

INDEPENDENT AUDITOR'S REPORT

To: Directors and shareholders of Glenmark Pharmaceuticals B.V.
Databankweg 28
3821 AL AMSTERFOORT

We have audited the accompanying financial statements for the year ended March 31 2018 of Glenmark Pharmaceuticals B.V., Amsterdam, which comprise the balance sheet as at 31 March 2018, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Glenmark Pharmaceuticals B.V. as at March 31, 2018 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Haarlem, 7 May 2018

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a long horizontal stroke that tapers to a point on the right.

A.M. Lansbergen RA
Clic Accountants B.V.

Balance sheet as at March 31, 2018

Assets

<i>(after profit appropriation)</i>	31 March 2018	31 March 2017
€	€	€
<i>Non-current assets</i>		
Equipment	750	1,435
<i>Current assets</i>		
Inventories	571,314	1,028,897
<i>Receivables</i>		
Trade receivables	1,338,976	960,976
Group companies	284,194	9,396
Other receivables	17,437	2,006
	1,640,607	972,378
Cash and cash equivalents	3,586,000	360,159
Total	5,798,671	2,362,869

Equity and liabilities

<i>(after profit appropriation)</i>	31 March 2018		31 March 2017	
	€	€	€	€
<i>Equity</i>				
Share capital	18,000		18,000	
Other reserves	433,373		182,015	
		451,373		200,015
<i>Current liabilities</i>				
Trade payables	39,170		309,201	
Group companies	3,839,084		1,009,763	
Taxes payable and social security contributions payable	160,438		112,542	
Other payables	68,584		12,594	
Accruals	1,240,022		718,754	
		5,347,298		2,162,854
Total		<u>5,798,671</u>		<u>2,362,869</u>

Profit and loss account for 2017/2018

	2017/2018	2016/2017
	€	€
Net revenue	6,704,821	3,646,840
Cost of sales	-6,256,651	-3,344,914
Gross margin	448,170	301,926
Employee benefits	-	44,640
Amortisation, depreciation and impairment	685	685
<i>Other operating expenses</i>		
Other undefined expenses	112,001	75,596
Sum of expenses	112,686	120,921
Operating result	335,484	181,005
Financial income and expense	-340	1,344
Result before tax	335,144	182,349
Income tax expense	-83,786	-36,538
Result after tax	251,358	145,811

Glenmark Pharmaceuticals B.V., Amsterdam

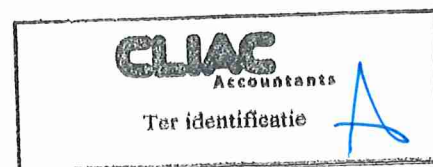
General notes

Most important activities

The activities of Glenmark Pharmaceuticals B.V., having its legal seat at Amsterdam primarily consist of: the purchase and sales of medicine.

Location actual activities

The registered and actual address of Glenmark Pharmaceuticals B.V. is Databankweg 26, 3821 AL te Amersfoort in Registered place of business and is registered at the chamber of commerce under number 50131893.



Accounting policies

General

General policies

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Accounting policies for the valuation of assets and equity and liabilities

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Accounting policies for the income statement

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Accounting policies for assets

Equipment

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value.

Inventories

Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value.

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Accounting policies for the income statement

Net revenue

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Income tax expense

The corporation tax is calculated at the current rate on the result of the financial year, taking into account permanent differences between the profit calculation according to the annual accounts and the tax profit calculation, and where deferred tax assets (if applicable) are only valued insofar as the realization thereof probably is.

Notes to balance sheet

Equipment

	31 March 2018	31 March 2017
	€	€
Other tangible assets	750	1,435
Total	<u>750</u>	<u>1,435</u>

The overview below shows the movements in the tangible fixed assets during the financial year:

	Other tangible assets
	€
<i>Carrying value April 1, 2017</i>	
Cost or manufacturing price	2,460
Accumulated amortisation and impairments	-1,025
	<u>1,435</u>
<i>Movements 2017/2018</i>	
Depreciation	-685
	<u>-685</u>
<i>Carrying value March 31, 2018</i>	
Cost or manufacturing price	2,460
Accumulated amortisation and impairments	-1,710
	<u>750</u>
Depreciation rate (average)	20.0

Inventories

	31 March 2018	31 March 2017
	€	€
Inventory of finished and trade goods	571,314	1,028,897
Total	<u>571,314</u>	<u>1,028,897</u>

Receivables

	31 March 2018	31 March 2017
	€	€
Trade receivables, gross	1,338,976	960,976
Group companies	284,194	9,396
Other receivables	17,437	2,006
Total	<u>1,640,607</u>	<u>972,378</u>

Cash and cash equivalents

	31 March 2018	31 March 2017
	€	€
Bank credits	3,586,000	360,159
Total	<u>3,586,000</u>	<u>360,159</u>

Equity

	31 March 2018	31 March 2017
	€	€
Share capital	18,000	18,000
Other reserves	433,373	182,015
Total	<u>451,373</u>	<u>200,015</u>

The overview below shows the movements in the equity during the financial year:

	Share capital	Other reserves	Total
	€	€	€
Balance April 1, 2017	18,000	182,015	200,015
<i>Movements 2017/2018</i>			
Result for the year	-	251,358	251,358
	<u>-</u>	<u>251,358</u>	<u>251,358</u>
Balance March 31, 2018	<u>18,000</u>	<u>433,373</u>	<u>451,373</u>

Share capital

The issued share capital of the company amounts to € 18.000, divided into € 18.000 ordinary shares.
The total number of issued shares is 18.000.

Current liabilities

	31 March 2018	31 March 2017
	€	€
Trade payables	39,170	309,201
Group companies	3,839,084	1,009,763
<i>Taxes payable and social security contributions payable</i>		
Corporation income tax	83,558	34,476
VAT	76,880	72,792
Wage tax and social security	-	5,274
	<u>160,438</u>	<u>112,542</u>
Other payables	68,584	12,594
Accruals	1,240,022	718,754
Total	<u>5,347,298</u>	<u>2,162,854</u>

Notes to income statement

Revenue and gross margin

	<u>2017/2018</u>	<u>2016/2017</u>
	€	€
Net revenue	6,704,821	3,646,840
Operating income	<u>6,704,821</u>	<u>3,646,840</u>
Cost of sales	6,256,651	3,344,914
Gross margin	<u><u>448,170</u></u>	<u><u>301,926</u></u>

Employee benefits

	<u>2017/2018</u>	<u>2016/2017</u>
	€	€
Wages and salaries	-	25,495
Social security contributions	-	2,956
Pension costs	-	924
Other employee benefits	-	15,265
Total	<u><u>-</u></u>	<u><u>44,640</u></u>

Amortisation, depreciation and impairment

	<u>2017/2018</u>	<u>2016/2017</u>
	€	€
Depreciation of tangible assets	685	685
Total	<u><u>685</u></u>	<u><u>685</u></u>

Other operating expenses

	<u>2017/2018</u>	<u>2016/2017</u>
	€	€
Other undefined expenses		
Advice	57,182	41,365
Professional fees	1,193	6,087
Contributions Generic Pharmaceutical Companies	9,600	6,000
Audit, accounting and payrolling fees	4,200	4,935
Rent expenses	8,268	8,211
Insurance expenses	14,730	3,656
Office expenses	3,790	2,713
Bank charges	367	323
Other expenses	12,671	2,306
Total	<u>112,001</u>	<u>75,596</u>

Financial income and expense

	<u>2017/2018</u>	<u>2016/2017</u>
	€	€
Exchange rate differences	-340	1,344
Financial income and expense	<u>-340</u>	<u>1,344</u>

Taxation

	<u>2017/2018</u>	<u>2016/2017</u>
	€	€
Income tax expense from ordinary activities	<u>83,786</u>	<u>36,538</u>

Other notes

Employees

The average number of employees during the year, converted to full-time equivalents, was as follows:

Average number of employees during the period	2017/2018	2016/2017
	fte	fte
Active within the Netherlands	-	1.0

Profit appropriation

Appropriation of the results

The annual report will be adopted in the general meeting of shareholders.

Proposed appropriation of the results

It is proposed that the appropriation of result by the board of directors and pursuant to the articles of association, an amount of € 251,358 will be add to the other reserves.

Comparable figures

To ensure reconciliation with the IFRS reporting package for consolidation purposes, the comparable figures have been reclassified in the profit and loss statement. The reclassification does not have an impact on the result of the company.

Signature

Amsterdam, May 7, 2018

Name

O. Bourne

Function

Managing director

Signature

