

TRANSLATION /RT

ANNUAL REPORT

Glenmark Pharmaceuticals Nordic AB

559065-7085

The financial year
2018-04-01 - 2019-03-31



Income Statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2018-04-01- 2019-03-31</i>	<i>2017-04-01- 2018-03-31</i>
Net sales		77 744 594	12 783 751
Other operating income		3 367 908	324 845
		<u>81 112 502</u>	<u>13 108 596</u>
<i>Operating expenses</i>			
Raw materials and consumables		-62 803 428	-11 601 534
Other external costs		-4 805 836	-5 565 007
Employee benefit expenses	2	-9 502 686	-5 316 383
Depreciation/amortization and impairment of tangible and intangible assets		-68 831	-54 048
Other operating expenses		-2 246 823	-1 708 377
Operating profit		<u>1 684 898</u>	<u>-11 136 753</u>
<i>Profit from financial items</i>			
Other interest income and similar income	3	4 189 176	-
Interest expenses and similar expenses	4	-4 447 310	-1 690
Profit after financial items		<u>1 426 764</u>	<u>-11 138 443</u>
Profit before tax		<u>1 426 764</u>	<u>-11 138 443</u>
Net profit for the year		<u>1 426 764</u>	<u>-11 138 443</u>

Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2019-03-31</i>	<i>2018-03-31</i>
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	5	168 009	236 840
		<u>168 009</u>	<u>236 840</u>
Total fixed assets		<u>168 009</u>	<u>236 840</u>
Current assets			
<i>Inventories etc.</i>			
Raw materials and consumables		21 026 841	12 698 366
		<u>21 026 841</u>	<u>12 698 366</u>
<i>Current receivables</i>			
Accounts receivable - trade		19 468 461	3 804 174
Current tax assets		437 489	262 338
Other receivables		-	271 697
Prepaid expenses and accrued income		1 013 567	355 901
		<u>20 919 517</u>	<u>4 694 110</u>
Cash and bank balances		<u>24 394 308</u>	<u>11 819 266</u>
Total current assets		<u>66 340 666</u>	<u>29 211 742</u>
TOTAL ASSETS		<u>66 508 675</u>	<u>29 448 582</u>

Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2019-03-31</i>	<i>2018-03-31</i>
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		50 000	50 000
		50 000	50 000
<i>Non-restricted equity</i>			
Profit or loss brought forward		22 100 000	22 100 000
Profit or loss from previous year		-15 666 644	-4 528 201
Profit for the year		1 426 764	-11 138 443
		7 860 120	6 433 356
Total equity		7 910 120	6 483 356
<i>Non-current liabilities</i>			
Liabilities to group companies		49 431 621	100 140
		49 431 621	100 140
<i>Current liabilities</i>			
Accounts payable - trade		1 442 995	1 481 583
Liabilities to group companies		-	19 860 833
Other current liabilities		6 562 932	932 394
Accrued expenses and deferred income		1 161 007	590 276
		9 166 934	22 865 086
TOTAL EQUITY AND LIABILITIES		66 508 675	29 448 582

Notes

Note 1 Accounting principles

Amounts in SEK unless otherwise stated

General accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual and Group Reports (K3).

Valuation principles etc

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 assets

Tangible fixed assets are reported to the cost of acquisition less accumulated depreciation and impairment. The assets are depreciated on a straight-line-basis over the estimated useful life. The useful life is reviewed as at every balance sheet date.

Inventories

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

Tax

Current tax is income tax for the current financial year that refers to the years 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.

Note 2 Employees and personnel costs

Average number of employees

	2018-04-01- 2019-03-31	Proportion of men	2017-04-01- 2018-03-31	Proportion of men
Sweden	6	2	3	1
Total	6	2	3	1

Note 3 Interest incomes and similar result items

	2018-04-01- 2019-03-31	2017-04-01- 2018-03-31
Interest income, group companies	4 189 176	324 845
Total	4 189 176	324 845

Note 4 Interest expenses and similar result items

	2018-04-01- 2019-03-31	2017-04-01- 2018-03-31
Interest costs, group companies	4 447 310	
Total	4 447 310	

Note 5 Equipment, tools and installations

	2019-03-31	2018-03-31
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	290 888	290 888
	290 888	290 888
<i>Accumulated depreciation</i>		
- At beginning of year	-54 048	
-Depreciation for the year	-68 831	-54 048
	-122 879	-54 048
Carrying amount at year-end	168 009	236 840

Note 6 Definitions of key ratios

Operating margin:

Operating income / Net sales

Balance sheet total:

Total assets.

Equity ratio:


(Total equity + 78% of untaxed reserves) / Total assets.

Profit/loss after financial items

Profit/loss for the year

Signatures

Malmö 09/05 2019



Oliver Bourne
Chairman of the Board

Our Audit Report was submitted on 21 11 2019

BDO SYD KB



Rebecka Iderup
Authorized Public Accountant



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 2018-04-01 -- 2019-03-31.

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 2019 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.

Other matter

The audit of the annual accounts for the financial year 2017-04-01 - 2018-03-31 was performed by another auditor who submitted an auditor's report dated 31 Maj 2018, with unmodified opinions in the Report on the annual accounts.

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 however not applied if the Board of Directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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 2018-04-01 -- 2019-03-31 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 appropriation 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 21 maj 2019

BDO Syd KB

Rebecca Jörup

Authorized Public Accountant