

GLENMARK PHARMACEUTICALS SP. Z O.O.

**FINANCIAL STATEMENT FOR THE YEAR
ENDED 31 MARCH 2020**

Warsaw, 08 June 2020

I. INTRODUCTION TO THE FINANCIAL STATEMENT

1. GENERAL INFORMATION

Glenmark Pharmaceuticals Sp. z o.o. earlier Glenmark Distributors Sp. z o.o. [the "Company"] formerly Vincima Investments Sp. z o.o. was established by the Notarial Deed of 2 June 2008. On 2 July 2008 the Company was entered in the National Court Register in the District Court for the capital city of Warsaw – XIII Economic Division under number KRS 0000308877.

The Company was assigned the statistical number REGON 141450550 on 12 June 2008 and the tax identification number (NIP) 527-257-65-15 on 25 June 2008.

The registered office of the Company is located at ul. Osmańska 14, 02-823 Warsaw.

According to the articles of association of the Company, the primary business activity of the Company includes:

1. Wholesale of pharmaceutical and medical products;
2. Advertising;
3. Market research and public opinion polling;
4. Production of medicines and other pharmaceutical products;
5. Retail sale of pharmaceutical products in specialised stores;
6. Interpersonal relations, public relations and communication.

2. DURATION OF THE ACTIVITY

Duration of the Company's activity is unlimited.

3. PERIOD COVERED BY THE FINANCIAL STATEMENT

The financial statement includes financial data for the period from 1 April 2019 to 31 March 2020 and comparative data for the period from 1 April 2018 to 31 March 2019.

4. COMBINED FINANCIAL STATEMENT

The Company has no internal organisational units preparing separate financial statements, therefore, the financial statement does not include combined data.

5. GOING CONCERN ASSUMPTION

The financial statement has been drawn up on the assumption that the Company will continue to operate as a going concern in the foreseeable future. There are no circumstances indicating a threat to the Company's continuing as a going concern. The Management Board of the Company prepared the financial statements with the assumption of continuation of activity. The assumption is based on the five-year plan of the company which assumes a dynamic increase in sales as well as a significant improvement in financial results.

6. MERGER OF THE COMPANIES

In the reporting period for which the financial statements were prepared, the Company did not merge with any other business entity.

7. ADOPTED ACCOUNTING PRINCIPLES (POLICIES)

7.1 *Format and basis for preparation of the financial statement*

The financial statement has been prepared in accordance with the Accounting Act of 29 September 1994 (consolidated text Journal of Laws of 2018, item 395 as amended) [the "Act"].

The financial statement has been prepared in compliance with the historical cost method.

The Company prepares a comparative profit and loss account.

The Company prepares its cash flow statement using the indirect method.

7.2 *Intangible assets*

Intangible assets are recognised if it is probable that in the future they will result in the Company's economic benefits directly related to those assets. Initial recognition of intangible assets is made at purchase price or production cost. After initial recognition, intangible assets are measured at purchase price or production cost less amortisation and impairment write-offs. Intangible assets are depreciated according to the straight-line method over their estimated useful economic lives.

Estimated useful life is calculated as follows:

| | |
|-------------------------|----------|
| Computer software | 2 years, |
| Other intangible assets | 2 years. |
| Licences from Gilbert | 6 years |

Costs of completed development projects, carried out by an entity for its own needs and incurred before the commencement of production or implementation of technology, are recognised as intangible assets if:

- a given product or production technology is clearly defined, and related development costs are reliably measured,
- the technical usefulness of a product or technology has been determined and properly documented, and on that basis an entity has decided to manufacture these products or implement the technology,
- it is expected that development costs will be covered with the revenue from the sales of these products or implementation of the technology.

The period of amortisation of development costs is 10 years.

Goodwill is a difference between the cost of acquisition of a given entity or its business unit and the fair value of acquired net assets, if lower. If the cost of acquisition of an entity or its business unit is lower than the fair value of acquired net assets, the difference represents negative goodwill.

7.3 *Tangible fixed assets*

Tangible fixed assets are stated at purchase price, production cost or revaluated amount, less amortisation and impairment write-offs. Land is valued at purchase price decreased by impairment write-offs.

Revaluation takes place under separate regulations. The last revaluation of tangible fixed assets was conducted on 1 January 1995. The revaluation result is recognised as revaluation reserve. After disposal or liquidation of a fixed asset, the amount remaining in revaluation reserve is transferred to supplementary capital.

Expenses incurred after bringing the asset into use, i.e. costs of repair, maintenance, usage charges, impact the financial result of the reporting period in which they have been incurred. If it is possible to evidence that the incurred expenses have increased future economic benefits for the Company directly related to a given asset and exceed the previously estimated level, they increase the initial cost of that fixed asset.

Fixed assets, excluding land and the right of perpetual usufruct of land, are depreciated in accordance with the straight-line method over their estimated useful economic lives or shorter of the two periods: useful economic life or the right to use which is as follows:

| | |
|--|------------|
| Buildings, premises and water and civil engineering structures | 3-10 years |
| Technical equipment and machines | 3-7 years |
| Vehicles | 5 years |
| Other fixed assets | 5-10 years |

Fixed assets of a low initial unit cost, i.e. below PLN 3 500,00, are depreciated on a one-off basis.

7.4 Fixed assets under construction

Fixed assets under construction are valued at total costs directly related to their acquisition or construction, including financial costs, decreased by impairment write-offs.

7.5 Leasing

The Company is not a party to any contracts of leasing under which it would give tangible fixed assets or intangible assets for use in return for payment or for collection of fruits.

The Company is a party to operating leasing agreements under which it accepts third party fixed assets for use in return for payment or for collection of fruits for an agreed period of time.

In case of finance lease, under which the major risks and benefits due to the ownership of assets covered by the contract are transferred, the leased item is recognised in fixed assets at the present value of minimum lease payments defined as of the commencement of lease. The lease payments are divided between financial costs and the reduction of the outstanding liability in order to obtain a fixed interest rate on the remaining balance of liability. Financial costs are charged directly to the profit and loss account.

Fixed assets used under finance lease are depreciated over the projected economic usage period which is the same as for fixed assets described in point 7.3.

7.6 Borrowing costs

Borrowing costs related to construction, adaptation, assembly or improvement of tangible fixed assets or intangible assets over the period of construction, adaptation, assembly or improvement are capitalised to the value of those assets if the borrowing was obtained to finance these activities.

Other borrowing costs are recorded in the profit and loss account.

7.7 Shares in subordinated entities

Shares in subordinated entities are valued at the purchase price decreased by impairment write-offs.

7.8 Financial assets

When they are recorded in the books of account, financial assets are measured at purchase price which is the fair value of payment made. Transaction costs are included in initial measurement of financial assets.

Not later than at the end of the reporting period financial assets are measured as follows:

- financial assets held for trading – at fair value,
- financial assets available for sale – at fair value,
- loans granted and own receivables, except those designated as held for trading – at corrected purchase price estimated using the effective rate method, regardless whether the Company intends to hold them up to the maturity or not. Receivables of short term maturity, for which the rate has not been specified, are measured at the required payment value, if the current value of future cash flows expected by the Company, established by using interest rate, is not significantly different from the amount of the required payment,
- financial assets with fixed maturity date – at corrected purchase price estimated using the effective rate method,
- financial assets without fixed maturity date – at purchase price.

Not later than at the end of the reporting period, financial assets are revaluated in case of an impairment of their value in accordance with principles described in point 7.13.

The results of measurement of financial assets available for sale are registered in revenues or financial costs. Measurement of other categories of financial assets is included in revenues and financial costs.

Acquisition and sale of assets in trading on the regulated market is included in the books of account at the date of the transaction conclusion.

7.9 Inventories

Inventories are evaluated according to the lower of the two values: purchase price or production cost and net sales price.

Individual inventory groups are measured in the following manner:

- materials and supplies – at the purchase price,
- finished products and goods in progress - at direct cost of raw materials and labour and justified portion of overheads defined at normal production capacity.

For determining the costs of inventories “first in – first out” method is applied.

The net selling price is net realisable value as at the balance sheet date excluding tax on goods and services and excise duty, decreased by any discounts, rebates and costs related to bringing the asset to sale.

The value of materials, supplies and finished goods evaluated according to the above manner is decreased by revaluation write-offs established for slow moving inventories and endangered with being overdue, unless contracts with suppliers provide otherwise.

7.10 Short-term and long-term receivables

Receivables are disclosed at amount due less revaluation write-offs, unless they are secured.

Receivables are subject to revaluation by reducing their value with write-offs taking into account the probability of their payment. Revaluation write-offs of receivables are recognised accordingly as other operating expenses or financial expenses, depending on the type of receivable a given write-off relates to.

The value of cancelled, time-barred or unrecoverable receivables is reduced by revaluation write-offs previously made.

Cancelled, time-barred or unrecoverable receivables, for which revaluation write-offs have not been made or write-offs made did not cover the entire value, are recognised as other operating expenses or financial expenses.

7.11 *Cash and cash equivalents*

Cash in hand and at bank is evaluated at nominal value.

Cash and cash equivalent balance shown in the statement of cash flows consists of cash in hand and bank deposits with the maturity dates falling within 3 months, which are not treated as investment activity.

7.12 *Prepayments*

The Company recognises prepayments, if the costs refer to future reporting periods.

Prepayments are written off in relation to the lapse of time. The time and manner of settlement depend on the nature of settled costs, according to the prudence concept.

7.13 *Impairment of assets*

As at each balance sheet date the Company defines whether there are any objective indications of an impairment of an asset or a group of assets. If there are such indications, the Company defines the estimated recoverable value of an asset and makes impairment write-offs equalling the difference between the recoverable amount and the carrying amount. The impairment loss is charged to the profit and loss account for a given reporting period. If the assets have been previously revaluated, the loss first decreases the revaluation reserve and any excess is recognised in the profit and loss account of the current period.

Revaluation write-offs of a financial asset or a portfolio of similar financial assets are established as follows:

- in case of financial assets measured at corrected purchase price – as the difference between the value of those assets resulting from the books of account as at the evaluation date and the recoverable amount. The recoverable amount is the present value of future cash flows estimated by the Company, discounted at the effective interest rate, applied by the Company so far while measuring a revaluated financial asset or a portfolio of similar assets,
- in case of financial assets measured at fair value for which valuation results are recognised as revaluation reserve – as the difference between the purchase price of an asset and its fair value established as at the valuation date. By the fair value of debt financial instruments as at the valuation date current value of future cash flows estimated by the Company, discounted using current market interest rate applied to similar financial instruments, is understood. Accumulated losses to that day recognised in revaluation reserve are recognised as financial costs in the amount not less than the amount of a write-off, decreased by the portion directly recognised as financial costs,
- in case of other financial assets – as the difference between the value of an asset resulting from the books of account and the current value of future cash flows estimated by the Company, discounted using the current market interest rate applied to similar financial instruments.

From the day in which a write-off was made due to the impairment of a financial asset or a portfolio of similar assets, revenue from interest according to the rate used so far is no longer calculated. From that day revenue from interest is calculated using the rate discounting future cash flows, adopted in order to establish a possible recoverable value.

Once the cause for recognition of a revaluation write-off due to impairment expires, an equivalent of the whole or relevant portion of the revaluation write-off previously made increases the value of a given asset and is recognised as other operating revenue or financial revenue accordingly.

In case of financial assets, decrease of a write-off previously made and increase of the value of assets measured by the Company in the amount of corrected purchase prices may take place by the amount the addition of which will cause the increase of financial assets not higher than the amount of corrected purchase prices which would be established as at that day if impairment did not take place.

7.14 *Share capital*

The share capital is stated in the amount defined in the articles of association of the Company and entered in the court register.

7.15 *Provisions*

Provisions are recognised if the Company has an obligation (legal or customary) resulting from past events and if it is certain or highly probable that execution of the obligation will result in the outflow of economic benefits and if the liability may be reliably estimated.

7.16 *Accruals*

Accruals are recognised in the amount of probable liabilities for the current reporting period resulting, in particular, from:

- performances provided to the Company by its contractors, when the amount of liability can be reliably estimated,
- the obligation to provide future services related to current business to unknown persons, whose amount may be determined, even though the date when the liability arises is not yet known.

Accruals are written off in relation to the lapse of time or the amount of payments for the services rendered. The time and manner of settlement depend on the nature of settled costs according to the prudence concept.

Accrued expenses resulting from uninvoiced deliveries and services accepted by the Company are presented in the financial statement as other provisions.

Accrued expenses due to unused annual leaves are presented in the financial statement as provisions for employee benefits.

7.17 *Financial liabilities*

As a financial instrument the Company qualifies each contract which results both in establishment of financial assets for the one party and financial liability or capital instrument for the other party, provided that from the contract concluded between two parties or more, economic effects unambiguously result.

Pursuant to the Ordinance of the Minister of Finance of 12 December 2001 regarding specific rules of recognition, valuation methods, scope of including financial instruments and manner of their presentation (Journal of Laws No. 149, item 1674, as amended), the Company qualifies financial liabilities as:

- financial liabilities held for trading,
- other financial liabilities.

In the moment of initial recognition in the books of account, financial liabilities are recognised at fair value of the amount obtained or value of other assets obtained, including transaction costs incurred.

After the initial recognition, financial liabilities held for trading are measured at fair value. Mainly derivative financial instruments with a negative fair value are qualified as liabilities held for trading.

After the initial recognition, other financial liabilities are measured at the corrected purchase price (of depreciated cost), using the effective interest rate. Liabilities with short maturity period, for which interest rate has not been established, are recognised at the amount due, if the current value of future cash flows estimated by the Company determined by interest rate attributable to this liability is not significantly different from the amount due.

The Company classifies, inter alia, loans and credits taken, liabilities due to issuance of debt securities, financial leasing liabilities as other financial liabilities. For the purpose of evaluation, liabilities due to deliveries and services are also qualified to this category of financial instruments.

7.18 *Deferred income*

Deferred income, subject to the prudence concept, includes in particular:

- an equivalent of payments received or due from contractors for services to be performed in future reporting periods,
- funds obtained to purchase or manufacture fixed assets, including fixed assets under construction and development projects, if pursuant to other provisions such assets do not increase equity capital, but the amounts included to deferred income gradually increase other operating income, in parallel to depreciation or amortisation write-offs from fixed assets or costs of development projects financed from these funds,
- negative goodwill,
- accepted free of charge, including through donations, fixed assets under construction, tangible and intangible fixed assets.

Negative goodwill represents a difference between the purchase price of a given entity or its organised unit and the fair value of acquired net assets higher than the purchase price.

Negative goodwill, to the amount not exceeding the fair value of acquired fixed assets, with the exclusion of long-term financial assets listed on regulated markets, is recognised by the Company as deferred income over the period being weighted average period of economic usefulness of fixed assets acquired and subject to depreciation. Negative goodwill in the amount exceeding the fair value of fixed assets, with the exclusion of long-term financial assets listed on regulated markets, is recognised as income as at the date of the merger.

Negative goodwill is written off to other operating income up to the amount in which it refers to estimated in a reliable manner future losses and costs, established by the Company taking over as at the date of merger, not being however a liability disclosed as a result of the merger. Such write-off takes place in the reporting period in which losses and costs have impact on financial result. If these losses and costs have not been incurred in previously estimated reporting periods, then referring to them negative goodwill is written off in a manner specified in the paragraph above.

7.19 *Hedge accounting*

The Company does not use hedge accounting.

7.20 *Embedded derivatives*

Separated embedded derivatives are disclosed as financial instruments held for trading. They are measured at the fair value and the changes of their value are recognised in the profit and loss account.

7.21 *Deferred income tax*

Deferred income tax is recognised applying the balance sheet liability method to all temporary differences that exist at the balance sheet date between the tax base of an asset or liability and its carrying amount disclosed in financial statements.

Deferred income tax provisions are established in relation to all positive temporary differences, except for those regarding goodwill, whose depreciation does not decrease the tax base or resulting from initial recognition of an asset or liability in a transaction which is not a merger of businesses or acquisition of an entity or its organised part and at the moment of its conclusion it does not have impact either on gross financial result or the tax base.

A deferred income tax asset is established in relation to all negative temporary differences and unused tax losses transferred to next years in such amount in which it is probable that a taxable income will be achieved which will allow to use the aforementioned differences and losses.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and decreased to the extent that it is no longer probable that sufficient taxable income will be available to realise the deferred income tax asset fully or in part.

Deferred income tax assets and provisions for deferred income tax are measured according to tax rates which, pursuant to provisions adopted to the balance sheet date, shall be binding in the period when an asset is realised or provision released.

Deferred income tax assets and provisions for deferred tax are provided in a balance sheet separately

7.22 *Foreign currency transactions*

Transactions denominated in foreign currencies are translated to Polish zloty at the exchange rate of the transaction date.

As at the balance sheet date, assets and liabilities denominated in foreign currency have been valued at the average rate of the National Bank of Poland. Resulting exchange differences are recorded as financial income or costs or, in cases specified by provisions of law, capitalised in the value of assets.

7.23 *Social assets and Social Fund liabilities*

Pursuant to the Social Fund Act of 4 March 1994 as amended, the Social Fund is composed of employers employing more than 20 full time employees. Due to the number of employees, the Company does not establish such fund.

7.24 *Revenue recognition*

Revenues are recognised at the amount of probable economic benefits that can be reliably estimated.

7.24.1 *Sales of goods*

Revenues are recognised when significant risks and rewards of ownership of goods have been transferred to the buyer. The revenues include amounts due or received on sale, net of VAT.

7.24.2 *Services*

Revenues on rendering services are recognised with reference to the stage of service completion.

7.24.3 *Interest*

Revenues on interest are recognised when charged, if their receipt is not doubtful.

7.24.4 *Dividends*

Dividends receivable are recorded as financial revenues when the entity's appropriate authority adopts a resolution on profit distribution, unless the resolution defines a different date for a title to a dividend.

Achin Gupta, Member of the Management
Board

Andrzej Gondek, Member of the
Management Board

Oliver Henry Bourne, Member of the
Management Board

Izabela Markowska, Person in charge of
bookkeeping

II. BALANCE SHEET

| Balance Sheet - Assets | | | |
|---|------------------------|----------------------|----------------------|
| Specification | Additional information | As at 31.03.2020 | As at 31.03.2019 |
| A. FIXED ASSETS | | 2 097 640,46 | 7 833 504,28 |
| I. Intangible assets | Note 1 | 644 710,15 | 928 118,41 |
| 1. Development costs | | 0,00 | 0,00 |
| 2. Goodwill | | 0,00 | 0,00 |
| 3. Other intangible assets | | 644 710,15 | 928 118,41 |
| 4. Advances for intangible assets | | 0,00 | 0,00 |
| 5. Advance for intangible assets | | 0,00 | 0,00 |
| II. Tangible fixed assets | | 368 974,31 | 476 596,87 |
| 1. Tangible fixed assets in use | Note 2 | 368 974,31 | 476 596,87 |
| a) land (including right to perpetual usufruct) | | 0,00 | 0,00 |
| b) buildings, premises, civil and water engineering structures | | 0,00 | 0,00 |
| c) technical equipment and machines | | 274 327,14 | 446 156,30 |
| d) vehicles | | 0,00 | 0,00 |
| e) other tangible fixed assets | | 94 647,17 | 30 440,57 |
| 2. Tangible fixed assets under construction | | 0,00 | 0,00 |
| 3. Advances for tangible fixed assets under construction | | 0,00 | 0,00 |
| III. Long-term receivables | Note 7 | 0,00 | 0,00 |
| 1. From related parties | Note 30 | 0,00 | 0,00 |
| 2. From other entities in which the entity has an equity interest | | 0,00 | 0,00 |
| 3. From other entities | | 0,00 | 0,00 |
| IV. Long-term investments | Note 4 | 0,00 | 0,00 |
| 1. Real property | | 0,00 | 0,00 |
| 2. Intangible assets | | 0,00 | 0,00 |
| 3. Long-term financial assets | Note 5 | 0,00 | 0,00 |
| a) in related parties | | 0,00 | 0,00 |
| - shares | | 0,00 | 0,00 |
| - other securities | | 0,00 | 0,00 |
| - loans granted | | 0,00 | 0,00 |
| - other long-term financial assets | | 0,00 | 0,00 |
| b) in other entities in which the entity has an equity interest | | 0,00 | 0,00 |
| - shares | | 0,00 | 0,00 |
| - other securities | | 0,00 | 0,00 |
| - loans granted | | 0,00 | 0,00 |
| - other long-term financial assets | | 0,00 | 0,00 |
| c) in other entities | | 0,00 | 0,00 |
| - shares | | 0,00 | 0,00 |
| - other securities | | 0,00 | 0,00 |
| - loans granted | | 0,00 | 0,00 |
| - other long-term financial assets | | 0,00 | 0,00 |
| 4. Other long-term investments | | 0,00 | 0,00 |
| V. Long-term prepayments | | 1 083 956,00 | 6 428 789,00 |
| 1. Deferred tax assets | Note 21.2 | 1 083 956,00 | 6 428 789,00 |
| 2. Other prepayments | Note 8 | 0,00 | 0,00 |
| B. CURRENT ASSETS | | 86 853 188,48 | 65 403 554,70 |
| I. Inventory | Note 6 | 13 665 424,19 | 19 161 078,98 |
| 1. Materials | | 0,00 | 0,00 |
| 2. Semi-finished products and work in progress | | 0,00 | 0,00 |
| 3. Finished products | | 0,00 | 0,00 |
| 4. Goods | | 13 665 424,19 | 19 161 078,98 |
| 5. Advances for deliveries | | 0,00 | 0,00 |
| II. Short-term receivables | Note 7 | 67 242 371,31 | 41 432 694,49 |
| 1. Receivables from related parties | Note 30 | 17 898 072,01 | 11 939 287,74 |
| a) trade receivables, maturing: | | 17 898 072,01 | 11 939 287,74 |
| - up to 12 months | | 17 898 072,01 | 11 939 287,74 |
| - above 12 months | | 0,00 | 0,00 |
| b) other | | 0,00 | 0,00 |

GLENMARK PHARMACEUTICALS Sp. z o. o.
 Financial Statement for the year ended 31 March 2020

| | | | |
|---|--------|----------------------|----------------------|
| 2. Receivables from other entities in which the entity has an equity interest | | 0,00 | 0,00 |
| a) trade receivables, maturing: | | 0,00 | 0,00 |
| - up to 12 months | | 0,00 | 0,00 |
| - above 12 months | | 0,00 | 0,00 |
| b) other | | 0,00 | 0,00 |
| 3. Receivables from other entities | | 49 344 299,30 | 29 493 406,75 |
| a) trade receivables, maturing: | | 49 034 173,79 | 28 933 812,54 |
| - up to 12 months | | 49 034 173,79 | 28 933 812,54 |
| - above 12 months | | 0,00 | 0,00 |
| b) receivables from tax, subsidy, customs, social security and other benefits | | 0,00 | 0,00 |
| c) other | | 310 125,51 | 559 594,21 |
| d) claimed at court | | 0,00 | 0,00 |
| III. Short-term investments | | 5 829 927,87 | 4 747 928,23 |
| 1. Short-term financial assets | | 5 829 927,87 | 4 747 928,23 |
| a) in related parties | Note 5 | 0,00 | 0,00 |
| - shares | | 0,00 | 0,00 |
| - other securities | | 0,00 | 0,00 |
| - loans granted | | 0,00 | 0,00 |
| - other short-term financial assets | | 0,00 | 0,00 |
| b) in other entities in which the entity has an equity interest | Note 5 | 0,00 | 0,00 |
| - shares | | 0,00 | 0,00 |
| - other securities | | 0,00 | 0,00 |
| - loans granted | | 0,00 | 0,00 |
| - other short-term financial assets | | 0,00 | 0,00 |
| c) in other entities | Note 5 | 0,00 | 0,00 |
| - shares | | 0,00 | 0,00 |
| - other securities | | 0,00 | 0,00 |
| - loans granted | | 0,00 | 0,00 |
| - other short-term financial assets | | 0,00 | 0,00 |
| d) cash and other pecuniary assets | | 5 829 927,87 | 4 747 928,23 |
| - cash in hand and at bank | | 5 829 927,87 | 4 747 928,23 |
| - other cash | | 0,00 | 0,00 |
| - other pecuniary assets | | 0,00 | 0,00 |
| 2. Other short-term investments | | 0,00 | 0,00 |
| IV. Short-term prepayments | Note 8 | 115 465,11 | 61 853,00 |
| V. Prepayments for construction contracts | | 0,00 | 0,00 |
| 1. Unbilled receivables | | 0,00 | 0,00 |
| 2. Prepaid expenses | | 0,00 | 0,00 |
| C. CALLED UP SHARE CAPITAL | | 0,00 | 0,00 |
| D. OWN SHARES | Note 9 | 0,00 | 0,00 |
| TOTAL ASSETS : | | 88 950 828,94 | 73 237 058,98 |

| BALANCE SHEET - LIABILITIES | | | |
|---|-------------------------------|-------------------------|-------------------------|
| Specification | Additional information | As at 31.03.2020 | As at 31.03.2019 |
| A. EQUITY | | 874 600,51 | - 1 842 556,08 |
| I. Share capital | Note 9 | 5 000 000,00 | 5 000 000,00 |
| II. Supplementary capital, including: | | 23 004 101,18 | 23 004 101,18 |
| - surplus sales value (issue value) over the nominal value of shares | | - | - |
| III. Revaluation reserve, including: | Note 10 | - | - |
| - revaluation of fair value | | - | - |
| IV. Other reserve capitals, including: | | - | - |
| - capitals established pursuant to the company's articles of association (statutes) | | - | - |
| - capitals for own shares | | - | - |
| V. Previous year's profit (loss) | | - 29 846 657,26 | - 23 389 126,97 |
| VI. Net profit (loss) | Note 17 | 2 717 156,59 | - 6 457 530,29 |
| VII. Write-off on net profit during the financial year | | - | - |
| B. LIABILITIES AND PROVISIONS FOR LIABILITIES | | 88 076 228,43 | 75 079 615,06 |
| I. Provisions for liabilities | | 15 394 352,63 | 13 922 012,72 |
| 1. Provision for deferred income tax | Note 21.2 | - | - |
| 2. Provision for retirement and similar benefits | Note 11 | 462 116,84 | 743 431,42 |
| - long-term | | - | - |
| - short-term | | 462 116,84 | 743 431,42 |
| 3. Other provisions | Note 11 | 14 932 235,79 | 13 178 581,30 |
| - long-term | | - | - |
| - short-term | | 14 932 235,79 | 13 178 581,30 |
| II. Long-term liabilities | Note 12 | - | - |
| 1. To related parties | Note 30 | - | - |
| 2. To other entities in which the entity has an equity interest | | - | - |
| 3. To other entities | | - | - |
| a) credits and loans | | - | - |
| b) arising from issuance of debt securities | | - | - |
| c) other financial liabilities | | - | - |
| d) bill-of-exchange liabilities | | - | - |
| e) other | | - | - |
| III. Short-term liabilities | Note 12 | 72 681 875,80 | 61 157 602,34 |
| 1. To related parties | Note 30 | 59 066 932,98 | 52 348 910,31 |
| a) trade liabilities, maturing: | | 59 066 932,98 | 52 348 910,31 |
| - up to 12 months | | 59 066 932,98 | 52 348 910,31 |
| - above 12 months | | - | - |
| b) other | | - | - |
| 2. To other entities in which the entity has an equity interest | | - | - |
| a) trade liabilities maturing: | | - | - |
| - up to 12 months | | - | - |
| - above 12 months | | - | - |
| b) other | | - | - |
| 3. To other entities | | 13 614 385,69 | 8 791 670,38 |
| a) credits and loans | | - | - |
| b) arising from issuance of debt securities | | - | - |
| c) other financial liabilities | | - | - |
| d) trade liabilities, maturing: | | 11 130 392,08 | 6 441 189,25 |
| - up to 12 months | | 11 130 392,08 | 6 441 189,25 |
| - above 12 months | | - | - |
| e) advances received for deliveries | | - | - |
| f) bill-of-exchange liabilities | | - | - |
| g) tax, customs, social security and health | | 2 462 630,11 | 2 339 649,91 |

GLENMARK PHARMACEUTICALS Sp. z o. o.
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| | | | |
|---|--------|----------------------|----------------------|
| insurance, and of other public-legal titles | | | |
| h) payroll liabilities | | - | - |
| i) other | | 21 363,50 | 10 831,22 |
| 4. Special funds | | 557,13 | 17 021,65 |
| IV. Accruals | | - | - |
| 1. Negative goodwill | | - | - |
| 2. Other accruals | Note 8 | - | - |
| - long-term | | - | - |
| - short-term | | - | - |
| V. Accruals related to construction contracts | | - | - |
| 1. Deferred income | | - | - |
| 2. Accrued expenses | | - | - |
| TOTAL LIABILITIES : | | 88 950 828,94 | 73 237 058,98 |

 Achin Gupta, Member of the Management Board

 Andrzej Gondek, Member of the Management Board

 Oliver Henry Bourne, Member of the Management Board

 Izabela Markowska, Person in charge of bookkeeping

III. PROFIT AND LOSS ACCOUNT

| Profit and loss account (comparative variant) | Additional information | For the period from 01.04.2019 to 31.03.2020 | For the period from 01.04.2018 to 31.03.2019 |
|--|---------------------------|--|--|
| A. NET REVENUES FROM SALES AND EQUIVALENT, including: | Note 18 | 106 513 934,05 | 90 876 063,94 |
| - from related parties | Note 30 | 31 269 347,18 | 31 182 855,75 |
| I. Net revenues from sales of products | | 31 205 102,17 | 31 124 787,79 |
| II. Change in the balance of products | | | 0,00 |
| III. Manufacturing cost of products for internal purposes | | | 0,00 |
| IV. Net revenues from sales of goods and materials | | 75 308 831,88 | 59 751 276,15 |
| B. OPERATING EXPENSES | | 104 035 021,65 | 97 180 851,73 |
| I. Amortisation and depreciation | | 618 521,74 | 540 129,45 |
| II. Consumption of materials and energy | | 2 104 930,44 | 2 083 503,32 |
| III. External services | | 18 889 118,36 | 18 760 448,26 |
| IV. Taxes and charges, including: | | 159 232,22 | 147 091,01 |
| - excise duty | | 0,00 | 0,00 |
| V. Payroll | | 12 855 445,83 | 11 963 092,33 |
| VI. Social security and other benefits | | 2 711 062,97 | 2 465 911,17 |
| - retirement benefits | | 2 359 368,87 | 2 120 823,38 |
| VII. Other costs by type | | 1 630 651,71 | 1 752 191,26 |
| VIII. Value of goods and materials sold | | 65 066 058,38 | 59 468 484,93 |
| C. PROFIT (LOSS) ON SALES (A-B) | | 2 478 912,40 | (6 304 787,79) |
| D. OTHER OPERATING REVENUES | Note 19.1 | 6 944 058,70 | 32 248,39 |
| I. Gain on disposal of non-financial fixed assets | | 81,30 | 540,65 |
| II. Subsidies | | | 0,00 |
| III. Revaluation of non-financial assets | | 455 017,14 | 0,00 |
| IV. Other operating revenues | | 6 488 960,26 | 31 707,74 |
| E. OTHER OPERATING EXPENSES | Note 19.1 | 58 884,55 | 579 250,02 |
| I. Loss on disposal of non-financial fixed assets | | 56 763,43 | 0,00 |
| II. Revaluation of non-financial assets | | | 573 361,34 |
| III. Other operating expenses | | 2 121,12 | 5 888,68 |
| F. PROFIT (LOSS) ON OPERATING ACTIVITIES (C+D-E) | | 9 364 086,55 | (6 851 789,42) |
| G. FINANCIAL REVENUES | | 0,00 | 2 739,56 |
| I. Dividends and profit sharing, including: | | | 0,00 |
| a) from related parties, including: | Note 30 | | 0,00 |
| - party in which the entity has an equity interest | | | 0,00 |
| b) from other entities, including: | | | 0,00 |
| - entity in which the entity has an equity interest | | | 0,00 |
| II. Interest, including: | Note 19.2 | | 2 739,56 |
| - from related parties | Note 30 | | 0,00 |
| - from other entities in which the entity has an equity interest | | | 0,00 |
| III. Gain on disposal of financial assets, including: | | | 0,00 |
| - in related parties | | | 0,00 |
| - in other entities in which the entity has an equity interest | | | 0,00 |
| IV. Revaluation of financial assets | | | 0,00 |
| V. Other | Note 19.2 | | 0,00 |
| H. FINANCIAL EXPENSES | | 1 190 119,96 | 1 073 454,43 |
| I. Interest, including: | Note 19.2 | | 0,00 |
| - for related parties | | | 0,00 |
| - from other entities in which the entity has an equity interest | | | 0,00 |
| II. Loss on disposal of financial assets, including: | | | 0,00 |
| - for related parties | | | 0,00 |
| - from other entities in which the entity has an equity interest | | | 0,00 |
| III. Revaluation of financial assets | | | 0,00 |
| IV. Other | Note 19.2 | 1 190 119,96 | 1 073 454,43 |
| I. GROSS PROFIT (LOSS) (F+G-H) | | 8 173 966,59 | (7 922 504,29) |
| J. INCOME TAX | Note 21.2 | 5 456 810,00 | (1 464 974,00) |
| I. Current portion | | 111 977,00 | 0,00 |
| II. Deferred portion | | 5 344 833,00 | (1 464 974,00) |
| K. OTHER STATUTORY REDUCTIONS IN PROFIT (INCREASES IN LOSS) | | 0,00 | 0,00 |

| | | | |
|------------------------------|--|--------------|----------------|
| L. NET PROFIT (LOSS) (I-J-K) | | 2 717 156,59 | (6 457 530,29) |
|------------------------------|--|--------------|----------------|

Achin Gupta, Member of the Management Board

Andrzej Gondek, Member of the Management Board

Oliver Henry Bourne, Member of the Management Board

Izabela Markowska, Person in charge of bookkeeping

IV. STATEMENT OF CHANGES IN EQUITY

| Statement of changes in equity | For the period from 01.04.2019 to 31.03.2020 | For the period from 01.04.2018 to 31.03.2019 |
|---|--|--|
| I. Opening balance of equity | (1 842 556,08) | 4 614 974,21 |
| - adjustments of fundamental errors | - | - |
| - results of changes in accounting principles | - | - |
| I.a. Opening balance of equity after adjustments | (1 842 556,08) | 4 614 974,21 |
| 1. Opening balance of share capital | 5 000 000,00 | 5 000 000,00 |
| 1.1. Changes in share capital | - | - |
| a) increase (due to) | - | - |
| - issuance of shares | | |
| - additional payments to capitals | | |
| b) decrease (due to) | - | - |
| - redemption of shares | | |
| 1.2. Closing balance of share capital | 5 000 000,00 | 5 000 000,00 |
| 2. Opening balance of supplementary capital | 23 004 101,18 | 23 004 101,18 |
| 2.1. Changes in supplementary capital | - | - |
| a) increase (due to) | - | - |
| - issue of shares above face value | | |
| - from profit distribution (statutory) | | |
| - from profit distribution (above the statutory minimum value) | | |
| - surplus over the face value of taken up shares | | |
| b) decrease (due to) | - | - |
| - loss coverage | | |
| 2.2. Closing balance of supplementary capital | 23 004 101,18 | 23 004 101,18 |
| 3. Opening balance of revaluation reserve | - | - |
| 3.1. Changes in revaluation reserve | - | - |
| a) increase (due to) | - | - |
| b) decrease (due to) | - | - |
| - sales of tangible fixed assets | | |
| 3.2. Closing balance of revaluation reserve | - | - |
| 4. Opening balance of other reserve capitals | - | - |
| 4.1. Changes in other reserve capitals | - | - |
| a) increase (due to) | - | 0 |
| b) decrease (due to) | - | - |
| 4.2. Closing balance of other reserve capitals | - | - |
| 5. Opening balance of previous years' profit (loss) | - | - |
| 5.1. Opening balance of previous years' profit | - | - |
| - adjustments of fundamental errors | | |
| - results of changes in accounting principles | | |
| 5.2. Opening balance of previous years' profit after adjustments | - | - |
| 5.3. Changes in previous years' profit | - | - |
| a) increase (due to) | - | - |
| - distribution of previous years' profit | | |
| b) decrease (due to) | - | - |
| - transfer to supplementary capital | | |
| 5.4. Closing balance of previous years' profit | - | - |
| 5.5. Opening balance of previous years' loss | (29 846 657,26) | (23 389 126,97) |
| - adjustments of fundamental errors | | |
| - results of changes in accounting principles | | |
| 5.6. Opening balance of previous years' loss after adjustments | (29 846 657,26) | (23 389 126,97) |
| 5.7. Changes in previous year's loss | - | - |
| a) increase (due to) | - | - |
| - previous years' loss brought forward | | |
| b) decrease (due to loss coverage) | | |
| 5.8. Closing balance of previous years' loss | (29 846 657,26) | (23 389 126,97) |
| 5.9. Closing balance of previous years' profit (loss) | - | - |
| 6. Net result | 2 717 156,59 | (6 457 530,29) |
| a) net profit | 2 717 156,59 | |

GLENMARK PHARMACEUTICALS Sp. z o. o.
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| | | |
|---|-------------------|-----------------------|
| b) net loss | | 6 457 530,29 |
| c) write-offs on profit | | |
| II. Closing balance of equity | 874 600,51 | (1 842 556,08) |
| III. Equity including proposed profit distribution (loss coverage) | 874 600,51 | (1 842 556,08) |

Achin Gupta, Member of the Management Board

Andrzej Gondek, Member of the Management Board

Oliver Henry Bourne, Member of the Management Board

Izabela Markowska, Person in charge of bookkeeping

V. CASH FLOW

(indirect method)

| Cash flow (indirect method) | Additional information | For the period from 01.04.2019 to 31.03.2020 | For the period from 01.04.2018 to 31.03.2019 |
|--|---------------------------|--|--|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| I. Net profit (loss) | | 2 717 156,59 | (4 715 541,10) |
| II. Total adjustments | | (1 377 722,36) | 6 158 873,41 |
| 1. Amortisation and depreciation | | 618 521,74 | 540 129,45 |
| 2. Exchange gains (losses) | | | |
| 3. Interest and profit sharing (dividend) | | | |
| 4. Profit (loss) on investment activities | | 56 763,43 | (540,65) |
| 5. Change in provisions | | 1 472 339,91 | 1 533 314,89 |
| 6. Change in inventory | | 5 495 654,79 | (3 401 821,61) |
| 7. Change in receivables | | (25 809 676,82) | (755 410,55) |
| 8. Change in short-term liabilities, excluding credits and loans | | 11 497 453,70 | 9 728 626,41 |
| 9. Change in prepayments and accruals | | 5 291 220,89 | (1 485 424,53) |
| 10. Other adjustments | | - | - |
| III. Net cash flows from operating activities (I±II) | | 1 339 434,23 | (298 656,88) |
| B. CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| I. Inflows | | 29 090,99 | 540,65 |
| 1. Disposal of intangible assets and tangible fixed assets | | 29 090,99 | 540,65 |
| 2. Disposal of investments in real property and in intangible assets | | | |
| 3. From financial assets, including: | | - | - |
| a) in related parties | | - | - |
| - sales of financial assets | | | |
| - dividends and profit sharing | | | |
| - repayment of granted long-term loans | | | |
| - interest | | | |
| - other inflows from financial assets | | | |
| b) in other entities in which the entity has an equity interest | | - | - |
| - sales of financial assets | | | |
| - dividends and profit sharing | | | |
| - repayment of granted long-term loans | | | |
| - interest | | | |
| - other inflows from financial assets | | | |
| c) in other entities | | - | - |
| - sales of financial assets | | | |
| - dividends and profit sharing | | | |
| - repayment of granted long-term loans | | | |
| - interest | | | |
| - other inflows from financial assets | | | |
| 4. Other inflows from investment activities | | | |
| II. Outflows | | 286 525,58 | 1 127 236,34 |
| 1. Purchase of intangible assets and tangible fixed assets | | 286 525,58 | 1 127 236,34 |
| 2. Investments in real property and intangible assets | | - | |
| 3. For financial assets, including: | | - | - |
| a) in related parties | | | |
| - purchase of financial assets | | | |
| - long-term loans granted | | | |
| b) in other entities in which the entity has an equity interest | | | |
| - purchase of financial assets | | | |
| - long-term loans granted | | | |
| c) in other entities | | - | - |
| - purchase of financial assets | | | |
| - long-term loans granted | | | |
| 4. Other outflows from investment activities | | | |
| III. Net cash flows from investment activities (I-II) | | (257 434,59) | (1 126 695,69) |
| C. CASH FLOWS FROM FINANCIAL ACTIVITIES | | | |

GLENMARK PHARMACEUTICALS Sp. z o. o.
 Financial Statement for the year ended 31 March 2020

| | | | | |
|---|---------|--|--------------|----------------|
| I. Inflows | | | - | - |
| 1. Net inflows from issuance of shares and other capital instruments and from capital contributions | | | | |
| 2. Credit and loans | | | | |
| 3. Issuance of debt securities | | | | |
| 4. Other inflows from financial activities | | | | |
| II. Outflows | | | - | - |
| 1. Purchase of own shares | | | | |
| 2. Dividend and other payments to shareholders | | | | |
| 3. Profit distribution liabilities other than profit distribution payment to shareholders | | | | |
| 4. Repayment of credits and loans | | | | |
| 5. Redemption of debt securities | | | | |
| 6. Payment of other financial liabilities | | | | |
| 7. Payment of liabilities arising from financial leases | | | | |
| 8. Interest | | | | |
| 9. Other outflows from financial activities | | | | |
| III. Net cash flows from financial activities (I-II) | | | - | - |
| D. TOTAL NET CASH FLOWS (A.III±B.III±C.III) | | | 1 081 999,64 | (1 425 352,57) |
| E. BALANCE SHEET CHANGE IN CASH, INCLUDING | | | 1 081 999,64 | (1 425 352,57) |
| - change in cash due to exchange differences | | | | |
| F. CASH OPENING BALANCE | Note 23 | | 4 747 928,23 | 6 173 280,80 |
| G. CLOSING BALANCE OF CASH (F±D), INCLUDING | | | 5 829 927,87 | 4 747 928,23 |
| - of limited disposability | | | | |

 Achin Gupta, Member of the Management Board

 Andrzej Gondek, Member of the Management Board

 Oliver Henry Bourne, Member of the Management Board

 Izabela Markowska, Person in charge of bookkeeping

VI. SUPPLEMENTARY INFORMATION AND EXPLANATIONS

1 INTANGIBLE ASSETS

DETAILED SCOPE OF CHANGES IN THE VALUE OF TYPE GROUPS OF INTANGIBLE ASSETS IN THE CURRENT REPORTING

| Item | Specification | Development costs | Goodwill | Other intangible assets | | Intangible assets in progress | Advance for intangible assets | Total |
|-------|--|-------------------|----------|-------------------------|--------------|-------------------------------|-------------------------------|--------------|
| | | | | Software | Other | | | |
| 1. | Gross value – opening balance | | | 576 689,70 | 1 545 495,00 | 0,00 | 0,00 | 2 122 184,70 |
| 2. | Increase in gross value (due to): | 0,00 | 0,00 | 49 550,00 | 0,00 | 0,00 | 0,00 | 49 550,00 |
| 2.1. | - purchase | | | 49 550,00 | | | | 49 550,00 |
| 2.2. | - internal generation | | | | | | | 0,00 |
| 2.3. | - acceptance of intangible assets in progress | | | | | | | 0,00 |
| 2.4. | - conclusion of a finance lease | | | | | | | 0,00 |
| 2.5. | - contribution, free of charge receipt | | | | | | | 0,00 |
| 2.6. | - revaluation | | | | | | | 0,00 |
| 2.7. | - interest on financial liabilities (re: intangible assets in progress) | | | | | | | 0,00 |
| 2.8. | - capitalized exchange differences (re: intangible assets in progress) | | | | | | | 0,00 |
| 2.9. | - other | | | | | | | 0,00 |
| 2.10. | - subsidiary purchase | | | | | | | 0,00 |
| 2.11. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 3. | Decrease in gross value (due to): | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 3.1. | - sale | | | | | | | 0,00 |
| 3.2. | - liquidation | | | | | | | 0,00 |
| 3.3. | - other | | | | | | | 0,00 |
| 3.4. | - subsidiary sale | | | | | | | 0,00 |
| 3.5. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 4. | Gross value – internal transfer | | | | | | | 0,00 |
| 5. | Gross value – closing balance | 0,00 | 0,00 | 626 239,70 | 1 545 495,00 | 0,00 | 0,00 | 2 171 734,70 |
| 6. | Amortisation – opening balance | | | 552 909,70 | 641 156,59 | | | 1 194 066,29 |
| 7. | Increase in amortisation (due to): | 0,00 | 0,00 | 13 780,00 | 319 178,26 | 0,00 | 0,00 | 352 958,26 |
| 7.1. | - depreciation/amortisation write-offs | | | 13 780,00 | 319 178,26 | | | 352 958,26 |
| 7.2. | - revaluation write-offs due to loss in value (establishment) | | | | | | | 0,00 |
| 7.3. | - revaluation | | | | | | | 0,00 |
| 7.4. | - other | | | | | | | 0,00 |

GLENMARK PHARMACEUTICALS Sp. z o. o.
 Financial Statement for the year ended 31 March 2020

| | | | | | | | | |
|------|--|------|------|------------|------------|------|------|--------------|
| 7.5 | - subsidiary purchase | | | | | | | 0,00 |
| 7.6 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 8. | Decrease in amortisation (due to): | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 8.1. | - sale | | | | | | | 0,00 |
| 8.2. | - liquidation | | | | | | | 0,00 |
| 8.3. | - revaluation write-offs due to loss in value (release) | | | | | | | 0,00 |
| 8.4. | - other | | | | | | | 0,00 |
| 8.5. | - subsidiary sale | | | | | | | 0,00 |
| 8.6. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 9. | Amortisation – internal transfer | | | | | | | 0,00 |
| 10. | Amortisation – closing balance | 0,00 | 0,00 | 566 689,70 | 960 334,85 | 0,00 | 0,00 | 1 527 024,55 |
| 11. | Net value – opening balance | | | 23 780,00 | 904 338,31 | 0,00 | 0,00 | 928 118,41 |
| 12. | Net value – closing balance | 0,00 | 0,00 | 59 550,00 | 585 160,15 | | | |
| | | 0,00 | 0,00 | | 644 710,15 | 0,00 | 0,00 | 644 710,15 |

The Company does not hold intangible assets under contracts of leasing, classified to be recognised in the balance sheet as financial or operational leasing.

DETAILED SCOPE OF CHANGES IN THE VALUE OF TYPE GROUPS OF INTANGIBLE ASSETS IN THE PREVIOUS REPORTING

| Item | Specification | Development costs | Goodwill | Other intangible assets | | Intangible assets in progress | Advance for intangible assets | Total |
|-------|--|-------------------|----------|-------------------------|--------------|-------------------------------|-------------------------------|--------------|
| | | | | Software | Other | | | |
| 1. | Gross value – opening balance | | | 556 689,70 | 1 545 495,00 | | | 2 102 184,70 |
| 2. | Increase in gross value (due to): | 0,00 | 0,00 | 20 000,00 | 0,00 | 0,00 | 0,00 | 20 000,00 |
| 2.1. | - purchase | | | 20 000,00 | | | | 20 000,00 |
| 2.2. | - internal generation | | | | | | | 0,00 |
| 2.3. | - acceptance of intangible assets in progress | | | | | | | 0,00 |
| 2.4. | - conclusion of a finance lease | | | | | | | 0,00 |
| 2.5. | - contribution, free of charge receipt | | | | | | | 0,00 |
| 2.6. | - revaluation | | | | | | | 0,00 |
| 2.7. | - interest on financial liabilities (re: intangible assets in progress) | | | | | | | 0,00 |
| 2.8. | - capitalized exchange differences (re: intangible assets in progress) | | | | | | | 0,00 |
| 2.9. | - other | | | | | | | 0,00 |
| 2.10. | - subsidiary purchase | | | | | | | 0,00 |
| 2.11. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 3. | Decrease in gross value (due to): | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 3.1. | - sale | | | | | | | 0,00 |
| 3.2. | - liquidation | | | | | | | 0,00 |
| 3.3. | - other | | | | | | | 0,00 |
| 3.4. | - subsidiary sale | | | | | | | 0,00 |
| 3.5. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 4. | Gross value – internal transfer | | | | | | | 0,00 |
| 5. | Gross value – closing balance | 0,00 | 0,00 | 576 689,70 | 1 545 495,00 | 0,00 | 0,00 | 2 122 184,70 |
| 6. | Amortisation – opening balance | | | 535 070,20 | 321 978,33 | | | 857 048,53 |
| 7. | Increase in amortisation (due to): | 0,00 | 0,00 | 17 839,50 | 319 178,26 | 0,00 | 0,00 | 337 017,76 |
| 7.1. | - depreciation/amortisation write-offs | | | 17 839,50 | 319 178,26 | | | 337 017,76 |
| 7.2. | - revaluation write-offs due to loss in value (establishment) | | | | | | | 0,00 |
| 7.3. | - revaluation | | | | | | | 0,00 |
| 7.4. | - other | | | | | | | 0,00 |
| 7.5. | - subsidiary purchase | | | | | | | 0,00 |

GLENMARK PHARMACEUTICALS Sp. z o. o.
 Financial Statement for the year ended 31 March 2020

| | | | | | | | | |
|------|--|------|------|------------|--------------|------|------|--------------|
| 7.6 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 8. | Decrease in amortisation (due to): | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 8.1. | - sale | | | | | | | 0,00 |
| 8.2. | - liquidation | | | | | | | 0,00 |
| 8.3. | - revaluation write-offs due to loss in value (release) | | | | | | | 0,00 |
| 8.4. | - other | | | | | | | 0,00 |
| 8.5. | - subsidiary sale | | | | | | | 0,00 |
| 8.6. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | | 0,00 |
| 9. | Amortisation – internal transfer | | | | | | | 0,00 |
| 10. | Amortisation – closing balance | 0,00 | 0,00 | 552 909,70 | 641 156,59 | 0,00 | 0,00 | 1 194 066,29 |
| 11. | Net value – opening balance | | | 21 619,50 | 1 223 516,67 | | | |
| | | 0,00 | 0,00 | | 1 245 136,17 | 0,00 | 0,00 | 1 245 136,17 |
| 12. | Net value – closing balance | 0,00 | 0,00 | 23 780,00 | 904 338,41 | 0,00 | 0,00 | 928 118,41 |
| | | | | | 928 118,41 | | | |

2 TANGIBLE FIXED ASSETS

DETAILED SCOPE OF CHANGES IN THE VALUE OF TYPE GROUPS OF TANGIBLE FIXED ASSETS IN THE CURRENT REPORTING PERIOD

| Item | Specification | Land (including right to perpetual usufruct) | Buildings, premises, water and civil engineering structures | Technical equipment and machines | Vehicles | Other tangible fixed assets | Total |
|------|--|--|---|----------------------------------|----------|-----------------------------|--------------|
| 1. | Gross value – opening balance | | | 1 264 819,50 | 0,00 | 414 398,20 | 1 679 217,70 |
| 2. | Increase in gross value (due to): | 0,00 | 0,00 | 161 103,65 | 0,00 | 102 691,69 | 263 795,34 |
| 2.1. | - purchase | | | 161 103,65 | | 102 691,69 | 263 795,34 |
| 2.2. | - acceptance from tangible fixed assets under construction | | | | | | 0,00 |
| 2.3. | - conclusion of a finance lease | | | | | | 0,00 |
| 2.4. | - contribution, free of charge receipt | | | | | | 0,00 |
| 2.5. | - revaluation | | | | | | 0,00 |
| 2.6. | - other | | | | | | 0,00 |
| 2.7. | - subsidiary purchase | | | | | | 0,00 |
| 2.8. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | 0,00 |
| 3. | Decrease in gross value (due to): | 0,00 | 0,00 | 501 358,81 | 0,00 | 86 655,66 | 588 014,47 |
| 3.1. | - sale | | | | | | 0,00 |
| 3.2. | - liquidation | | | 501 358,81 | | 86 655,66 | 588 014,47 |
| 3.3. | - other | | | | | | 0,00 |
| 3.4. | - subsidiary sale | | | | | | 0,00 |
| 3.5. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | 0,00 |
| 4. | Gross value – internal transfer | | | | | | 0,00 |
| 5. | Gross value – closing balance | 0,00 | 0,00 | 924 564,34 | 0,00 | 430 434,23 | 1 354 998,57 |
| 6. | Amortisation – opening balance | | | 818 663,20 | 0,00 | 383 957,63 | 1 202 620,83 |
| 7. | Increase in amortisation (due to): | 0,00 | 0,00 | 247 078,39 | 0,00 | 38 485,09 | 285 563,48 |
| 7.1. | - depreciation/amortisation write-offs | | | 247 078,39 | | 38 485,09 | 285 563,48 |
| 7.2. | - revaluation write-offs due to loss in value | | | | | | 0,00 |
| 7.3. | - revaluation | | | | | | 0,00 |
| 7.4. | - other | | | | | | 0,00 |
| 7.5. | - subsidiary purchase | | | | | | 0,00 |
| 7.6. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | 0,00 |
| 8. | Decrease in amortisation (due to): | 0,00 | 0,00 | 415 504,39 | 0,00 | 86 655,66 | 502 160,05 |

GLENMARK PHARMACEUTICALS Sp. z o. o.
 Financial Statement for the year ended 31 March 2020

| | | | | | | | |
|------|--|------|------|------------|------|------------|------------|
| 8.1. | - sale | | | | | | 0,00 |
| 8.2. | - liquidation | | | 415 504,39 | | 86 655,66 | 502 160,05 |
| 8.3. | - revaluation write-offs due to loss in value | | | | | | 0,00 |
| 8.4. | - other | | | | | | 0,00 |
| 8.5. | - subsidiary sale | | | | | | |
| 8.6. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | |
| 9. | Amortisation – internal transfer | | | | | | 0,00 |
| 10. | Amortisation – closing balance | 0,00 | 0,00 | 650 237,20 | 0,00 | 335 787,06 | 986 024,26 |
| 11. | Net value – opening balance | 0,00 | 0,00 | 446 156,30 | 0,00 | 30 440,57 | 476 596,87 |
| 12. | Net value – closing balance | 0,00 | 0,00 | 274 327,14 | 0,00 | 94 647,17 | 368 974,31 |

DETAILED SCOPE OF CHANGES IN THE VALUE OF TYPE GROUPS OF TANGIBLE FIXED ASSETS IN THE PREVIOUS REPORTING PERIOD

| Item | Specification | Land (including right to perpetual usufruct) | Buildings, premises, water and civil engineering structures | Technical equipment and machines | Vehicles | Other tangible fixed assets | Total |
|------|--|--|---|----------------------------------|----------|-----------------------------|--------------|
| 1. | Gross value – opening balance | | | 823 321,28 | | 415 241,62 | 1 238 562,90 |
| 2. | Increase in gross value (due to): | 0,00 | 0,00 | 450 742,22 | 0,00 | 10 114,12 | 460 856,34 |
| 2.1. | - purchase | | | 450 742,22 | | 10 114,12 | 460 856,34 |
| 2.2 | - acceptance from tangible fixed assets under construction | | | | | | 0,00 |
| 2.3 | - conclusion of a finance lease | | | | | | 0,00 |
| 2.4 | - contribution, free of charge receipt | | | | | | 0,00 |
| 2.5 | - revaluation | | | | | | 0,00 |
| 2.6 | - other | | | | | | 0,00 |
| 2.7 | - subsidiary purchase | | | | | | 0,00 |
| 2.8 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | 0,00 |
| 3. | Decrease in gross value (due to): | 0,00 | 0,00 | 9 244,00 | 0,00 | 10 957,54 | 20 201,54 |
| 3.1. | - sale | | | 9 244,00 | | | 9 244,00 |
| 3.2. | - liquidation | | | | | 10 957,54 | 10 957,54 |
| 3.3. | - other | | | | | | 0,00 |
| 3.4. | - subsidiary sale | | | | | | 0,00 |
| 3.5 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | 0,00 |
| 4. | Gross value – internal transfer | | | | | | 0,00 |
| 5. | Gross value – closing balance | 0,00 | 0,00 | 1 264 819,50 | 0,00 | 414 398,20 | 1 679 217,70 |
| 6. | Amortisation – opening balance | | | 645 274,64 | | 374 436,04 | 1 019 710,68 |
| 7. | Increase in amortisation (due to): | 0,00 | 0,00 | 182 632,56 | 0,00 | 20 479,13 | 203 111,69 |
| 7.1. | - depreciation/amortisation write-offs | | | 182 632,56 | | 20 479,13 | 203 111,69 |
| 7.2 | - revaluation write-offs due to loss in value | | | | | | 0,00 |
| 7.3. | - revaluation | | | | | | 0,00 |
| 7.4. | - other | | | | | | 0,00 |
| 7.5. | - subsidiary purchase | | | | | | 0,00 |
| 7.6. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | 0,00 |
| 8. | Decrease in amortisation (due to): | 0,00 | 0,00 | 9 244,00 | 0,00 | 10 957,54 | 20 201,54 |

GLENMARK PHARMACEUTICALS Sp. z o. o.
 Financial Statement for the year ended 31 March 2020

| | | | | | | | |
|------|--|-------------|-------------|-------------------|-------------|------------------|-------------------|
| 8.1. | - sale | | | 9 244,00 | | | 9 244,00 |
| 8.2. | > liquidation | | | | | 10 957,54 | 10 957,54 |
| 8.3. | - revaluation write-offs due to loss in value | | | | | | 0,00 |
| 8.4. | - other | | | | | | 0,00 |
| 8.5. | - subsidiary sale | | | | | | |
| 8.6. | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | |
| 9. | Amortisation – internal transfer | | | | | | 0,00 |
| 10. | Amortisation – closing balance | 0,00 | 0,00 | 818 663,20 | 0,00 | 383 957,63 | 1 202 620,83 |
| 11. | Net value – opening balance | 0,00 | 0,00 | 178 046,64 | 0,00 | 40 805,58 | 218 852,22 |
| 12. | Net value – closing balance | 0,00 | 0,00 | 446 156,30 | 0,00 | 30 440,57 | 476 596,87 |

Both in the current and previous reporting periods the Company did not make any revaluation write-offs of tangible fixed assets.

The Company does not hold tangible fixed assets under the contracts of leasing, classified to be recognised on the balance sheet as financial or operational leasing.

In periods covered by the financial statement the Company did not have any liabilities towards the state budget or the budget of local government units due to its acquisition of the ownership right to buildings and structures.

The company occupies office space on the basis of a lease agreement. The company does not plan to incur significant financial outlays in the coming years to acquire fixed assets.

3 TANGIBLE FIXED ASSETS UNDER CONSTRUCTION

In periods covered by the financial statement the Company did not hold any tangible fixed assets under construction.

4 LONG-TERM INVESTMENTS

In periods covered by the financial statement the Company did not have any long-term investments.

5 FINANCIAL ASSETS

In periods covered by the financial statement the Company did not have any financial assets held for trading.

6 INVENTORY REVALUATION WRITE-OFFS

In periods covered by the financial statement the Company made inventory revaluation write-offs.

| INVENTORY REVALUATION WRITE-OFFS AS AT THE BALANCE SHEET DATE | | | | | | | |
|---|---|----------------------|------------------------|--------------------------|----------------------|------------------------|--------------------------|
| Item | Specification | closing balance | | | opening balance | | |
| | | Gross value | Revaluation write-offs | Inventory carrying value | Gross value | Revaluation write-offs | Inventory carrying value |
| 1. | Materials | | | - | | | - |
| 2. | Semi-finished products and work in progress | | | - | | | - |
| 3. | Finished products | | | | | | |
| 4. | Goods | 13 793 697,06 | - 128 272,87 | 13 665 424,19 | 19 744 368,99 | - 583 290,01 | 19 161 078,98 |
| 5. | Advances for deliveries | | | - | | | - |
| | Total | 19 744 368,99 | 13 793 697,06 | - 128 272,87 | 13 665 424,19 | 19 744 368,99 | - 583 290,01 |

| CHANGE IN INVENTORY REVALUATION WRITE-OFFS IN CURRENT PERIOD | | | | | | | |
|--|--|-------------------------|---|-------------------|--------------|-------------------------|-----------------|
| Item | Specification | Revaluation write-offs: | | | | | Total inventory |
| | | Materials | Semi-finished products and work in progress | Finished products | Goods | Advances for deliveries | |
| 1. | Revaluation write-offs - opening balance | | | | - 583 290,01 | | - 583 290,01 |
| 2. | Increase in write-offs (due to): | | | | 128 272,87 | - | 128 272,87 |
| 2.1 | - write-offs made in the period recognised in other operating expenses | | | | 128 272,87 | | 128 272,87 |
| 2.2 | - other | | | | | | - |
| 2.3 | - subsidiary purchase | | | | | | - |
| 2.4 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | - |
| 3. | decrease in write-offs (due to): | | | | - 583 290,01 | - | - 583 290,01 |
| 3.1 | - write-offs made in the period recognised in other operating revenue | | | | - 583 290,01 | | - 583 290,01 |
| 3.2 | - other | | | | | | - |
| 3.3 | - subsidiary sale | | | | | | - |
| 3.4 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | - |
| 4. | Revaluation write-offs - closing balance | | | | 128 272,87 | - | 128 272,87 |

7 REVALUATION WRITE-OFFS ON RECEIVABLES

In periods covered by the financial statement the Company did not make any revaluation write-offs on receivables.

8 PREPAYMENTS AND ACCRUALS

In periods covered by the financial statement the Company did not make any long-term prepayments.

SPECIFICATION OF SHORT-TERM PREPAYMENTS

| Item | Specification | as at | | | |
|------|--|------------|------------|------------|------------|
| | | 31.03.2020 | | 31.03.2019 | |
| | | long-term | short-term | long-term | short-term |
| 1 | Insurance | | 34 906,11 | | 32 828,00 |
| 2 | Membership fee | | 10 954,38 | | 8 167,00 |
| 3 | Subscriptions | | 1 344,48 | | 11 330,91 |
| 4 | Maintenance support | | 6 656,57 | | 5 350,97 |
| 5 | Plane tickets | | 908,93 | | 3 136,12 |
| 6 | Company run | | | | 1 040,00 |
| 7 | System Kowal | | 57 424,64 | | |
| 8 | Tuition fees for the academic year 19/20 | | 3 270,00 | | |

| | | | | |
|--------------|---|------------|---|-----------|
| Total | - | 115 465,11 | - | 61 853,00 |
|--------------|---|------------|---|-----------|

In periods covered by the financial statement the Company did not have other long term and short term accruals.

9 SHARE CAPITAL

SHARE CAPITAL AS AT THE BALANCE SHEET DATE

| Item | Specification | as at | |
|------|--------------------------|---------------------|---------------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Number of shares | 10 000 | 10 000 |
| 2. | Nominal value of 1 share | 500,00 | 500,00 |
| 3. | Share capital | 5 000 000,00 | 5 000 000,00 |

OWNERSHIP STRUCTURE OF THE SHARE CAPITAL AS AT THE BALANCE SHEET DATE

| Item | Shareholder | Number of shares | % of the share capital | Number of votes | % of the total number of votes |
|------|---------------------|------------------|------------------------|-----------------|--------------------------------|
| 1. | Glenmark Holding SA | 10 000 | 100,00% | 10 000 | 100,00% |
| | Total | 10 000 | 100,00% | 10 000 | 100,00% |

OWNERSHIP STRUCTURE OF THE SHARE CAPITAL AS AT THE PREVIOUS BALANCE SHEET DATE

| Item | Shareholder | Number of shares | % of the share capital | Number of votes | % of the total number of votes |
|------|---------------------|------------------|------------------------|-----------------|--------------------------------|
| 1. | Glenmark Holding SA | 10 000 | 100,00% | 10 000 | 100,00% |
| | Total | 10 000 | 100,00% | 10 000 | 100,00% |

10 REVALUATION RESERVE

In periods covered by the financial statement the Company did not hold revaluation reserve.

11 PROVISIONS

CHANGE IN PROVISIONS FOR EMPLOYEE BENEFITS IN THE CURRENT REPORTING PERIOD

| Item | Specification | Provisions for: | | | | | Total provisions |
|------|--|--------------------------|-----------------|--------------------|----------------------|-------|------------------|
| | | retirement severance pay | jubilee bonuses | allowances in-kind | unused annual leaves | other | |
| 1. | Provisions opening balance | | | | 743 431,42 | | 743 431,42 |
| 2. | Increase in provisions (due to): | - | - | - | 462 116,84 | - | 462 116,84 |
| 2.1 | - provisions established in the period, recognised in the profit and loss account | | | | 462 116,84 | | 462 116,84 |
| 2.2 | - other | | | | | | - |
| 2.3 | - subsidiary purchase | | | | | | - |
| 2.4 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | - |
| 3. | Decrease in provisions (due to): | - | - | - | 743 431,42 | - | 743 431,42 |
| 3.1 | - provisions released in the period, recognised in the profit and loss account | | | | 743 431,42 | | 743 431,42 |
| 3.2 | - other | | | | | | - |
| 3.3 | - subsidiary sale | | | | | | - |
| 3.4 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | - |
| 4 | Provisions closing balance, including: | - | - | - | 462 116,84 | - | 462 116,84 |
| 4.1 | - long-term | | | | | | - |
| 4.2 | - short-term | | | | 462 116,84 | | 462 116,84 |

CHANGE IN PROVISIONS FOR EMPLOYEE BENEFITS IN THE PREVIOUS REPORTING PERIOD

| Item | Specification | Provisions for: | | | | | Total provisions |
|------|--|--------------------------|-----------------|--------------------|----------------------|-------|------------------|
| | | retirement severance pay | jubilee bonuses | allowances in-kind | unused annual leaves | other | |
| 1. | Provisions opening balance | | | | 870 977,17 | | 870 977,17 |
| 2. | Increase in provisions (due to): | - | - | - | 743 431,42 | - | 743 431,42 |
| 2.1 | - provisions established in the period, recognised in the profit and loss account | | | | 743 431,42 | | 743 431,42 |
| 2.2 | - other | | | | | | - |
| 2.3 | - subsidiary purchase | | | | | | - |
| 2.4 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | - |
| 3. | Decrease in provisions (due to): | - | - | - | 870 977,17 | - | 870 977,17 |
| 3.1 | - provisions released in the period, recognised in the profit and loss account | | | | 870 977,17 | | 870 977,17 |
| 3.2 | - other | | | | | | - |
| 3.3 | - subsidiary sale | | | | | | - |
| 3.4 | - exchange differences arising on the translation of a financial statement of a foreign entity | | | | | | - |
| 4 | Provisions closing balance, including: | - | - | - | 743 431,42 | - | 743 431,42 |
| 4.1 | - long-term | | | | | | - |
| 4.2 | - short-term | | | | 743 431,42 | | 743 431,42 |

12 FINANCIAL LIABILITIES

The company has no other financial liabilities apart from trade liabilities.

13 FINANCIAL RISK MANAGEMENT

The company has many risks. The first is the credit risk that the Company attempts to reduce through cooperation with a limited group of recipients. The group cooperates with Euler Hermes, which sets credit limits. The company tries not to cooperate with companies that do not have a specific credit limit. The next risk is the liquidity risk, which the Company limits through financial support from the group, extending payment deadlines and through the use of other financing methods such as factoring. The risk of exchange rate fluctuations The Company tries to limit by cooperating with a limited number of suppliers from abroad. The last risk that the Company faces is the risk of changing the price. The purchase prices of commodities from related companies are set in such a way as to provide the Company with a proper margin, assuming that the sales plan is implemented. The most prone to price erosion are products sold in hospital tenders, which is why the Company has a limited portfolio in this area. The company's main financial instruments include trade receivables (category of loans and own receivables) in the amount of PLN 66,932,245.80, cash (loan category and own receivables) in the amount of PLN 5,829,927.87, as well as trade payables (other liabilities category) in the amount of PLN 70,197,325.06. The carrying amount of these instruments is their approximate fair value.

14 HEDGE ACCOUNTING

The Company does not use hedge accounting.

15 LIABILITIES SECURED ON THE ENTITY'S ASSETS

In periods covered by the financial statement the Company did not have any liabilities secured on the entity's assets.

16 CONDITIONAL LIABILITIES

The company has no contingent liabilities.

17 OTHER INFORMATION REGARDING EQUITY

17.1. Proposed division of financial result

In the current year the Company suffered loss which shall be covered by revenues from next years.

18 REVENUES FROM SALES

NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS – BY TYPE

| Item | Specification | for the period | |
|------|---|----------------------------------|----------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1. | Net revenue from the sales of products: | 31 205 102,17 | 31 124 787,79 |
| 1.1. | - products | | |
| 1.2. | - services (re-invoiced costs) | 31 205 102,17 | 31 124 787,79 |
| 2. | Net revenue from the sale of goods and materials: | 75 308 831,88 | 59 751 276,15 |
| 2.1. | - goods | 75 244 586,87 | 59 680 731,56 |

| | | | |
|------|-------------|-----------|-----------|
| 2.2. | - materials | 64 245,01 | 70 544,59 |
|------|-------------|-----------|-----------|

NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS – BY TERRITORY

| Item | Specification | for the period | |
|------|---|-------------------------------|-------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1. | Net revenue from the sales of products: | 31 205 102,17 | 31 124 787,79 |
| 1.1. | - country | | |
| 1.2. | - export | 31 205 102,17 | 31 124 787,79 |
| 2. | Net revenue from the sale of goods and materials: | 75 308 831,88 | 59 751 276,15 |
| 2.1. | - country | 75 244 586,87 | 59 680 731,56 |
| 2.2. | - export | 64 245,01 | 70 544,59 |

19 OTHER REVENUES AND COSTS

19.1. Other operating activity

OTHER OPERATING REVENUES

| Item | Specification | for the period | |
|------|--|-------------------------------|-------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1. | Gain on disposal of non-financial fixed assets | 81,30 | 540,65 |
| 2. | Subsidies | | |
| 3. | Revaluation of non-financial fixed assets | 455 017,14 | - |
| 4. | Other operating revenues: | 6 488 960,26 | 31 707,74 |
| 4.1. | - due to rounding | 1,87 | 2,74 |
| 4.2. | - other | 6 488 958,39 | 31 705,00 |
| 5. | Total other operating revenues | 6 944 058,70 | 32 248,39 |

OTHER OPERATING EXPENSES

| Item | Specification | for the period | |
|------|---|----------------------------------|----------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1. | Loss on disposal of non-financial fixed assets | 56 763,43 | - |
| 1.1. | - revenue on disposal (-) | 56 763,43 | - |
| 1.2. | - net value of disposed fixed assets (+) | | |
| 2. | Revaluation of non-financial fixed assets | - | 573 361,34 |
| 3. | Other operating expenses: | 2 121,12 | 5 888,68 |
| 3.1. | - due to rounding | 16,52 | 1,26 |
| 3.2. | - donations | | |
| 3.3. | - provision for costs of court proceedings ASA Sp. z o.o. | | |
| 3.4. | -other | 2 104,60 | 5 887,42 |
| 4. | Total other operating expenses | 58 884,55 | 579 250,02 |

19.2. Financial activity

FINANCIAL REVENUES – INTEREST

| Item | Specification | Interest accrued and realised | Interest accrued and not realised | Total interest |
|------|------------------------------|----------------------------------|--------------------------------------|----------------|
| 1. | Towards related parties | - | | - |
| 1.1. | - debt financial instruments | | | - |
| 1.2. | - loans granted | | | - |
| 1.3. | - own receivables | | | - |
| 1.4. | - other assets | | | - |
| 2. | Towards other entities | - | | - |
| 2.1. | - debt financial instruments | | | - |
| 2.2. | - loans granted | | | - |
| 2.3. | - own receivables | | | - |
| 2.4. | - deposits and other assets | | | - |

FINANCIAL EXPENSES – INTEREST

| Item | Specification | Interest accrued and realised | Interest accrued and not realised | Total interest |
|------|--|----------------------------------|--------------------------------------|----------------|
| 1. | Towards related parties | - | - | - |
| 1.1. | - financial liabilities held for trading | | | - |
| 1.2. | - long-term financial liabilities | - | - | - |
| 1.3. | - other short-term liabilities | | | - |
| 1.4. | - other liabilities | | | - |
| 2. | Towards other entities | | | - |
| 2.1. | - financial liabilities held for trading | | | - |
| 2.2. | - long-term financial liabilities | | | - |
| 2.3. | - other short-term liabilities | | | - |
| 2.4. | - other liabilities | | | - |

OTHER FINANCIAL EXPENSES

| Item | Specification | for the period | |
|------|---|----------------------------------|----------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1.1. | Surplus of negative exchange differences over positive ones | 1 101 543,33 | 793 069,64 |
| 1.2. | Other | 88 576,63 | 280 384,79 |
| | Total other financial revenues | 1 073 454,43 | 1 190 119,96 |

OTHER FINANCIAL REVENUES

| Item | Specification | for the period | |
|---------------------------------------|---|----------------------------------|----------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1.1. | Surplus of positive exchange differences over negative ones | - | - |
| 1.2. | Other | - | - |
| Total other financial revenues | | - | - |

20 EXTRAORDINARY EVENTS

In periods covered by the financial statement no extraordinary events took place in the Company.

21 INCOME TAX

21.1. Current income tax

| SETTLEMENT OF CURRENT CORPORATE INCOME TAX FOR THE REPORTING PERIOD | | | |
|---|--|----------------------------------|----------------------------------|
| Item | Specification | for the period | |
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1. | Revenue and profits in records | 112 120 738,59 | 90 867 439,54 |
| 2. | Non-taxable revenue and exempt from tax (due to): | - 12 274 516,60 | - 12 494 894,70 |
| 2.1. | - exchange differences | 106 202,67 | 32 714,80 |
| 2.2. | - provisions released on revenue of future periods | | |
| 2.3. | - non-tax revenue due to invoiced provisions | | |
| 2.4. | - written-off liabilities towards recipients | - 34 013,79 | - 360 780,79 |
| 2.5. | - release of provisions for returns | 360 780,79 | 626 257,63 |
| 2.6. | - sales adjustments – provision | - 12 707 486,27 | - 11 604 265,70 |
| 2.7. | - deferred sales - goods issued in April invoices issued in March | | - 1 188 820,64 |
| 3. | Tax revenues not being accounting revenues (due to): | - 12 805 048,85 | - 9 383 404,64 |
| 3.1. | - exchange differences from previous years | - 11 962,51 | 146 268,87 |
| 3.2. | - released deferred sales - goods issued in April invoices issued in March | - 1 188 820,64 | |
| 3.3. | - released provisions from last year | - 11 604 265,70 | - 9 529 673,51 |
| 4. | Total tax revenue (1-2+3) | 111 590 206,34 | 93 978 929,60 |
| 5. | Costs and losses in records | 103 946 772,00 | 98 789 943,83 |
| 6. | Costs and losses being non-deductible expenses | 692 382,59 | 212 119,66 |
| 6.1. | - donations | 18 310,13 | 72 658,71 |
| 6.2. | contributions to the State Fund for the Rehabilitation of the Disabled | 86 118,00 | 92 398,00 |
| 6.3. | - car expenses non-deductible | 546 202,54 | |
| 6.4. | - - non-deductible VAT | 209,56 | 5 829,89 |
| 6.5. | - - other costs | 41 542,36 | 41 233,06 |
| 7. | Costs and losses temporarily being non-deductible expenses | 1 284 954,40 | - 60 178,58 |
| 7.1. | - released provisions from last year | - 1 956 966,23 | - 2 232 766,69 |
| 7.2. | - established provisions | 2 652 852,57 | 1 956 966,23 |
| 7.3. | - exchange differences | 876 280,34 | 44 677,40 |
| 7.4. | - costs from updating the value of stocks | - 583 290,01 | 573 361,34 |
| 7.5. | - costs of goods sold regarding deferred sales | 402 416,86 | - 402 416,86 |
| 7.6. | - factoring costs being non-deductible expenses | | |
| 7.7. | - difference between tangible fixed assets and intangible assets amortisation /depreciation for tax and balance sheet purposes | | |
| 7.8. | - unpaid interest on loans | | |
| 8. | Tax costs not being accounting costs | - | - |
| 8.1. | - paid interest on loans from previous years | | |
| 8.2. | - difference between tangible fixed assets and intangible assets amortisation /depreciation for tax and balance sheet purposes | | |
| 8.3. | - difference in recognition of factoring costs for tax and balance sheet purposes | | |

| | | | |
|-------|---|----------------|----------------|
| 9. | Total tax costs (5-6-7+8) | 101 863 095,88 | 98 638 002,75 |
| 10. | Income / loss (4-9) | 9 855 383,33 | - 4 659 073,15 |
| 11. | Income exempt from tax (amounts to be written with +) | - | - |
| 12. | Income deductions: | 9 266 030,50 | - |
| 12.1. | - tax losses from previous years | 9 266 030,50 | - |
| 12.2. | - donations | | |
| 12.3. | - other | | |
| 13. | Tax base (10-11-12) | 589 353 | - 4 659 073 |
| 14. | Income tax according to rate | 111 977,07 | - 885 223,87 |
| 15. | Tax deductions | | |
| 16. | Tax due (14-15) | 111 977 | - 885 224 |

21.2. Deferred income tax

DEFERRED TAX ASSETS

| Item | Specification of temporary differences – difference between tax and carrying value: | assets in the balance sheet as at | | change of the asset in correspondence with financial result for the period | | change of the asset in correspondence with equity for the period | |
|------|---|-----------------------------------|------------------|--|-------------------------------|--|-------------------------------|
| | | 31.03.2020 | 31.03.2019 | from 01.04.2019 to 31.03.2020 | from 01.04.2018 to 31.03.2019 | from 01.04.2019 to 31.03.2020 | from 01.04.2018 to 31.03.2019 |
| 1. | tangible fixed assets and intangible assets (without leasing) | | | | | | |
| 2. | tangible fixed assets and intangible assets in financial leasing | | | | | | |
| 3. | loans granted | | | | | | |
| 4. | financial assets at purchase price | | | | | | |
| 5. | Reserves from returns | 0 | 68 548 | -68 548 | -50 441 | | |
| 6. | Reserves for stock | 0 | 110 825 | -110 825 | 108 939 | | |
| 7. | trade receivables and other (provision for rebates) | 0 | 2 204 810 | -2 204 810 | 394 173 | | |
| 8. | provisions for employee benefits | 0 | 141 252 | -141 252 | -24 234 | | |
| 9. | other provisions | 0 | 230 572 | -230 572 | -28 168 | | |
| 10. | factoring costs | 0 | 0 | 0 | 0 | | |
| 11. | trade liabilities and other (exchange differences) | 0 | 2 273 | -2 273 | 30 064 | | |
| 12. | interest on loan | 0 | 0 | 0 | 0 | | |
| 13. | tax losses to be settled next years | 1 083 956 | 3 521 092 | -2 437 136 | 885 224 | | |
| 14. | other temporary differences | 0 | 149 417 | -149 417 | 149 417 | | |
| | Total | 1 083 956 | 6 428 789 | -5 344 833 | 1 464 974 | | |

DEFERRED TAX PROVISION

| Item | Specification of temporary differences – difference between tax and carrying value: | provisions in the balance sheet as at | | change of the provision in correspondence with financial result for the period | | change of the provision in correspondence with equity for the period | |
|------|---|---------------------------------------|------------|--|-------------------------------|--|-------------------------------|
| | | 31.03.2020 | 31.03.2019 | from 01.04.2019 to 31.03.2020 | from 01.04.2018 to 31.03.2019 | from 01.04.2019 to 31.03.2020 | from 01.04.2018 to 31.03.2019 |
| 1. | tangible fixed assets and intangible assets (without leasing) | | | | | | |
| 2. | tangible fixed assets and intangible assets in financial leasing | | | | | | |
| 3. | loans granted | | | | | | |
| 4. | financial assets at fair value | | | | | | |
| 5. | trade receivables and other | | | | | | |
| 6. | receivables (revenues accrued statically) | | | | | | |
| 7. | credits and loans obtained | | | | | | |
| 8. | financial liabilities at fair value | | | | | | |
| 9. | trade liabilities and other (exchange differences) | | | | | | |
| 10. | other temporary differences | | | | | | |
| | Total | - | - | - | - | - | - |

| | |
|---|------------------------------|
| The income tax burden shown in profit and loss account -deferred part | 5 456 810,00 5 344 833,00 |
|---|------------------------------|

22. DISCONTINUED OPERATIONS

In periods covered by the financial statement the Company did not discontinue its operations.

23. ADDITIONAL INFORMATION TO THE CASH FLOW STATEMENT

STRUCTURE OF CASH RECOGNISED IN THE CASH FLOW STATEMENT

| Item | Specification | As at | |
|------|---|---------------------|---------------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Cash in hand | 3 425,30 | 902,69 |
| 2. | Cash at bank | 5 826 502,57 | 4 747 025,54 |
| 3. | Other cash | | |
| 4. | Other cash assets | | |
| 5. | Total cash indicated in the balance sheet | 5 829 927,87 | 4 747 928,23 |
| 6. | Short-term financial assets classified for the purpose of cash flow statement as cash | | |
| 7. | Exchange differences from the balance sheet cash valuation | | |
| 8. | Total cash indicated in the cash flow statement | 5 829 927,87 | 4 747 928,23 |

24. EXCHANGE RATES

EXCHANGE RATES USED IN VALUATION OF ITEMS EXPRESSED IN FOREIGN CURRENCIES

| Item | Specification | As at | |
|------|---------------|------------|------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | EUR/PLN | 4,5523 | 4,3013 |
| 2. | USD/PLN | 4,1466 | 3,8365 |
| 3. | CZK/PLN | 0,1665 | |
| 4. | RON/PLN | 0,9429 | |

AVERAGE EMPLOYMENT

AVERAGE EMPLOYMENT WITH A BREAKDOWN INTO PROFESSIONALS

| Item | Specification | For the period | |
|------|----------------------------------|-------------------------------|-------------------------------|
| | | from 01.04.2019 to 31.03.2020 | from 01.04.2019 to 31.03.2020 |
| 1. | White collar | 104 | 97 |
| 2. | Blue collar | | |
| 3. | Total number of employees | 104 | 97 |

25. REMUNERATION PAID OR PAYABLE TO MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

In periods covered by the financial statement the Company paid remuneration to members of the management and supervisory bodies, however, the Company's policy makes their disclosure impossible.

26. LOANS AND SIMILAR ALLOWANCES GRANTED TO MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

In periods covered by the financial statement loans and similar allowances were not granted to members of the management and supervisory bodies.

27. REMUNERATION OF AN ENTITY AUTHORISED TO AUDIT THE FINANCIAL STATEMENT

Remuneration of an entity authorised to audit the financial statement paid and due for the financial year includes:

- Audit of the financial statement for the period from 01.04.2019 to 31.03.2020, which according to the agreement amounts to PLN 40 000,00.
- Quarterly reviews for the periods of 01/04/2019-30.06.2019, 01/07/2019-30/09/2019, 1/11/2019-31/12/2019, which according to the agreement amounted to 30,500.00

28. CONTRACTS EXECUTED BY THE COMPANY NOT INCLUDED IN THE BALANCE SHEET

In periods covered by the financial statement the Company did not execute any contracts not included in the balance sheet.

29. TRANSACTIONS WITH RELATED PARTIES

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES – SALE AND RECEIVABLES

| Item | Specification | Revenue from sale of products, goods and materials | Other operating revenue | Long-term receivables (net value) | Receivables due to deliveries and services | | | Other short-term receivables (net value) |
|--------------|--|--|-------------------------|-----------------------------------|--|--|------------------------|--|
| | | | | | net value | gross value due to deliveries and services | revaluation write-offs | |
| 1. | Glenmark Pharmaceuticals S.R.O. | 34 996 622,01 | | | | 17 648 225,52 | | |
| 2. | Glenmark Pharmaceuticals Distribution s.r.o. | 72 725,17 | | | | 248 4640,49 | | |
| 3. | Glenmark Pharmaceuticals Europe UK | | | | | | | |
| 4. | Glenmark Pharmaceuticals SRL | | | | | | | |
| 5. | Glenmark Pharmaceuticals LTD Indie | | | | | 1 382,00 | | |
| Total | | 35 069 347,18 | - | - | - | 17 898 072,01 | - | - |

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES – PURCHASE AND LIABILITIES

| Item | Specification | Acquisitions made as: | | | | Short-term liabilities | | Long-term liabilities (without loans) |
|--------------|--|------------------------------------|-----------------------|----------------|------------------|--------------------------------|-----------------------|---------------------------------------|
| | | costs of primary business activity | other operating costs | current assets | fixed assets | due to deliveries and services | other (without loans) | |
| 1. | Glenmark Pharmaceuticals S.R.O. | 37 105 955,59 | | | | 55 187 578,17 | | |
| 2. | Glenmark Pharmaceuticals Distribution s.r.o. | 1 623 286,88 | | | | 3 867 424,67 | | |
| 3. | Glenmark Pharmaceuticals Europe UK | | | | | | | |
| 4. | Glenmark Pharmaceuticals SRL Romania | | | | 11 960,5 | | | |
| Total | | 38 729 242,47 | - | - | 11 960,50 | 59 066 932,98 | - | - |

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES – FINANCIAL ACTIVITY

| Item | Specification | Loans granted: | | | Loans received: | | |
|--------------|---------------------------------|----------------------------|-----------------------------|----------------------------------|-----------------------|------------------------|---------------------------------|
| | | long-term financial assets | short-term financial assets | financial income due to interest | long-term liabilities | short-term liabilities | financial costs due to interest |
| 1. | Glenmark Pharmaceuticals S.R.O. | | | | | | |
| Total | | - | - | - | | | |

30. INFORMATION ON SIGNIFICANT EVENTS REGARDING PREVIOUS YEARS INCLUDED IN THE FINANCIAL STATEMENT OF THE FINANCIAL YEAR

To the date of the financial statement for the financial year, i.e. to 08 June 2020, no events regarding previous years took place which should be recorded in the books of account of the financial year for which the financial statement was prepared.

31. INFORMATION ON SIGNIFICANT EVENTS THAT TOOK PLACE AFTER THE BALANCE SHEET DATE, NOT INCLUDED IN THE FINANCIAL STATEMENT

After the balance sheet date to the date of the financial statement for the financial year, i.e. to 08 June 2020, no events took place that would have not been recorded in the books of account of the financial year for which the financial statement was prepared.

32. CHANGES IN ACCOUNTING PRINCIPLES (POLICIES) IN THE FINANCIAL YEAR

In the financial year ended 31 March 2020 there were no changes to the accounting principles.

33. INFORMATION ON UNCONSOLIDATED JOINT VENTURES

Not applicable.

34. LIST OF ENTITIES IN WHICH THE COMPANY HOLDS AT LEAST 20% OF SHARES IN THE EQUITY OR GENERAL NUMBER OF VOTES IN THE GOVERNING BODY OF SUCH ENTITY

The Company does not hold any shares in the equity of other entities.

35. CONSOLIDATED FINANCIAL STATEMENT

Financial statements are consolidated by Glenmark Pharmaceuticals L.T.D in India.

36. MERGER OF COMPANIES

In periods covered by the financial statement, the Company did not merge with other Commercial Companies.

37. UNCERTAINTIES AS TO THE POSSIBILITY OF CONTINUING OPERATIONS

The Management Board does not see any threats as to the possibility of continuing operations by the Company.

38. OTHER SIGNIFICANT INFORMATION –COVID 2019

The epidemiological state in Poland has caused significant changes on the pharmaceutical market. In the first month of the epidemic, a significant increase in demand for pharmaceutical products could be observed. In the following months (April, May) the market significantly adjusted its capabilities, mainly due to the persistent lack of availability of doctors and the large stocking up of distribution channels. In these months, customers severely limited their purchases, which translated into a decrease in sales vs the corresponding period of the previous year in virtually all therapeutic areas, but looking at the market in terms of the 5 months of 2020, the market still maintains several percent increases.

We believe that the circumstances described do not indicate the existence of significant uncertainty regarding the continuation of operations.

Achin Gupta, Member of the Management Board

Andrzej Gondek, Member of the Management Board

Oliver Henry Bourne, Member of the Management Board

Izabela Markowska, Person in charge of bookkeeping