholder of
Alembic Pharmaceuticals Canada Ltd.

Opinion
We have audited the financial statements of Alembic Pharmaceuticals Canada Ltd., which comprise the statement of financial position as at March 31, 2026, and the statements of comprehensive operations, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism 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.

Avneet Malhotra Professional Corporation
6375 Dixie Road, Suite 400, Mississauga, ON L5T 2E7
P: (905) 676 6000 I F: (905) 676 0887 I E: info@smesync.com I smesync.com

Independent Auditor's Report — continued

- 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 management.

- Conclude on the appropriateness of management's 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 those charged with governance 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.

Avneet Malhotra

Avneet Malhotra Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the Chartered Professional Accountants of Ontario
Mississauga, Ontario
May 7, 2026

Avneet Malhotra Professional Corporation
6375 Dixie Road, Suite 400, Mississauga, ON L5T 2E7
P: (905) 676 6000 I F: (905) 676 0887 I E: info@smesync.com I smesync.com

ALEMBIC PHARMACEUTICALS CANADA LTD.
Statement of Financial Position
As at March 31

	2026	2025
ASSETS		
Current assets		
Cash	$ 104,337	$ 93,711
HST receivable	6,534	11,044
	$ 110,871	$ 104,755
LIABILITIES, CLASS A SHARES AND DEFICIT		
Current liability		
Accounts payable and accrued liabilities	$ 7,996	$ 6,000
Due to shareholder	608,438	510,520
	616,434	516,520
Class A shares and deficit		
Class A shares (note 5)	10,000	10,000
Deficit	(515,563)	(421,765)
	(505,563)	(411,765)
	$ 110,871	$ 104,755

See note 2- Basis of presentation and going concern

See accompanying notes

On behalf of the Board

(____________________________) **Director**

ALEMBIC PHARMACEUTICALS CANADA LTD.
Statement of Comprehensive Operations
Year ended March 31

	2026	2025
Revenue	$ -	$ -
Expenses		
Professional fees	82,739	63,122
Management fees	10,672	4,490
Bank charges	387	357
	93,798	67,969
Net loss and comprehensive loss	$ (93,798)	$ (67,969)

See accompanying notes

ALEMBIC PHARMACEUTICALS CANADA LTD.
Statement of Class A Shares and Deficit
Year ended March 31

	Class A shares	Deficit	Total deficit
Balance, March 31, 2024	$ 10,000	$ (353,796)	$ (343,796)
Net loss and comprehensive loss	-	(67,969)	(67,969)
Balance, March 31, 2025	10,000	(421,765)	(411,765)
Net loss and comprehensive loss	-	(93,798)	(93,798)
Balance, March 31, 2026	$ 10,000	$ (515,563)	$ (505,563)

See accompanying notes

ALEMBIC PHARMACEUTICALS CANADA LTD.
Statement of Cash Flows
Year ended March 31

	2026	2025
Operating activities		
Net loss and comprehensive loss	$ (93,798)	$ (67,969)
Net change in non-cash working capital items		
HST	4,510	(2,907)
Accounts payable and accrued liabilities	1,996	-
	6,506	(2,907)
Cash flows used in operating activities	(87,292)	(70,876)
Financing activity		
Advances from shareholder	97,918	70,520
Net change in cash during the year	10,626	(356)
Cash, beginning of year	93,711	94,067
Cash, end of year	$ 104,337	$ 93,711

See accompanying notes

1. Nature of operations

Alembic Pharmaceuticals Canada Ltd. is a privately held company, incorporated under the laws of Ontario. The company, which has its registered office at 12 York Street, Toronto Ontario is a wholly owned subsidiary of Alembic Global Holding SA, a company incorporated in Switzerland. The company's ultimate parent is Alembic Pharmaceuticals Limited, a company incorporated and listed in India. The company is entering the Canadian pharmaceutical market to engage in the sale of pharmaceutical products. The ultimate parent company in India and its group are vertically integrated with the ability to develop, manufacture and market pharmaceutical products, and pharmaceutical substances.

2. Basis of presentation and going concern

The financial statements have been prepared in accordance with International Financial Reporting Standards on a going concern basis, which assumes the company can realize its assets and discharge its liabilities in the normal course of operations. Use of the going concern basis may be inappropriate because there is significant doubt about the appropriateness of this assumption. The company’s ability to continue operations and commence earning revenues and positive cash flows in Canada is dependent on the continued support from its parent.

The accompanying financial statements do not include any adjustments that would be necessary if the going concern assumption were not appropriate. They were authorized for issue by the company's Board of Directors on May 7th 2026.

3. Summary of material accounting policies

Accounting estimates

The preparation of financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Income taxes

Current income tax represents the expected income recoverable (or payable) on taxable income for the period using income tax rates enacted or substantially enacted at the end of the reporting period and taking into account any adjustments arising from prior years.

Deferred income taxes are accounted for using the liability method. Under this method, deferred income tax assets and liabilties are recognized for the estimated future tax consequences attributable to differences between the carrying amount of existing assets and liabilities in the financial statements and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in earning in the period that includes the substantive enactment date. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be subsequently reduced, if necessary, to an amount that is more likely than not to be realized. A deferred tax expense or benefit is recognized in other comprehensive earnings or otherwise directly in equity to the extent that it relates to items that are recognized in other comprehensive earnings or directly in equity in the same or a different period.

3. Summary of material accounting policies — continued

Financial instruments
Financial instruments are initially recognized at fair value when the company becomes a party to a contract, plus or minus transaction costs for instruments subsequently measured at amortized cost. Subsequent accounting is described below.

Financial Assets

On initial recognition, the measurement category is determined, based on both the business model under which the asset is held and the contractual cash flow characteristics of the instrument.

Financial assets are measured as either:

(i) Fair value through profit and loss (FVTPL) – which is required for instruments that are held for trading and derivative assets.

(ii) Amortized cost – if the instrument is held within a business model whose objective is to collect contractual cash flows and the cash flows represent Solely Payments of Principal and Interest (SPPI).

(iii) Fair value through other comprehensive income (FVOCI) – which is required for debt instruments held in a dual-purpose business model (to collect contractual cash flows and to sell the instruments) and can be irrevocably elected at initial recognition provided they have not been designated as FVTPL and are not held for trading.

(iv) Designated as FVTPL – available on initial recognition provided certain criteria are met.

The company’s financial asset, which consist of cash, is accounted for at amortized cost.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for trade and other receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable.
A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

Losses are recognized in profit or loss and reflected in an allowance account against trade and other receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Summary of material accounting policies — continued

Financial instruments - continued

Financial Liabilities

Financial liabilities are measured as either:

(i) FVTPL – which is required for any financial instrument liability held for trading and for derivative liabilities.

(ii) Designated as FVTPL – available on initial recognition if either: the instrument includes one or more embedded derivatives and the host contract is not a financial asset; or if the instrument meets certain criteria.

(iii) Designated as at fair value – in certain circumstances a financial liability can be irrevocably designated at initial recognition as at fair value, with changes in fair value related to changes in the entity's own credit risk recognized in other comprehensive income and all other changes in fair value recognized in net income.

(iv) Amortized cost – which is the default category and is also used for any host contract that is a financial instrument liability.

The company's accounts payable and accrued liabilities and due to shareholder are measured at amortized cost using the effective interest method.

4. Related party transactions

(i) The amount due to shareholder (Alembic Global Holding SA) is unsecured, non-interest bearing with no specific terms of repayment.

(ii) Key management for the current and prior years was provided by the company's parent for no consideration. The only charges during the year was the Director fees charged for services provided during the year for $10,672 (2025 - $4,490).

5. Class A shares

Authorized

Unlimited number of Class A shares, voting, with par value of $1 per share

	2026	2025
Issued		
10,000 Class A shares	$ 10,000	$ 10,000

6. Income taxes

(a) The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 26.5% (2025 - 26.5%) to the loss for the years as follows:

		2026		**2025**
Loss for the year before income taxes	$	(93,798)	$	(67,969)
Anticipated income tax recovery	$	(24,856)	$	(18,012)
Tax effect of the following:				
Deferred tax asset not recognized		24,856		18,012
Income tax expense	$	-	$	-

(b) The Company has non-capital losses for income tax purposes of approximately $515,563 (2025- $421,765) which are available to be applied against future years' taxable income. The losses expire between 2036 and 2046. The benefit of these non-capital losses has not been recognised in the financial statement.

7. Capital management

The Company defines capital as due to shareholder, Class A shares and deficit. The Company manages its capital with the following objectives:

To ensure sufficient financial flexibility to achieve the ongoing business objectives (including funding of future growth opportunities and to maximize shareholder return through enhancing value) and to ensure the company's ability to continue as a going concern.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

8. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another entity one or more of the financial risks described below. The company is not exposed to significant currency, interest or other price risks. There have been no significant changes in risk exposure since the prior year.

Fair values

The shareholder advance and Class A shares are due on demand and therefore their carrying amounts are representative of fair values. The company’s other financial instruments approximate fair values due to their short-term maturities.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The company has a comprehensive plan in place to meet its obligations as they come due, primarily through the financial support of the parent company to achieve the company’s objectives. See note 2 Basis of presentation and going concern.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company is exposed to credit risk due to its cash, which is held at a Canadian chartered bank and is considered to be subject to nominal credit risk