

Glenmark Pharmaceuticals B.V.

at Amsterdam

Financial report 2019/2020



Balance sheet as at March 31, 2020

Assets

<i>(after profit appropriation)</i>	€	31 March 2020	€	31 March 2019	€
<i>Non-current assets</i>					
Intangible assets		66,293		-	
Equipment		1,071		2,390	
<i>Current assets</i>					
Inventories		2,430,707		1,947,862	
<i>Receivables</i>					
Trade receivables	2,171,630		993,868		
Group companies	1,464,829		832,653		
Tax receivables	8,599		89,412		
Other receivables	45,441		44,431		
		3,690,499		1,960,364	
Cash and cash equivalents		3,809,936		2,807,129	
Total		9,998,506		6,717,745	

Equity and liabilities

(after profit appropriation)

	€	31 March 2020	€	31 March 2019	€
<i>Equity</i>					
Share capital	18,000		18,000		
Other reserves	941,626		703,580		
		959,626		721,580	
Non-current liabilities		36,205		-	
<i>Current liabilities</i>					
Trade payables	168,269		206,163		
Group companies	6,476,431		4,448,268		
Taxes payable and social security contributions payable	163,981		2,641		
Other payables	31,727		503		
Accruals	2,162,267		1,338,590		
		9,002,675		5,996,165	
Total		9,998,506		6,717,745	

Profit and loss account for 2019/2020

	€	2019/2020 €	€	2018/2019 €
Net revenue	11,214,637		9,183,312	
Cost of sales	-7,893,112		-6,602,172	
Gross margin		3,321,525		2,581,140
Employee benefits	816,514		486,333	
Amortisation, depreciation and impairment	33,140		896	
<i>Other operating expenses</i>				
Other undefined expenses	2,165,852		1,749,635	
Sum of expenses		3,015,506		2,236,864
Operating result		306,019		344,276
Financial income and expense		-4,078		-
Result before tax		301,941		344,276
Income tax expense		-63,895		-74,069
Result after tax		238,046		270,207

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 , 3821AL 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

Intangible assets

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

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 equity and liabilities

Non-current liabilities

Recorded interest-bearing loans and liabilities are valued at amortized cost.

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

Intangible assets

	<u>31 March 2020</u>	<u>31 March 2018</u>
	€	€
Right of use assets	66,293	-
Total	<u>66,293</u>	<u>-</u>

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

	<u>Right of use assets</u>
	€
<i>Carrying value April 1, 2019</i>	
Cost or manufacturing price	-
<i>Movements 2019/2020</i>	
Additions	98,114
Depreciation	-31,821
	<u>66,293</u>
<i>Carrying value March 31, 2020</i>	
Cost or manufacturing price	98,114
Accumulated depreciation	-31,821
	<u>66,293</u>

Equipment

	<u>31 March 2020</u>	<u>31 March 2018</u>
	€	€
Other tangible assets	1,071	2,390
Total	<u>1,071</u>	<u>2,390</u>

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

	Other tangible assets
	€
<i>Carrying value April 1, 2019</i>	
Cost or manufacturing price	4,996
Accumulated amortisation and impairments	-2,606
	<u>2,390</u>
<i>Movements 2019/2020</i>	
Depreciation	-1,319
	<u>-1,319</u>
<i>Carrying value March 31, 2020</i>	
Cost or manufacturing price	4,996
Accumulated amortisation and impairments	-3,925
	<u>1,071</u>
Depreciation rate (average)	20.0

Inventories

	31 March 2020	31 March 2018
	€	€
Inventory of finished and trade goods	2,430,707	1,947,862
Total	<u>2,430,707</u>	<u>1,947,862</u>

Receivables

	31 March 2020	31 March 2018
	€	€
Trade receivables, gross	2,171,630	993,868
Group companies	1,464,829	832,653
<i>Tax receivables</i>		
Corporate income tax	8,599	-
VAT	-	89,412
	<u>8,599</u>	<u>89,412</u>
Other receivables	45,441	44,431
Total	<u>3,690,499</u>	<u>1,960,364</u>

Cash and cash equivalents

	31 March 2020	31 March 2018
	€	€
Bank credits	3,809,936	2,807,129
Total	<u>3,809,936</u>	<u>2,807,129</u>

Equity

	31 March 2020	31 March 2018
	€	€
Share capital	18,000	18,000
Other reserves	941,626	703,580
Total	<u>959,626</u>	<u>721,580</u>

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

	Share capital	Other reserves	Total
	€	€	€
Balance April 1, 2019	18,000	703,580	721,580
<i>Movements 2019/2020</i>			
Result for the year	-	238,046	238,046
	<u>-</u>	<u>238,046</u>	<u>238,046</u>
Balance March 31, 2020	<u>18,000</u>	<u>941,626</u>	<u>959,626</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.

Non-current liabilities

	31 March 2020	31 March 2018
	€	€
Other payables	36,205	-
Total	<u>36,205</u>	<u>-</u>

Disclosure

Repayment obligations falling due within 12 months from the end of the financial year, as set out above, are included in current liabilities.

Current liabilities

	31 March 2020	31 March 2018
	€	€
Trade payables	168,269	206,163
Group companies	6,476,431	4,448,268
<i>Taxes payable and social security contributions payable</i>		
Corporation income tax	-	2,641
VAT	163,981	-
	<u>163,981</u>	<u>2,641</u>
Other payables	31,727	503
Accruals	2,162,267	1,338,590
Total	<u><u>9,002,675</u></u>	<u><u>5,996,165</u></u>

Notes to income statement

Revenue and gross margin

	2019/2020	2018/2019
	€	€
Net revenue	11,214,637	9,183,312
Operating income	11,214,637	9,183,312
Cost of sales	7,893,112	6,602,172
Gross margin	3,321,525	2,581,140

Employee benefits

	2019/2020	2018/2019
	€	€
Wages and salaries	816,514	486,333
Total	816,514	486,333

Amortisation, depreciation and impairment

	2019/2020	2018/2019
	€	€
Depreciation of right-to-use assets	31,821	-
Depreciation of tangible assets	1,319	896
Total	33,140	896

Other operating expenses

	2019/2020	2018/2019
	€	€
Other undefined expenses		
Sales commission	1,898,169	1,576,578
Advice	158,150	55,227
Transport expenses	37,940	40,503
Insurance expenses	32,799	19,953
Rent expenses	-	12,477
Recruitment fees	-	9,167
Office expenses	7,908	6,780
Audit, accounting and payrolling fees	5,900	4,500
Bank charges	510	573
Other expenses	24,476	23,877
Total	2,165,852	1,749,635

Financial income and expense

	2019/2020	2018/2019
	€	€
Interest expenses other parties	-4,078	-
Financial income and expense	-4,078	-

Taxation

	2019/2020	2018/2019
	€	€
Income tax expense from ordinary activities	63,895	74,069

Other notes

Employees

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

<i>Average number of employees during the period</i>	<u>2019/2020</u>	<u>2018/2019</u>
	fte	fte
Active within the Netherlands	-	2.8

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 € 238,046 will be add to the other reserves.

Audit opinion

Please refer to the next page for the audit opinion.

Signature

Amsterdam, 12 May 2020

Name

Function

Signature

O. Bourne

Managing director



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 2020 of Glenmark Pharmaceuticals B.V., Amsterdam, which comprise the balance sheet as at 31 March 2020, 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, 2020 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Haarlem, 12 May 2020

A handwritten signature in blue ink, consisting of several overlapping loops and a vertical stroke on the left side.

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