

INDEPENDENT AUDITOR'S REPORT
regarding audit of financial statements
LLC GLENMARK UKRAINE
for the year ended 31.03.2020
(reporting period 01/04/2019 – 31/03/2020).

Addressee:

Those who have the highest authority
and participants of LLC GLENMARK UKRAINE

Financial Statement Report

Opinion

We have audited the financial statements of the Limited Liability Company GLENMARK Ukraine (Code of the Registration No 41222160, registration address 04070, Ukraine, Kyiv, Illinskaya St., 8, building 11, floor 6), which includes a statement of financial position for the fiscal year, ended March 31, 2020 and 2019, as well as related statements of comprehensive income, changes in equity and cash flows for the years then ended, as well as a summary of the main accounting policies and other explanatory notes.

In our opinion, the financial statements of LLC GLENMARK Ukraine (hereinafter - the Commodity Price) reflect credibly, in all material aspects, for the year ended March 31, 2020 and 2019, are prepared in accordance with the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" "And the International Financial Reporting Standards.

The basis for the thought

We conducted an audit in accordance with the "International Standards on Quality Control, Audit, Inspection, Other Assurance and Related Services," editions 2016-2017 years (hereafter referred to as the ISA) adopted as National Auditing Standards by the Decision of the Audit Chamber of Ukraine No. 361 dated 08/06 .2018, for application to tasks, which were carried out after July 1, 2018

Our responsibility for these standards is set out in the section "Auditor's Responsibility for the Audit of Financial Statements" in our report.

We are independent in relation to the Society in accordance with the Code of Ethics of Professional Accountants of the International Standards of Ethics for Accountants (IFAC Code). The ethical requirements applied in Ukraine to our audit of financial statements, as well as other ethics responsibilities in accordance with these requirements and the IFAC Code.

We believe that the audit evidence we receive is sufficient and acceptable to use as the basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

Responsibility of senior management and those with the highest authority for financial reporting.

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such an internal control system that management determines as necessary to ensure the preparation of financial statements that does not contain material damage due to fraud or error. When compiling financial statements, management personnel are responsible for assessing the ability of an entity to continue to operate on an ongoing basis, disclosing, where applicable, the nutrition that is related to the continuity of the ACTIVITY, and making use of the assumptions about the continuity of the ACTIVITY as the basis for accounting, except for cases where management the personnel or plans to liquidate the company or the affiliated company, or if there are no other real alternatives to it.

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

Auditor's responsibility for audit of financial statements.

Our goals are to obtain reasonable assurance that the financial statements as a whole do not contain material damage as a result of fraud or error, as well as the issuance of an auditor's report that includes our opinion. Reasonable confidence is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the ISA always reveals a significant distortion if it exists. Distortion may be the result of fraud or error; they are considered material if, individually or collectively, they are reasonably expected to affect the economic decisions of users that are taken on the basis of these financial statements. By performing an audit in accordance with the requirements of ISA, we use professional judgment and adhere to professional skepticism throughout the audit task.

In addition, we:

- Identify and assess the risks of material misstatement of financial statements as a result of fraud or error, develop and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and acceptable to use as a basis for our opinion. The risk of non-disclosure of material misstatement due to fraud is higher than for distortion as a result of a mistake, as fraud may include conspiracy, forgery, deliberate omission, incorrect statements or neglect of internal control measures;
- We understand the internal audit controls that are relevant to the audit, to develop audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control system;
- assess the appropriateness of the applied accounting policies and the reasonableness of accounting estimates and relevant disclosures of information made by management personnel;
- We reach the conclusion as to the appropriateness of using the assumption of continuity of activities as a basis for accounting by management personnel and, on the basis of audit evidence obtained, we conclude that there is a significant uncertainty about events or conditions that would put into question the possibility of the Company to continue its uninterrupted activity. If we arrive at a conclusion about the existence of such significant uncertainty, we should draw attention in our auditor's report to relevant disclosures in the financial statements or, if such disclosures

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

are inappropriate, to modify their views. Our findings are based on audit evidence received prior to the date of our auditor's report. However, future events or conditions may force the company to terminate its activities on an ongoing basis.

- Assess the overall presentation, structure and content of financial statements, including disclosures, as well as whether the financial statements of operations and events underlying its compilation are presented in such a way as to achieve a credible presentation.

We notify those with the highest authority, information about the planned amount and timing of the audit and significant audit results, including any significant weaknesses in the internal control measures that we identified during the audit.

We also provide those with the highest authority the statement that we have met the relevant ethical requirements for independence, and we notify them of all relations and other issues that might reasonably be considered to affect our independence, as well as where applicable, regarding appropriate precautionary measures.

On behalf of the audit firm



Trushkevich T.M.

Director (certificate of auditor of series A No. 001147 dated April 28, 1994)

AUDIT FIRM AUDIT OPTIM

Registration Code: 21613474

Ukraine, Kiev, ul. Chervonopraparnaya, b.34, korp. 4

Actual location: Kiev, street. Horyva, 23, of.1

phone: +38 (044) 425-74-99

GLENMARK UKRAINE LLC

Statement of Financial Position	Sch	Mar 31 2020		Mar 31 2019	
		UAH		UAH	
		IFRS		IFRS	
ASSETS					
<i>Current assets</i>					
Cash and cash equivalents	A	50,454,686		25,512,201	
Restricted cash	B	-		-	
Trade receivables	C	68,828,884		53,627,892	
Inventories	D	54,004,862		29,828,566	
Other short-term financial assets	E	-		-	
Other current assets	F	10,202,531		3,969,183	
Total current assets		183,490,964		112,937,842	
<i>Non current assets</i>					
Property, plant and equipment	G	5,143,936		1,241,609	
Other Intangible Assets	H	1,166,497		469,765	
Right to Use Asset	I	19,122,126		-	
Non-current tax assets	J	-		-	
Deferred tax assets	K	-		-	
Long term financial assets	L	-		-	
Total non - current assets		25,432,559		1,711,373	
Total assets		208,923,523		114,649,216	
EQUITY AND LIABILITIES					
<i>Current liabilities</i>					
Trade payables	M	84,529,468		42,863,298	
Current tax liabilities	N	9,416,078		5,376,410	
Short-term borrowings	O	-		-	
Current portion of long term borrowings	P	(0)		811,833	
Other liabilities	Q	4,369,778		1,445,511	
Short-term financial liabilities	R	-		-	
Right to Use Liabilities	S	3,629,118		-	
Total current liabilities		101,944,442		50,497,052	
<i>Non-current liabilities</i>					
Long-term borrowings	T	-		10,718,601	
Other liabilities	U	15,499,511		-	
Long-term financial liabilities	V	-		-	
Deferred tax liabilities	K	-		-	
Total non-current liabilities		15,499,511		10,718,601	
Total liabilities		117,443,953		61,215,653	
<i>Stockholders' equity</i>					
Share capital	W	18,538,305		18,538,305	
Currency translation reserve		-		-	
Retained earnings		72,941,265		34,895,258	
Non Controlling Interest		-		-	
Total stockholders' equity		91,479,570		53,433,563	
Total equity and liabilities		208,923,523		114,649,216	

NOTES TO THE FINANCIAL STATEMENTS

AG

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

For and behalf of

Partner

Place : Kiev - Ukraine

Date : Apr 29, 2020



Handwritten signature

GLENMARK UKRAINE LLC

Statement of Comprehensive Income	Sch	Mar 31 2020		Mar 31 2019	
		UAH		UAH	
		IFRS		IFRS	
INCOME					
Operating Revenue	X	292,512,612		217,685,385	
Other income	Y	4,451,866		2,588,523	
Total		296,964,478		220,273,907	
Materials consumed	Z	-		-	
Changes in Inventories of FG and WIP		(24,176,296)		(4,117,528)	
Purchase of Traded Goods		131,043,408		87,919,673	
Employee benefit expenses	AA	50,339,754		39,944,629	
Other expenses	AB	89,473,900		64,953,455	
Depreciation, amortisation and impairment of non-financial assets	AC	2,066,738		1,754,064	
Total		248,747,503		190,454,293	
Operating profit		48,216,975		29,819,614	
Finance costs	AE	(754,889)		(1,856,174)	
Finance income	AD	-		-	
Profit/(Loss) before tax		47,462,086		27,963,440	
Current tax expenses	AF	(9,416,078)		(5,376,410)	
Deferred tax expenses	AF	-		-	
Total Tax expenses		(9,416,078)		(5,376,410)	
Profit/(Loss) after tax from continuing operations		38,046,008		22,587,030	

Schedules referred to above and notes attached there to form an integral part of the Balance Sheet.

Partner  38,046,007.75 (0.00) 22,587,030.38 (0.00)

Place : Kiev - Ukraine
Date : Apr 29, 2020







Glenmark UKRAINE LLC

CASH FLOW STATEMENT	UAH	UAH
	Mar 31 2020	March 31, 2019
(A) Cash flow from operating activities		
Profit before tax	47,462,086	27,963,440
<i>Adjustments for non cash items:</i>		
Profit on sales of property, plant and equipment		
Depreciation	2,066,738	1,754,064
Unrealised gain on exchange fluctuation	4,264,959	(1,617,074)
Provision for Tax & Deferred Tax		
Interest expenses	362,892	1,856,174
Loss from the sale/write off of property, plant and equipment		
Prior Period Expenses Debited Directly to reserve	-	
Cash flows from operations before changes in working capital	54,156,675	29,956,605
<i>Changes in operating assets and liabilities</i>		
Non current liabilities, trade payables and other current liabilities	2,924,267	(3,634,003)
Non current liabilities, trade payables and other current liabilities	3,629,118	-
Non current liabilities, trade payables and other current liabilities - Inter Co	35,996,939	540,358
Trade receivables and unbilled revenue	(15,200,992)	(1,872,527)
Changes in Inventories-InterCo	(24,176,296)	(4,117,528)
Other current assets	(6,233,348)	(320,819)
Taxes paid	(5,376,410)	(2,357,683)
Net cash generated from operating activities	45,719,953	18,194,403
(B) Cash flow from investing activities		
Purchase of property, plant and equipment	(4,826,868)	(764,828)
Purchase of other intangible assets	(1,268,810)	(549,408)
Purchase of Right to Use Assers	(19,692,245)	-
Interest received		
Net cash generated from/ (used in) investing activities	(25,787,924)	(1,314,236)
(C) Cash flows from financing activities		
Proceeds from issue of shares-InterCo	-	5,295,416
Right to Use Long Term Liability	15,499,511	-
Interest paid on borrowings	(1,099,237)	(1,733,085)
Interest on borrowings		
Re-payment of Loan	(9,389,817)	(12,436,136)
Net cash (used in)/ generated from financing activities	5,010,456	(8,873,805)
Net change in cash and cash equivalents from continuing operations	24,942,485	8,006,362
FCTR Adjustments		
Net change in cash and cash equivalents	24,942,485	8,006,362
Cash and cash equivalents at the beginning of the year	25,512,201	17,505,839
Effect of change in exchange rate on cash and cash equivalents		
Cash and cash equivalents at the end of the year	50,454,686	25,512,201

This is the Cash Flow Statement referred to one report of even date

Partner

Place : Kiev- Ukraine

Date : Apr 29, 2020



[Handwritten signatures]

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

GLENMARK UKRAINE LLC EQUITY SHARE CAPITAL 2020 MARCH 31 (in UAH)

Equity Share Capital

Balance as at April 1 2019	Changes in equity share capital during the year	Balance as at Mar 31 2020
18 538 305	-	18 538 305

Other Equity

	Share Applica- tion money pending allotment	APIC/ Share Premium	Reserves & Surplus	Retained earnings	Debt instrumen- t through Other Compre- hensive Income	Equity instrument through Other Compre- hensive income	Revalu- ation Surplus	Exchange difference on translating the financial statements of a foreign operation	Total attribu- able to owners of parent	Total equity
Balance as at April 1 2018									-	
Change in accounting policy or prior period errors									-	
Total comprehensive income for the year				34 895 257					34 895 258	
Dividends									-	
Transfer to retained earnings									-	
Issue of share capital									-	
Transactions with owners									-	
Balance at March 31 2019	-	-	-	34 895 257	-	-	-	-	34 895 258	
Change in accounting policy or prior period errors									-	
Total comprehensive income for the year				38 046 008					-	
Dividends									-	
Transfer to retained earnings									-	
Issue of share capital									-	
Transactions with owners									-	
Balance at Mar 31 2020									-	
18 538 305	-	-	-	72 941 265	-	-	-	-	91 479 570	

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

1. INTRODUCTION. GENERAL INFORMATION.

1. Main activity

MAIN INFORMATION ABOUT THE COMPANY

The full and abbreviated name of the Company	Товариство з обмеженою відповідальністю «ГЛЕНМАРК УКРАЇНА» (ТОВ «ГЛЕНМАРК УКРАЇНА»)
Full and abbreviated name of the Company in English	"GLENMARK UKRAINE" LIMITED LIABILITY COMPANY ("GLENMARK UKRAINE" LLC)
Registration No	41222160
The legal and actual address of the Company	04070 Ukraine Kyiv Ukraine Illinskaya street 8 building 11 floor 6
Date and number of the entry in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations	20.03.2017 1 071 102 0000 037 812
Surname name and patronymic of persons having the right to perform legal actions on behalf of the legal entity (without power of attorney)	SHARMA DEEPAK (according to the Statute) - the Director
Data on the main type of economic activity	wholesale of pharmaceuticals and medical products
Information on the availability of licenses	
Authority issuing the license	Назва та термін дії ліцензії
State Service of Ukraine for Drugs and Drug Control	Wholesale of pharmaceuticals valid from 06.04.2017 expires: Indefinitely / Valid
	Import of medicines from 23.05.2017 Validity: Indefinitely Valid

GLENMARK UKRAINE LLC is registered in accordance with the decision of the founder in the form of the Limited Liability Company (hereinafter referred to as the Company). The only member of the Company is GLENMARK HOLDING SA which owns 100% of the Company's Charter Capital

Address of the founder: 2300 city of La Chaux-de-Von Shemin de la Combete 5 SWITZERLAND

The amount of the contribution to the authorized capital is announced in the amount of UAH 18 538 305.00 which is equivalent to USD 700 thousand as of 31.03.2020. USD 700 thousand was paid which is 100% of the planned amount.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

The organizational structure of the Company is determined by the Statute.

The purpose of the activity is to carry out entrepreneurial activity through the exercise of the main statutory activities for profit in the interests of the participants and employees of the Company as well as the receipt of dividends by the members of the Association.

1.1. Responsibility of the management for the preparation of financial statements.

Management is responsible for the preparation of financial statements the choice of appropriate accounting principles and the consistent application of these principles for the adoption of reasonable and judgmental judgments and estimates for complying with the requirements of IFRS as well as the disclosure and explanation of any significant deviations from them in the reporting preparation of the reporting of the Society as an organization capable of continuing its activities on an ongoing basis if there are no preconditions that would indicate the opposite in the foreseeable future.

The management is also responsible for the establishment implementation and maintenance of an effective and reliable internal control system in the Company and the maintenance of reliable accounting documentation in accordance with the legislation and standards of Ukraine which would reveal with reasonable assurance at any time the financial status of the Company and testified that that the financial statements meet the requirements of IFRS. The management applies the necessary measures to preserve the Company's assets detect and prevent fraud and other violations.

1.2. Operating environment continuity of operation and continued operation.

The Company has no intentions to liquidate or discontinue activities uncertainties regarding events or conditions that may give rise to significant doubts as to the Company's ability to continue to operate on an ongoing basis.

The assumption of continuity of activities: Based on the foregoing the management considers it reasonable to compile these financial statements based on the assumption that the Company is an organization capable of continuing its activities on an ongoing basis.

These financial statements reflect the current management's assessment of the possible impact of the economic conditions on the operations and financial position of the Company and does not include any adjustments to the amounts disclosed that would have been necessary if the Company was unable to continue its business and sold its assets outside of its ordinary activities. Future conditions may differ from management's estimates. These financial statements do not include any adjustments that could occur as a result of such uncertainty. Such adjustments will be reported if they become known and can be evaluated.

2. OBSERVATION FOR THE PREPARATION APPROVAL AND SUBMISSION OF FINANCIAL STATEMENTS.

The company was registered on March 20 2017

Following IFRS 1 the Company has chosen the first reporting period for the year ending March 31 2018. From this date the financial statements of the Company are to be prepared in accordance with the requirements of IFRS as developed by the International Accounting Standards Board and the Interpretations Committee of the International Financial Reporting Interpretations Committee as well as the explanations of the Standing Committee on Interpretations which have been approved Committee on International Accounting and acted on the date of preparation of financial statements.

The Company uses the same accounting policies when drawing up its previous financial statements in accordance with IFRS and will continue to use this accounting policy for all periods presented in its first comprehensive financial statements in accordance with IFRS. Such accounting policies should comply with all IFRS standards effective at the date of the first full IFRS financial statements (i.e. as at 31 December 2018).

Reporting period of the financial statements: The reporting period for the Company is a calendar year. The presented financial statements are prepared as at March 31 2020 covering the period from Apr 01 2019 to March 31 2020.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

The financial statements of the Company are general purpose financial statements.

The preparation of financial statements in accordance with IFRS requires management of the Company to provide estimates and assumptions that affect the amounts reported in the Company's assets and liabilities, disclosure of contingent assets and liabilities at the reporting date and the reporting amounts of income and expense for the reporting period. Actual results may differ slightly from such estimates. When applying accounting policies, the management of the Society used its own discretion.

These financial statements are prepared on a historical cost basis. The basic assumptions for the preparation of the Company's financial statements in accordance with IAS 1 are the principle of accrual and continuity of activities.

2.1. Application of new revised and amended International Financial Reporting Standards and Interpretations.

In preparing the financial statements for the period 01 April 2019 – 31 March 2020, the Company has applied all new and revised standards and interpretations that are relevant to its operations and are mandatory for use in the compilation of annual accounts.

3. MAIN REGULATIONS OF ACCOUNTING POLICY.

The basis of the formation of accounting policies changes in accounting policies

The accounting policies described below are applied consistently by the Company in the reporting periods presented in these financial statements for similar transactions, other events or conditions unless the IFRS expressly requires or prevents the definition of the category of items for which other policies may be appropriate. The accounting policy of the reporting period corresponds to the accounting policy applied in the previous reporting year. The financial statements were prepared on the basis of accounting policies and accounting estimates, effective as at 31 December 2017.

The accounting policy of the Company is developed and approved by the Director of the Company, taking into account the requirements of IAS 8 "Accounting Policies Changes in Accounting Estimates and Errors" and other applicable IFRSs in accordance with Order 1/1 of 03.04.2017 "On Accounting Policy of LLC GLENMARK UKRAINE".

3.1 Basis of measurement IFRS 13 "Fair value measurement"

The financial statements are prepared on a historical cost basis.

Historical cost is usually determined on the basis of the fair value of the compensation paid in exchange for goods and services.

The fair value of receivables and payables cannot be measured reliably, since there is no market quotation for these assets.

The company maintains accounting in accordance with Ukrainian legislation. These financial statements have been prepared on the basis of the accounting records that the Company conducts in accordance with the requirements of Ukrainian legislation and has been transformed to be presented in accordance with IFRS. These adjustments include certain changes to the classification in order to reflect the economic substance of the operations in question, including a change in the classification of individual assets and liabilities, income and expenses in the relevant articles of the financial statements.

3.2 Form and names of the financial statements.

The format of financial statements of IAS 1 Presentation of Financial Statements does not establish a single format of financial statements, provides a list of indicators that need to be reported in each reporting format and in the notes.

The list and names of the forms of the Company's financial statements conform to the requirements established by the NP (C) BO 1 "General Requirements for Financial Statements". Articles of financial statements under IFRS are included in the most appropriate lines of the forms of financial statements approved by the Ministry of Finance of Ukraine. Disclosure of additional information, as provided by the IFRS / IAS is provided in the notes to the annual financial statements.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

3.3 Methods of reporting information in financial statements.

The Statement of Financial Position reflects the assets, liabilities and equity of the Company. Collapse of articles of financial assets and liabilities: is unacceptable, except for the cases provided for in IFRS. An asset is shown on the balance sheet, provided that its valuation can be reliably determined and it is expected that future economic benefits associated with its use will be expected. The liability is shown in the balance sheet if its valuation can be reliably determined and there is a likelihood of future economic benefits reduced due to its repayment. Equity is reflected in the balance sheet at the same time as reflecting the assets or liabilities that lead to its change. The measurement and subsequent disclosure of certain balance sheet items in the notes to the financial statements are carried out in accordance with the relevant IFRSs.

The statement of comprehensive income includes the presentation of expenses recognized in profit or loss on a classification based on the method of "cost function" or "cost of sales" according to which costs are classified according to their functions as part of the cost or, for example, costs of sales or administrative activities .

Presentation of cash flows from operating activities in the Cash Flow Statement is carried out using the straight-line method, which discloses information on the main classes of cash inflows or cash outflows. Information on the main types of cash receipts or payments is formed on the basis of the accounts of the Company.

3.4 Functional currency and foreign currency.

The financial statements of the Company are in the national currency of Ukraine (hryvnia), which is a functional currency and best suits the economic essence of the events and conditions that relate to the Company. At initial recognition, operations in foreign currency are recorded in functional currency at the rate of the National Bank of Ukraine (NBU), effective on the date of transaction or valuation, if articles are subject to revaluation.

At the date of preparation of financial statements in accordance with IAS 21, all monetary items accounted for in foreign currency are translated and reflected in the Statement of financial position at the NBU rate at the reporting date. The exchange rate differences (revenues or losses) arising from repurchase transactions or revaluations of monetary assets or liabilities are shown in the aggregate in the Profit and Loss Statement of the period in which they arose as a net result of operations in foreign currency.

3.5 Cash and cash equivalents

The Company's cash includes cash in banks (current accounts), cash at the cashier's office. In accordance with IFRS 13 Fair Value Measurement, cash and cash equivalents are valued at market value, namely fair value equal to their nominal value. Initial and subsequent valuation of cash and cash equivalents in foreign currency is carried out in the functional currency at the official rate of the National Bank of Ukraine.

3.6 Initial recognition

In accordance with the provisions of IAS 39 Financial Instruments: Recognition and Measurement at initial recognition financial assets are measured and carried at their actual cost which consists of the fair value of the assets liabilities or equity instruments issued or received in exchange for the relevant financial instrument and expenses that are directly related to the acquisition or disposal of a financial instrument.

3.7 Date of recognition

All standard operations for the sale and purchase of financial assets are recorded at the date of the transaction, that is on the date when the Company becomes a party to the contract regarding the relevant financial instrument. The standard sale-purchase operations include transactions for the purchase or sale of financial assets, which provide for the transfer of assets within the terms set by law or adopted on the market.

3.8 Property

The initial cost of property, plant and equipment consists of its purchase price and any direct costs associated with the delivery of property and equipment to the working condition and the place of its intended use. Costs incurred after the property and equipment have been put into operation, such as repairs and maintenance are usually levied on income in the period in which they are incurred. In situations where it can be clearly demonstrated that costs have led to an increase in future economic benefits that are expected to be derived from the use of an item of property plant and equipment beyond its original estimated performance standard costs are capitalized as additional costs of property and equipment.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

Property, plant and equipment are generally presented at historical cost less accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment are accounted for and recognized in the Company's financial statements in accordance with IAS 16. The Company's tangible assets are tangible assets with an expected life of over one year. The initial value of fixed assets includes the purchase price indirect taxes import duties related to the acquisition of fixed assets and are not subject to reimbursement costs for the installation and adjustment of fixed assets delivery as well as other costs directly associated with the bringing of fixed assets to a state in which they are suitable for use with the intended purpose.

3.9 The structure of fixed assets

The Company's main assets are classified according to the following groups:

group 3 – buildings, constructions, transmission devices;

group 4 - machines and equipment including: electronic computers other machines for the automatic processing of information associated with them for reading or printing information related to them computer programs (except programs whose acquisition costs copyrights other information systems switches modules uninterruptible power supplies and their means of connecting to telecommunication networks telephones (including cellular phones) microphones and radios copyrights and other programs which are recognized as intangible assets) Aqsa radios communications equipment whose value exceeds UAH 6 000.00;

group 5 - vehicles (including: motor vehicles trailers tractors etc.);

group 6 – tools, devices, inventory (furniture);

group 11 - low value non-negotiable tangible assets.

3.10 Depreciation

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Number of years

Furniture and appliances 5

Vehicles 3

Computer and accessories 3

Office equipment 3

3.11 Intangible assets

The cost incurred for the exclusive right to sell and distribute certain products and the license obtained from the Food and Drug Administration is recognized as intangible assets when there is a likelihood that the Company will be able to successfully sell the product. These costs are amortized using the straight-line method over a 10-year period, which is the foreseeable period of its expected benefit.

3.12 Inventories

Reserves are valued at the lowest cost and net realizable value.

The cost is determined using the first in-first-out method. The net realizable value is the estimated selling price in the ordinary course of business minus the expected costs of marketing and research.

3.13 Recognition of revenue

Revenue should be recognized when significant risks and rewards of ownership are passed on to the buyer.

Revenues and related expenses should be compared. Revenue should be recorded gross in all transactions in which the company participates in all processes and is prone to the risks associated with the provision of goods.

3.14 Interest-bearing loans and loans

All loans and borrowings are initially recognized at the fair value of the consideration received net of expenses directly related to the issue.

After initial recognition interest and borrowing costs and related expenses for the issue are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in the net profit and loss when the liability is terminated as well as through the depreciation process.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

3.15 Borrowing costs

Borrowing costs are capitalized if they are directly related to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs begins when asset preparation work is under way and costs and expenses incurred on loans are incurred. Borrowing costs are capitalized as long as assets are practically not ready for their intended use. If the carrying amount of an asset exceeds its expected recoverable amount the impairment of assets is recorded.

3.16 Impairment of assets

The carrying amount of property and equipment is reviewed for impairment where events or changes in circumstances indicate that the carrying amount cannot be recovered. If such an indication exists and when the carrying amount exceeds the estimated amount of the expected reimbursement the property and equipment or cash generating units are recorded to the amount of its expected reimbursement. Amount of expected return of property and equipment above its net selling price and cost of use. Net selling price is the amount that can be obtained from the sale of property and equipment in an agreement entered into between the parties between well-informed stakeholders after deducting any direct additional costs for removal. In assessing the value in use future cash flows are discounted to their present value using the tax discount rate, which reflects the current market valuation of the time value of money and the risks specific to property and equipment. For property and equipment that does not generate a significant degree of independent cash inflows the amount reimbursed is determined for the unit generating the cash flows to which the property and equipment belongs. Any impairment losses are recognized in the income statement.

3.17 Operating lease obligations - the company as a lessee

The lease, concluded by the company is an operating lease. Total payments made under the operating lease are for current transactions. When an operating lease is terminated before the expiry of the lease term, any payment that must be presented to the lessor in the form of a fine is recognized as an expense in the period in which the termination takes place.

3.18 Foreign exchange agreements

Transactions in foreign currencies are recorded in the UAH, applying to the foreign currency exchange rate the exchange rate between the UAH and foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date. The exchange rate differences arising from the conversion and settlement of funds at rates other than those for which they were initially recognized are recorded in the income statement in the year in which the differences arise.

To reflect operations on the operational lease of premises, starting from 01.04.2019. The company applied IFRS 16 "Lease" At the date of commencement of the lease "01" April 2019, we recognized the asset in the form of a right of use and a lease obligation. We have valued the asset in the form of the right of use at cost. We also measured and recognized lease obligations based on lease payments not yet made at that date. As we entered into a new lease agreement in 2019, the value of the underlying asset does not include past lease payments for prior periods made under another property lease in the period before IFRS 16 becomes effective. We also note that the application of IFRS 16 "Leases" does not have an economic impact on the Company's financial statements for the period ended 31.03.20.

Key audit points

The key audit points are the points that, in our professional judgment, were the most significant during our audit of the current period's financial statements. These points have been considered in the context of our audit of the financial statements in general and in forming an opinion on them, and we do not express a separate opinion on these points.

We have performed the responsibilities described in the "Auditor's Responsibility for the Audit of Financial Statements" section of our audit report.

Accordingly, our audit included the implementation of procedures developed in response to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed in considering the following matters, are the basis for expressing our audit opinion on the accompanying financial statements.

We have identified the following issues as key audit issues that should be reflected in our report.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

Explanatory paragraph

We draw attention to the Notes in the financial statements, which describe the events after the end of the reporting period in the financial and economic activities of the Company and assumptions about the operation of the Company in the near future. The reporting was approved by the decision of the Management of the Company 26th of February 2020 without the possibility of making changes to the reporting. In the period after the date of financial reporting before the date of its approval before issue, there were no significant events that would require adjustment after the reporting period of the amounts recognized in the financial statements or recognition of previously unrecognized items in accordance with NP (S) BU 1.

However, after the date of approval of these financial statements before the date of our audit report, events have occurred that require us to draw users' attention to the following: the global coronavirus pandemic (COVID-19) and the introduction of quarantine and restrictive measures by the Cabinet of Ministers to counter its further spread in Ukraine, led to the emergence of additional risks of the Company and the uncertainty associated with changes in the economic situation and pessimistic forecasts of the world and national economy.

The consequences of the COVID-19 outbreak may indicate the existence or possibility of significant doubts in the future about the Company's ability to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4. SUMMARY OF FINANCIAL STATEMENTS INDICATORS FOR GLENMARK UKRAINE LLC

4.1 Cash and cash equivalents

Cash and cash equivalents include the components as follows:

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Cash in current accounts	50 454 686	25 512 201
Total	50 454 686	25 512 201

4.2 Trade receivables [other receivables can be merged here if material]

The carrying amount of trade receivables are analysed as follows:

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Accounts receivables	68 828 884	53 627 892
Net trade receivables	68 828 884	53 627 892

4.3 Inventories

Inventories recognised in the statement of financial position can be analysed as follows:

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Finished Goods	54 004 862	29 828 566
Total	54 004 862	29 828 566

4.4. Other current assets

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Prepayment and other advances	10 202 531	3 969 183
Total	10 202 531	3 969 183

4.5 Property Plant and Equipment

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Gross Block	7 528 948	2 702 079
less: Accumulated depreciation	2 385 011	1 460 471
Net Block	5 143 936	1 241 609
Total	5 143 936	1 241 609

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4.6 Other Intangible assets

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Gross Block	2 398 283	1 129 473
less: Accumulated depreciation	1 231 786	659 708
Net Block	1 166 497	469 765
Total	1 166 497	469 765

4.7 Right to Use Asset

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Gross Block	19 692 245	-
less: Accumulated depreciation	570 120	-
Net Block	19 122 126	-
Capital work in progress		
Total	19 122 126	-

4.8 Trade payables

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Sundry creditors	84 529 468	42 863 298
Total	84 529 468	42 863 298

4.9 Current tax liabilities

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Provision for Tax	9 416 078	5 376 410
Total	9 416 078	5 376 410

4.10 Current portion of borrowings

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Inter Company loan	0	811 833
Total	0	811 833

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4.11 Other current liabilities

Other current liabilities are summarized as follows:

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Accrued Expenses	(4 369 778)	(1 445 511)
Total	(4 369 778)	(1 445 511)

4.12 Right to Use Liabilities

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Right to Use Lease Liability	3 629 118	-
	-	-
	-	-
Total	3 629 118	-

4.13 Long Term Borrowing

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Inter company loan	0	10 718 601
Total	0	10 718 601

4.14 Other liabilities (Non-Current)

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Other Lease liabilities	15 499 511	-
Total	15 499 511	-

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4.15 Equity

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Equity attributable to owners of the parent:		
Share capital		
Add- Share issued during the year	18 538 305	18 538 305
<u>Statutory Reserve</u>		
Currency translation reserve	-	-
Reserve & Surplus	-	-
<u>Retained earnings</u>		
Profit & Loss balance	72 941 265	34 895 258
Addition during the period	-	-
Current period profit		
Components of Defined Employee benefit cost		
Transfer to General reserve		
General reserve	72 941 265	34 895 258
Non Controlling Interest		
Total Equity	91 479 570	53 433 563

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4.16 Related party transactions

The Group's related parties include its associates and joint venture key management personnel and others as described below. Unless otherwise stated none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

1.1 Names of related parties

All related parties and nature of relationship between various related parties are summarized as below

S No.	Nature of the relationship	Related Party's Name
I.	Key Management Personnel (KMP)	
II.	Close family member of KMP with whom the Group has transactions	-
III.	Other Enterprises over which KMP are able to exercise significant influence	-
IV.	Associates	-
V.	Joint Ventures	-

Glenmark Pharmaceuticals Limited India

1.2 Transactions with KMP their close family members and enterprises over which they exercise significant influence are as under:

1.3 Transactions with associates

(a) the amount of the transactions;

UAH

131 043 408

Goods Purchase from Glenmark Pharmaceuticals Limited India

Receipt of Inter-Company Loan - UK

362 892

Interest on Loan - UK

Discount given by Glenmark Pharmaceuticals Limited India

Assets Transfer from RO to LLC

2 294 930

Reimbursements of Regulatory & Clinical Trials (Service fees)

4 334 707

Reimbursements of Regulatory & Clinical Trials (Third Party expenses)

Receipt of Fresh Capital - Swiss

(b) the amount of outstanding balances and:

Payable to-

84 529 468

Glenmark Pharmaceuticals Limited India

Re-payment of Inter-Company Loan - UK

Payable for Purchase of Asset

1 431 128

Receivable from Regulatory Service agreement

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

Receivable from

Glenmark Pharmaceuticals Limited India

1.4 Transactions with joint ventures

The company of GLENMARK HOLDING SA (SWITZERLAND) is subsidiary of GLENMARK PHARMACEUTICALS LTD. (INDIA) in the course of his usual activities engages in transactions with the company GLENMARK UKRAINE LLC. The deal with the company GLENMARK PHARMACEUTICALS LTD. (INDIA) consists in the import of all major inventory and Reimbursements of Regulatory & Clinical Trials (Service Fees and Third Party expenses)

The company GLENMARK PHARMACEUTICALS EUROPE LIMITED, UK, is subsidiary of GLENMARK PHARMACEUTICALS, LTD. (INDIA), in the course of his usual activities, engages in transactions with the company GLENMARK UKRAINE LLC. The deal with the company GLENMARK PHARMACEUTICALS EUROPE LIMITED, UK consists in payments on interest-bearing loans.

4.17 Income from operations

Income from operations

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
	IFRS	IFRS
Sale of goods	292 512 612	217 685 385
Total	292 512 612	217 685 385

4.18 Other income

Other income is summarised as follows:

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Exchange Gain		205 040
Miscellaneous income	2 156 936	
Income from services	2 294 930	2 383 483
Total	4 451 866	2 588 523

4.19 Changes in Inventory of FG and WIP

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Changes in Inventory of FG and WIP	(24 176 296)	(4 117 528)
Total	(24 176 296)	(4 117 528)

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4.20 Purchase of Traded Goods

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Purchase of Traded Goods	131 043 408	87 919 673
Total	131 043 408	87 919 673

4.21 Employee benefit expenses

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Salaries and bonus	50 339 754	39 944 629
Total	50 339 754	39 944 629

4.22 Other Expenses

Other Expenses

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Sales Promotion Expenses	45 597 067	33 406 296
Travelling expenses	16 540 808	15 095 282
Legal & Professional fees	538 847	614 654
Other operating expenses	21 831 528	15 837 222
Foreign Exchange loss	4 962 649	
Total	89 473 900	64 953 455

4.23 Depreciation amortisation and impairment of non-financial assets

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Depreciation amortisation and impairment of non-financial assets	2 066 738	1 754 064
Total	2 066 738	1 754 064

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL ACCOUNT
LLC "GLENMARK UKRAINE" for the period as of 01.04.2019 - 31.03.2020.**

4.24 Finance costs

Finance costs

Finance costs is analysed as follows:

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Interest Expense - Inter company	362 892	1 856 174
Interest Expense - Right to Use	391 997	
Total	754 889	1 856 174

4.25 Income tax (expense)/credit

Particulars	Mar 31 2020	Mar 31 2019
	UAH	UAH
Current income tax	(9 416 078)	(5 376 410)
Deferred tax	-	-
Prior period income tax	-	-
Total	(9 416 078)	(5 376 410)

Пронумеровано, прошнуровано
та скріплено печаткою
22 (двадцять дві)
сторінок.
Директор *Т. М. Давидович* Т. М.

