

**AUDITED REPORT**  
**of**  
**Glenmark Pharmaceuticals Nordic AB**  
Corporate ID no. 559065-7085

The Board of Directors audited report for the financial year 2017-04-01 - 2018-03-31

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# Glenmark Pharmaceuticals Nordic AB

Corporate ID no. 559065-7085

## BOARD OF DIRECTORS REPORT

The annual accounts are prepared in SEK.

### Business Concept & Overview

The company is conducting production, marketing, distribution, export and import of drugs and products in the pharmaceutical industry and related business.

The company's registered office is Malmö

### Multi-year comparison\*

	2017/2018	2016/2017
Net sales	13 832 893	0
Profit/loss after financial items	-11 138 443	-4 528 201
Profit/loss as a % of net sales	-80,52	
Balance sheet total	29 448 582	284 892
Equity-assets ratio (%)	22,01	
Quick ratio (%)	72,22	

\*For definitions of key ratios, please see notes

### Ownership conditions

Owns of :

Glenmark Holding SA

Chemin de al Combeta 5

CH-2300 La Chaux-de-Fonds

Switzerland

Orgnr CHE-112,940,235

### Important events during the financial year

During the year, operations started with sales and it is expected to increase in the coming year.

Achin Gupta replaced Carl Stephen Attewell as deputy board member.

The company also received shareholder contributions from the parent company in total of 22.100.000 SEK.

### Important events after the end of the financial year

The company has employed a number of employees at the beginning of the coming financial year and sales are expected to increase.

### Changes in equity

	Share capital	Other restricted equity	Other non-restricted equity	Profit/loss for the year	Total non-restricted equity
Opening amount	50 000	0	0	-4 528 201	-4 478 201
Shareholders' contributions received			22 100 000		22 100 000
Appropriation of profit as resolved by the Annual General Meeting:			-4 528 201	4 528 201	0
Loss for the year				-11 138 443	-11 138 443
Closing amount	50 000	0	17 571 799	-11 138 443	6 483 356

## Glenmark Pharmaceuticals Nordic AB

Corporate ID no. 559065-7085

### Appropriation of profit/loss

Proposed treatment of the company's profit

At the disposal of the general meeting:

loss brought forward	-4 528 201
shareholders' contributions received	22 100 000
loss for the year	<u>-11 138 443</u>
	6 433 356

The board of directors proposes the following:

to be carried forward	<u>6 433 356</u>
	6 433 356

For information about the company's earnings and financial position in other respects, please refer to the income statements, balance sheets and accompanying notes set out below.



# Glenmark Pharmaceuticals Nordic AB

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## INCOME STATEMENT

	Note	2017-04-01 2018-03-31	2016-06-08 2017-03-31
<b>Operating income etc.</b>			
Net turnover		<u>13 832 893</u> 13 832 893	<u>0</u> 0
<b>Operating expenses</b>			
Goods for resale		-12 650 673	0
Other external expenses		-5 565 075	-3 187 462
Personnel costs	2	-5 316 383	-1 340 747
Depreciation and write-down of tangible and intangible assets		<u>-54 048</u> -23 586 179	<u>0</u> -4 528 209
<b>Operating profit/loss</b>		-9 753 286	-4 528 209
<b>Profit/loss from financial items</b>			
Other interest income and similar profit/loss items		324 845	8
Interest expense and similar profit/loss items		<u>-1 710 002</u> -1 385 157	<u>0</u> 8
<b>Profit/loss after financial items</b>		-11 138 443	-4 528 201
<b>Profit/loss before tax</b>		-11 138 443	-4 528 201
<b>Profit/loss for the year</b>		<u>-11 138 443</u>	<u>-4 528 201</u>

**Glenmark Pharmaceuticals Nordic AB**

Corporate ID no. 559065-7085

**BALANCE SHEET**

	Note	2018-03-31	2017-03-31
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Equipment, tools, fixtures and fittings	3	<u>236 840</u> 236 840	<u>0</u> 0
<b>Total fixed assets</b>		236 840	0
<b>Current assets</b>			
<b>Inventories etc.</b>			
Raw materials and consumables		<u>12 698 366</u> 12 698 366	<u>0</u> 0
<b>Current receivables</b>			
Trade receivables		1 447 404	0
Receivables from group companies		2 356 770	0
Current tax asset		262 338	0
Other receivables		271 697	188 225
Prepaid expenses and accrued income		<u>355 901</u>	<u>46 667</u>
		4 694 110	234 892
<b>Cash and bank</b>			
Cash and bank		<u>11 819 266</u>	<u>50 000</u>
<b>Total cash and bank</b>		11 819 266	50 000
<b>Total current assets</b>		29 211 742	284 892
<b>TOTAL ASSETS</b>		<b>29 448 582</b>	<b>284 892</b>



# Glenmark Pharmaceuticals Nordic AB

Corporate ID no. 559065-7085

## BALANCE SHEET

### EQUITY AND LIABILITIES

#### Equity

##### Restricted equity

Share capital

2018-03-31

2017-03-31

Note

50 000

50 000

50 000

50 000

##### Non-restricted equity

Profit or loss carried forward

-4 528 201

0

Shareholders' contributions received

22 100 000

0

Profit/loss for the year

-11 138 443

-4 528 201

6 433 356

-4 528 201

**Total equity**

6 483 356

-4 478 201

#### Long-term liabilities

Långfristiga skulder till moderföretag

100 140

4 188 063

**Total long-term liabilities**

100 140

4 188 063

#### Current liabilities

Trade payables

1 481 583

0

Liabilities to group companies

19 860 833

0

Other liabilities

932 394

400 473

Accrued expenses and deferred income

590 276

174 557

**Total current liabilities**

22 865 086

575 030

**TOTAL EQUITY AND LIABILITIES**

29 448 582

284 892

# Glenmark Pharmaceuticals Nordic AB

Corporate ID no. 559065-7085

## NOTES

### Note 1 Accounting policies

The annual report has been prepared in accordance with the Annual Accounts Act and general advice from the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts.

The policies are unchanged compared with the previous year.

#### *Receivables*

Receivables are recorded in the amounts at which they are expected to be received.

#### *Other assets, provisions and liabilities*

Other assets, provisions and liabilities are recorded at cost of acquisition unless otherwise stated below.

#### *Revenue recognition*

Revenue is recorded at fair value of what has been received or will be received. Consequently the company records revenue at nominal value (invoice amount) if the payment is received in cash or cash equivalents directly on delivery. Deduction is made for discounts given.

#### *Tangible fixed assets*

Tangible fixed assets are recorded at cost of acquisition less accumulated depreciation and any write-downs. The assets are depreciated on a straight-line basis over the estimated useful life, apart from land, which is not depreciated. The useful life is reviewed as at every balance sheet date. The following useful lives are applied:

#### *Inventories*

Inventories are measured at the lower of cost of acquisition, calculated according to the first-in-first-out method, and net realisable value. Net realisable value has been calculated as the sales value after deduction for estimated selling expenses, taking into account obsolescence.

#### *Income tax*

Current tax is income tax for the current financial year that refers to the year's taxable earnings and the as yet unreported part of previous financial years' income tax.

Current tax is stated at the probable amount according to the tax rates and tax rules applicable on the balance sheet date.

## NOTES TO FINANCIAL STATEMENTS

Note 2	Average number of employees	2017/2018	2016/2017
	<i>Average number of employees</i>		
	The average number of employees is based on hours worked related to normal working hours paid for by the company.		
	The average number of employees was	4,00	0,00
Note 3	Equipment, tools, fixtures and fittings	2018-03-31	2017-03-31
	Purchases	290 888	0
	Closing accumulated cost of acquisition	290 888	0
	Closing accumulated depreciation	-54 048	0
	Closing carrying amount	236 840	0

# Glenmark Pharmaceuticals Nordic AB

Corporate ID no. 559065-7085

## NOTES

### Note 4 Definitions of business and financial ratios

Equity-assets ratio

Adjusted equity as a percentage of the balance sheet total

Quick ratio

Current assets excluding inventories as a percentage of current liabilities





**Glenmark Pharmaceuticals Nordic AB**

Org.nr. 559065-7085

Malmö 2018-05-31



Oliver Henry Bourne

Our auditor's report was submitted on 30th May 2018

Wahlberg & Co AB



Mats Wahlberg  
Auktoriserad revisor

## AUDITOR'S REPORT

To the general meeting of the shareholders of Glenmark Pharmaceuticals Nordic AB  
Corporate identity number 559065-7085

### Report on the annual accounts

#### *Opinions*

We have audited the annual accounts of Glenmark Pharmaceuticals Nordic AB for the financial year 2017-04-01 – 2018-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Glenmark Pharmaceuticals Nordic AB as of 31 Mars 2018 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

#### *Basis for Opinions*

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of Glenmark Pharmaceuticals Nordic AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

#### *Responsibilities of the Board of Directors*

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

#### *Auditor's responsibility*

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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

opinions. 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 the company's internal control relevant to our 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

### Report on other legal and regulatory requirements

#### *Opinions*

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Glenmark Pharmaceuticals Nordic AB for the financial year 2017-04-01 -- 2018-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the member of the Board of Directors be discharged from liability for the financial year.

#### *Basis for Opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of Glenmark Pharmaceuticals Nordic AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

**Responsibilities of the Board of Directors**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

**Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

MALMÖ

2018-05-30

Wahlberg & Co AB

Mats Wahlberg

Authorized Public Accountant