

**GLENMARK PHARMACEUTICALS
S. R. O.
PRAGUE**

R E P O R T

**ON THE AUDIT
OF FINANCIAL STATEMENTS
AS AT 31 MARCH 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of

Glenmark Pharmaceuticals s.r.o.
limited liability company with registered capital of CZK 60.000.000,-
Registered Address: Praha 4, Hvězdova 1716/2b, PSČ 14078
Company Identification Number (IČ): 465 05 164

Auditor's Opinion

We have audited the accompanying financial statements of Glenmark Pharmaceuticals s.r.o. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, showing a balance sheet total of 1.876.384 thds. CZK and a loss of 87.753 thds. CZK. These financial statements comprise the balance sheet as at 31 March 2021, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information presented in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. Managing Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material aspects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgements made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material aspects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, that the other information does not contain any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Managing Directors (hereinafter also "Company's statutory body") and Supervisory Board for the Financial Statements

Company's statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing in the notes to the financial statements, as applicable, matters related to going concern and using the going concern basis of accounting unless the Company's statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's statutory body in the notes to the financial statements.

- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with the Company's statutory body regarding, among other matters, the planned scope and timing of the audit and our significant audit findings, including any significant deficiencies identified in the internal controls.

Grant Thornton Audit s.r.o.
Audit Firm
Pujmanové 1753/10a, Praha 4
Licence No. 603

Prague on 10 -05- 2021



Ing. Leoš Horváth
Auditor, Licence No. 2013
Proxy





Ing. Michal Kováč
Auditor, Licence No. 1188

**Financial statements and Annual Report
for the year ended 31.3.2021**

Name of accountancy unit: Glenmark Pharmaceuticals s.r.o.
Seat: Hvězdova 1719/2b
Praha 4
14078
Identif. Code: 46505164
Compiled on: 7.5.2021

Components of the Financial Statements:

Balance Sheet
Profit and Loss Statement
Statement of changes in Equity
Cash Flow Statement
Notes to the Financial Statements
Annual Report including Report of relationships

Name of statutory body or individual, who is an accounting unit:	Signature
Andrzej Gondek	
Person responsible for financial statements (Name)	Signature
Jana Neradová	



BALANCE SHEET
in full scale
as of 31.3.2021
(in entire thousands CZK)

Name and seat
of accountancy unit
Glenmark Pharmaceuticals s.r.o.

Identif. Code:
46505164

Hvězdova 1719/2b
Praha 4
14078

Denotation a	A S S E T S b	Current accounting period			Previous acc. period
		Brutto 1	Correction 2	Netto 3	Netto 4
	TOTAL ASSETS	2 422 589	- 546 205	1 876 384	2 176 958
A.	Amounts receivable for subscribed registered capital				
B.	Fixed assets	1 091 997	- 531 117	560 880	449 875
B. I.	Long-term intangible assets	701 521	- 363 896	337 625	242 867
B. I. 1.	Intangible results of development				
B. I. 2.	Valuable rights (patents, licences and know-how)	459 452	- 360 990	98 462	104 115
B. I. 2.1.	Software	2 443	- 1 145	1 298	1 197
B. I. 2.2.	Other valuable rights (patents, licences and know-how)	457 009	- 359 845	97 164	102 918
B. I. 3.	Goodwill				
B. I. 4.	Other long-term intangible assets				
B. I. 5.	Advances for intangible fixed assets and intangible fixed assets under construction	242 069	- 2 906	239 163	138 752
B. I. 5.1.	Advances for long-term intangible assets				
B. I. 5.2.	Intangible fixed assets under construction	242 069	- 2 906	239 163	138 752
B. II.	Long-term tangible assets	361 176	- 167 221	193 955	181 104
B. II. 1.	Land and structures	205 397	- 82 306	123 091	118 059
B. II. 1.1.	Land	983		983	983
B. II. 1.2.	Structures	204 414	- 82 306	122 108	117 076
B. II. 2.	Plant and equipment	149 957	- 84 915	65 042	60 091
B. II. 3.	Goodwill, incl. market value increment				
B. II. 4.	Other long-term tangible assets				
B. II. 4.1.	Forests, orchards etc.				
B. II. 4.2.	Full-grown animals and their herds				
B. II. 4.3.	Other long-term tangible assets				
B. II. 5.	Advances for tangible fixed assets and tangible fixed assets under construction	5 822		5 822	2 954
B. II. 5.1.	Advances for tangible fixed assets	1 096		1 096	
B. II. 5.2.	Long-term tangible assets in progress	4 726		4 726	2 954
B. III.	Long-term financial assets	29 300		29 300	25 904
B. III. 1.	Equity investments - group undertakings	29 300		29 300	25 904
B. III. 2.	Loans - controlled and controlling organizations				
B. III. 3.	Equity investments - associated companies				
B. III. 4.	Loans - associated companies				
B. III. 5.	Other long-term securities and equity investments				
B. III. 6.	Loans - other				
B. III. 7.	Other long-term investments				
B. III. 7.1.	Other long-term investments				
B. III. 7.2.	Advances for long-term financial assets				

Denotation a	A S S E T S b	Current accounting period			Previous acc. period
		Brutto 1	Correction 2	Netto 3	Netto 4
C.	Current assets	985 831	- 15 088	970 743	1 368 771
C. I.	Inventories	125 589	- 14 731	110 858	65 517
C. I. 1.	Materials	27 913	- 656	27 257	37 330
C. I. 2.	Work-in-progress and semi-finished products	6 808		6 808	7 281
C. I. 3.	Finished goods and goods for resale	90 868	- 14 075	76 793	20 906
C. I. 3.1.	Finished goods	34 811	- 8 032	26 779	11 289
C. I. 3.2.	Purchased goods for resale (inc. goods in transit)	56 057	- 6 043	50 014	9 617
C. I. 4.	Young and other animals and their herds				
C. I. 5.	Advance payments for inventories				
C. II.	Receivables	761 897	- 357	761 540	1 241 869
C. II. 1.	Long-term receivables	74 287		74 287	59 573
C. II. 1.1.	Trade receivables				
C. II. 1.2.	Inter-group receivables (controlled or controlling entity)				
C. II. 1.3.	Inter-group receivables - significant influence				
C. II. 1.4.	Deferred tax receivable	72 120		72 120	57 406
C. II. 1.5.	Receivables - other	2 167		2 167	2 167
C. II. 1.5.1.	Receivables from partners				
C. II. 1.5.2.	Long-term advances granted	2 167		2 167	2 167
C. II. 1.5.3.	Estimated receivables				
C. II. 1.5.4.	Other receivables				
C. II. 2.	Short-term receivables	687 610	- 357	687 253	1 182 296
C. II. 2.1.	Trade receivables	590 695	- 357	590 338	1 034 543
C. II. 2.2.	Inter-group receivables (controlled or controlling entity)				
C. II. 2.3.	Inter-group receivables - significant influence				
C. II. 2.4.	Receivables - other	96 915		96 915	147 753
C. II. 2.4.1.	Receivables from partners				
C. II. 2.4.2.	Social security and health insurance				
C. II. 2.4.3.	Due from state - tax receivables	82		82	17 856
C. II. 2.4.4.	Short-term advances granted	939		939	1 371
C. II. 2.4.5.	Estimated receivables	95 879		95 879	105 396
C. II. 2.4.6.	Other receivables	15		15	23 130
C. III.	Short-term financial assets				
C. III. 1.	Equity investments - group undertakings				
C. III. 2.	Other short-term financial assets				
C. IV.	Cash	98 345		98 345	61 385
C. IV. 1.	Cash in hand				
C. IV. 2.	Bank accounts	98 345		98 345	61 385
D. I.	Accruals	344 761		344 761	358 312
D. I. 1.	Prepaid expenses	344 761		344 761	358 312
D. I. 2.	Complex prepaid expenses				
D. I. 3.	Accrued income				

Denotation a	EQUITY + LIABILITIES b	Current acc. period 5	Previous acc. period 6
	TOTAL EQUITY + LIABILITIES	1 876 384	2 176 958
A.	Equity	1 046 258	1 130 614
A. I.	Registered capital	60 000	60 000
A. I. 1.	Registered capital	60 000	60 000
A. I. 2.	Own shares/ownership interests (-)		
A. I. 3.	Changes in registered capital		
A. II.	Premium and capital funds	2 465 618	2 462 221
A. II. 1.	Share premium	18 587	18 587
A. II. 2.	Capital funds	2 447 031	2 443 634
A. II. 2.1.	Other capital funds	2 448 318	2 448 318
A. II. 2.2.	Valuation differences from re-valuation of assets and liabilities (+/-)	- 1 287	- 4 684
A. II. 2.3.	Differences from revaluation in transformation of companies (+/-)		
A. II. 2.4.	Differences from transformation of companies (+/-)		
A. II. 2.5.	Differences from valuation in transformation of companies (+/-)		
A. III.	Funds from earnings	8 529	8 529
A. III. 1.	Other reserve funds	8 498	8 498
A. III. 2.	Statutory and other funds	31	31
A. IV.	Retained profit or loss from prior year (+/-)	- 1 400 136	- 1 378 774
A. IV. 1.	Retained earnings or losses (+/-)	- 1 400 136	- 1 378 774
A. IV. 2.	Other profit or loss from previous years (+/-)		
A. V.	Profit or loss of the current accounting period (+/-)	- 87 753	- 21 362
A. VI.	Approved advance profit distribution (-)		
B. + C.	Liabilities	829 427	1 045 743
B.	Provisions	142 927	124 303
B. I.	Provision for pensions and similar liabilities		
B. II.	Provision for income tax		
B. III.	Provisions made according to special legal regulations		
B. IV.	Other provisions	142 927	124 303

Denotation a	EQUITY + LIABILITIES b	Current acc. period 5	Previous acc. period 6
C.	Liabilities	686 500	921 440
C. I.	Long-term liabilities	114 067	134 646
C. I. 1.	Issued bonds		
C. I. 1.1.	Convertible debentures and bonds		
C. I. 1.2.	Other debentures and bonds		
C. I. 2.	Liabilities to credit institutions		
C. I. 3.	Long-term advances received		
C. I. 4.	Trade payables		
C. I. 5.	Long-term promissory notes		
C. I. 6.	Inter-group payables (controlled or controlling entity)		
C. I. 7.	Inter-group payables - significant influence		
C. I. 8.	Deferred tax payable		
C. I. 9.	Liabilities - other	114 067	134 646
C. I. 9.1.	Payables to partners		
C. I. 9.2.	Estimated payables		
C. I. 9.3.	Other payables	114 067	134 646
C. II.	Short-term liabilities	572 433	786 794
C. II. 1.	Issued bonds		
C. II. 1.1.	Convertible debentures and bonds		
C. II. 1.2.	Other debentures and bonds		
C. II. 2.	Liabilities to credit institutions		
C. II. 3.	Short-term advances received		
C. II. 4.	Trade payables	480 138	626 769
C. II. 5.	Short-term bills of exchange payable		
C. II. 6.	Inter-group payables (controlled or controlling entity)		
C. II. 7.	Inter-group payables - significant influence		
C. II. 8.	Liabilities - other	92 295	160 025
C. II. 8.1.	Payables to partners		
C. II. 8.2.	Other short-term borrowings		
C. II. 8.3.	Payables to employees	4 945	4 698
C. II. 8.4.	Social security and health insurance payables	2 551	2 673
C. II. 8.5.	Due to state - taxes and subsidies	15 587	623
C. II. 8.6.	Estimated payables	38 508	105 743
C. II. 8.7.	Other payables	30 704	46 288
D.	Accruals	699	601
D. I.	Accrued expenses	699	601
D. II.	Deferred income		

PROFIT AND LOSS STATEMENT - classification by types

in full scale
as of 31.3.2021
(in entire thousands CZK)

Name and seat
of accountancy unit
Glenmark Pharmaceuticals s.r.o.

Identif. Code:
46505164

Hvězdova 1719/2b
Praha 4
14078

Denotation a	TEXT b	Accounting period	
		Current 1	Previous 2
I.	Revenue from products and services	305 177	465 883
II.	Sales of goods bought for resale	1 342 526	1 172 838
*	Total sales	1 647 703	1 638 721
A.	Purchased consumables and services	1 564 616	1 749 467
A. 1.	Cost of goods sold	786 404	690 546
A. 2.	Consumables	200 077	274 857
A. 3.	Services	578 135	784 064
B.	Change in inventory of own production (+/-)	- 20 680	13 213
C.	Own work capitalized (-)		
D.	Staff costs	92 598	76 654
D. 1.	Wages and salaries	65 717	54 514
D. 2.	Social security, health insurance and other expenses	26 881	22 140
D. 2. 1.	Social security and health insurance expenses	21 416	18 236
D. 2. 2.	Other expenses	5 465	3 904
E.	Adjustments relating to operating activities	51 162	42 031
E. 1.	Adjustments to intangible and tangible fixed assets	50 519	39 751
E. 1. 1.	Depreciation and amortization of intangible and tangible fixed assets	40 913	41 930
E. 1. 2.	Impairment of intangible and tangible fixed assets	9 606	- 2 179
E. 2.	Adjustments to inventories	2 283	1 382
E. 3.	Adjustments to receivables	- 1 640	898
III.	Other operating revenues	12 023	376 515
III. 1.	Proceeds from disposals of fixed assets	5	365 147
III. 2.	Proceeds from disposals of raw materials	3 475	695
III. 3.	Other operating revenues	8 543	10 673
F.	Other operating expenses	47 956	82 359
F. 1.	Net book value of fixed assets sold	11	8 629
F. 2.	Material sold	3 475	187
F. 3.	Taxes and charges	3 153	25 630
F. 4.	Provisions relating to operating activity and complex prepaid expenses	18 625	1 189
F. 5.	Other operating expenses	22 692	46 724
*	Operating profit or loss (+/-)	- 75 926	51 512

Denotation a	T E X T b	Accounting period	
		Current 1	Previous 2
IV.	Revenue from long-term investments - equity investments		
IV. 1.	Revenue from equity investments - group undertakings		
IV. 2.	Other revenue from equity investments		
G.	Cost of equity investments sold		
V.	Revenue from other long-term investments		
V. 1.	Revenue from other long-term investments - group undertakings		
V. 2.	Other revenue from other long-term investments		
H.	Expenses related to other long-term investments		
VI.	Interest revenue and similar revenue	69	1 380
VI. 1.	Interest revenue and similar revenue - group undertakings		
VI. 2.	Other interest revenue and similar revenue	69	1 380
I.	Adjustments and provisions relating to financial activity		
J.	Interest expense and similar expense	10 477	2 280
J. 1.	Interest expense and similar expense - group undertakings		
J. 2.	Other interest expense and similar expense	10 477	2 280
VII.	Other financial revenues	47 166	35 771
K.	Other financial expenses	63 299	50 937
*	Profit (loss) from financial operations	- 26 541	- 16 066
**	Profit (loss) before tax (+/-)	- 102 467	35 446
L.	Income tax	- 14 714	56 808
L. 1.	Current tax		
L. 2.	Deferred tax (+/-)	- 14 714	56 808
**	Profit (loss) after tax (+/-)	- 87 753	- 21 362
M.	Transfer of profit or loss to shareholders/members (+/-)		
***	Profit (loss) for the accounting period (+/-)	- 87 753	- 21 362
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. +	1 706 961	2 052 387

**STATEMENT OF
CHANGES IN EQUITY**

as of 31.3.2021
(in entire thousands CZK)

Identif. Code:
46505164

Name and seat
of accountancy unit
Glenmark Pharmaceuticals s.r.o.

Hvězdova 1719/2b
Praha 4
14078

	Share capital	Own shares/ ownership interests (-)	Share premium	Other capital funds	Differences from revaluation	Differences from reinformation	Funds from profit, reserve fund	Retained earnings or losses (+/-)	Other profit or loss from previous years	Profit or loss for the current period	TOTAL EQUITY
Balance at 31.3.2019	60 000		18 587	2 448 318	-13 022		8 529	-1 473 351		94 577	1 143 638
Distribution of profit or loss											
Change in share capital											
Profit share paid											
Profit share repayments declared											
Changes in capital funds					8 338						8 338
Profit or loss for the current period					-4 684						-21 362
Balance at 31.3.2020	60 000		18 587	2 448 318	-4 684		8 529	-1 378 774		-21 362	1 130 614
Distribution of profit or loss											
Change in share capital											
Profit share paid											
Profit share repayments declared											
Changes in capital funds					3 397						3 397
Profit or loss for the current period					-1 287						-87 753
Balance at 31.3.2021	60 000		18 587	2 448 318	-1 287		8 529	-1 400 136		-87 753	1 046 258

CASH FLOW STATEMENT

as of 31.3.2021
(in entire thousands CZK)

Name and seat
of accountancy unit
Glenmark Pharmaceuticals s.r.o.

Identif. Code:
46505164

Hvězdova 1719/2b
Praha 4
14078

Den. a	TEXT b	Balance in accounting period	
		current 1	previous 2
P.	Cash and cash equivalents, beginning of period	61 385	117 319
	Net operating cash flow	-	-
Z.	Accounting profit (loss) from ordinary activities	- 102 467	35 446
A. 1.	Non-cash transactions	80 201	- 314 224
1. 1.	Depreciation of fixed assets	40 913	39 751
2.	Change in:	28 874	1 290
2. 1.	goodwill and adjustments to acquired assets		
2.	provisions and other adjustments	28 874	1 290
3.	Profit(-) Loss(+) on sale of fixed assets	6	- 356 518
4.	Profit(-) Loss(+) on sale of securities		
5.	Revenue from dividends and profit distribution		
6.	Expense and revenue interests accounted for	10 408	900
7.	Other non-cash transactions		353
A. *	Net operating cash flow before financial items, changes in working capital and extraordinary items	- 22 266	- 278 778
A. 2.	Changes in working capital	246 707	339 833
2. 1.	Change in receivables from operating activities and deferrals	508 594	- 256 383
2.	Change in short-term liabilities from operating activities and accruals	- 214 263	582 779
3.	Change in inventories	- 47 624	13 437
4.	Change in short-term financial assets, other than cash and cash equivalents		
A. **	Net operating cash flow before financial balances, tax and extraordinary items	224 441	61 055
A. 3.	Interest paid excluding amounts capitalised		
A. 4.	Interest received	32	29
A. 5.	Income tax paid on ordinary income and income tax relating to prior periods		
A. 6.	Dividends received		
A. ***	Net operating cash flow	224 473	61 084

Den. a	TEXT b	Balance in accounting period	
		current 1	previous 2
	Investment activity	-	-
B. 1.	Acquisition of fixed assets	- 187 518	- 117 021
1. 1.	Acquisition of tangible fixed assets	- 109 114	- 84 904
2.	Acquisition of intangible fixed assets	- 78 404	- 32 117
3.	Acquisition of long-term investments		
B. 2.	Proceeds from sales of fixed assets	5	3
2. 1.	Proceeds from sales of tangible and intangible fixed assets	5	3
2.	Proceeds from sale of financial investments		
B. 3.	Advances and loans to related parties		
B. ***	Net cash flow from investment activity	- 187 513	- 117 018
	Financial activity	-	-
C. 1.	Change in long-term liabilities and bank loans		
C. 2.	Increase and decrease in equity from cash transactions		
2. 1.	Subscription of shares and investments, even. Funds from earnings		
2.	Equity paid to shareholders		
3.	Other cash contributions from partners and shareholders		
4.	Loss settlement from partners		
5.	Payments from funds created from net profit		
6.	Dividends paid, including withholding tax paid		
C. ***	Net cash flow from financial activity		
F.	Net increase or decrease in cash balance	36 960	55 934
R.	Cash and cash equivalents, end of period	98 345	61 385

NOTES TO THE FINANCIAL STATEMENTS
as of March 31, 2021

Glenmark Pharmaceuticals s.r.o.

Registered address: Hvězdova 1716/2b, 140 78 Praha 4

Legal status: Limited Liability Company

ID: 46505164

1. GENERAL INFORMATION

1.1. Subject of activity

Glenmark Pharmaceuticals s.r.o., Company Registration No.: **46505164**, is a limited liability company, registered in the Commercial Register on May 6, 1992 at the Citi Court in Prague, Section C, insert 150331. The address of the Company's seat is Hvězdova 1716/2b, 140 78 Prague 4.

The main business activities of the Company are as follows:

- Distribution of pharmaceuticals and medical equipment
- Chemical analyses
- Manufacturing of infusion solutions
- Manufacturing of pharmaceutical preparations

On March 31, 2016 there was a transfer of a part of the business establishment called CZ distribution business and CEEHQ to Glenmark Pharmaceuticals Distribution s.r.o., headquartered Hvězdova 1716 / 2b, Nusle, 140 78 Praha 4, VAT ID 04727339, registered in the Commercial Register maintained by the Municipal court in Prague, section C, File 252762.

1.2. Ownership structure

Name of owner	Address	Ownership interest %
Glenmark Holding SA	La Chaux-de-Fonds, Chemin de la Combeta 5, Switzerland confederation	100%
Total		100%

As of March 31, 2021, shares of 20% or more of the company's registered capital are held:

Name	Address	Ownership interest	Equity (in ths EUR)	Profit (in ths EUR)
GLENMARK PHARMACEUTICALS SK, s. r. o.	Tomášikova 64 83104 Bratislava	100%	1 121	173

Glenmark Pharmaceuticals s.r.o.

As of March 31, 2020, shares of 20% or more of the company's registered capital are held:

Name	Address	Ownership interest	Equity (in ths EUR)	Profit from previous period (in ths EUR)
GLENMARK PHARMACEUTICALS SK, s. r. o.	Tomášikova 64 83104 Bratislava	100%	948	267

Financial data is based on subsidiary's audited financial statements.

Glenmark Pharmaceuticals s.r.o is the part of Glenmark group, which has its consolidated financial statements prepared by the Glenmark Pharmaceuticals Ltd. (Glenmark House, B.D., Sawant Marg, Chakala, Off, Western Express Highway, Andherei (East), Mumbai – 400 099, India).

Financial result for the year ended March 31, 2020 was approved on October 19, 2020 and the loss of the company was transferred to the account retained earnings or losses.

The Shareholder intends to transfer the loss of the year ended March 31, 2021 to retained earnings.

1.3. Statutory representatives as of March 31, 2021

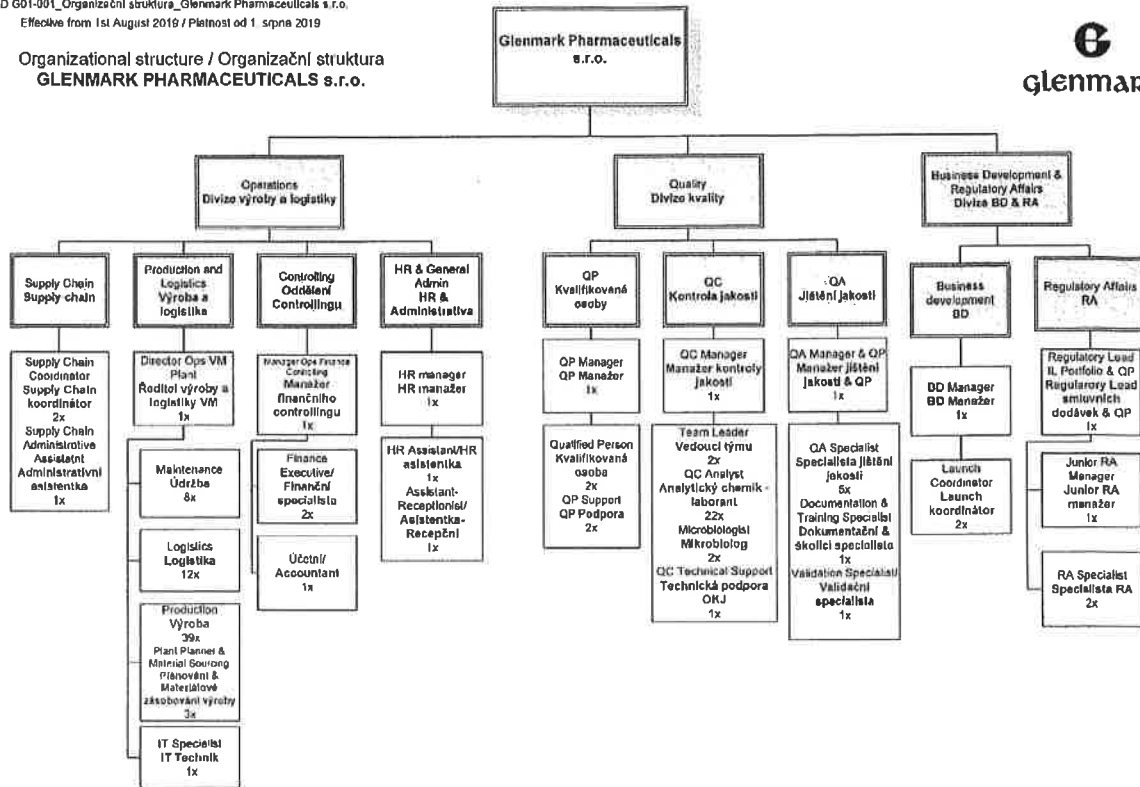
Oliver Henry Bourne	Since November 1, 2014
Andrzej Gondek	Since May 12, 2017
Achin Gupta	Since May 12, 2017
Ajay Varshney	Since November 19, 2019

Each executive acts independently on the company's behalf.

1.4. Organization chart of the company as of March 31, 2021

PD 001-001_Organizační struktura_Glenmark Pharmaceuticals s.r.o.
Effective from 1st August 2019 / Platnost od 1. srpna 2019

Organizational structure / Organizační struktura
GLENMARK PHARMACEUTICALS s.r.o.



Zpracoval/Prepared by: Pavlína Nejedlá
Podpis/Signature:

Ověřil/Verified by:
Podpis/Signature:

Schválil/Approved by: Marie Čejnková
Podpis/Signature:

2. BASIS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

These financial statements are prepared for the year ending March 31, 2021.

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

These financial statements are presented in thousands of Czech crowns ('CZK').

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Tangible fixed assets

Tangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 1 on an individual basis or assets from finished leasing, where the useful life is greater than one year.

Tangible fixed asset is valued at the acquisition costs which include purchase price, transportation costs and other expenses related to acquisition. Impairment of tangible assets is captured by provisions for diminution in value in the balance sheet correction column.

The cost of fixed asset improvements exceeding CZK 1 for the accounting period increases the acquisition cost of the related tangible fixed asset.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than assets under construction, over their estimated useful lives, using the straight-line method, on the following basis:

	Number of years
Buildings, facilities and construction sites	50
Machines and equipment	10
Means of transportation	4
Inventory	4
Other long-term tangible property	4

3.2. Intangible fixed assets

Intangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 1 on an individual basis. **Intangible fixed asset** is valued at the acquisition costs which include purchase price, transportation costs and other expenses related to acquisition.

Intangible fixed assets also include development activities with an estimated useful life greater than one year. Assets arising from development activities are capitalised only if utilised for repeated sale. They are valued at the lower of internal production costs and replacement cost. Intangible assets arising from research and development, software and valuable rights generated internally for the Company's internal needs are not capitalised.

Purchased intangible fixed assets are valued at cost less accumulated amortisation and any recognised impairment losses.

The cost of fixed asset improvements increases the acquisition cost of the related intangible fixed asset.

Intangibles include payments of fees related to the product registration process that are part of the cost of obtaining the product license.

Activation of long-term intangible property (licenses) occurs after the registration process is finished on behalf of the company upon the introduction of a product onto the market. The limit for activation of long-term intangible property is CZK 1.

Amortisation of licenses starts as of the activation date and lasts for 10 years in case of unlimited license rights. In situations of fixed period license agreements, the amortisation is over the period of the contract.

Amortisation of intangible fixed assets is recorded on a straight line-basis over their estimated useful lives as follows:

	Number of years
Software	5
Licenses	10

Impairment

Impairment of intangible fixed assets is recognised when the carrying value temporarily does not match the actual balance.

3.3. Financial Investment

Non-current financial assets principally consist of loans with maturity exceeding one year, equity investments, securities and equity investments available for sale and debt securities with maturity over one year held to maturity.

As defined by Section 25 paragraph letter f) of the Accounting Act, securities and shares are valued at the date (moment) of acquisition by using the acquisition prices. At the balance sheet date, they are revalued by equivalence method.

At the balance sheet date, the Company records equity investments in subsidiaries and associates at the value established using the equity method of accounting. The equity investment recognised at cost on acquisition is revaluated at the balance sheet date to reflect the value equivalent to the Company's proportion of a subsidiary's equity.

3.4. Inventory

Finished goods are valued at direct material costs, direct salaries and overhead costs. Merchandise is valued at acquisition costs. The acquisition costs mainly include purchase price, customs fees, storage costs and transportation costs if the items are transported. Work in progress is valued at direct costs. Inventory provision is created at 100% for items with expiry period less than 6 months from the balance sheet date and at 20 % for items without movement over 365 days. Provision is also created for the difference between accounting value and selling price less costs to sell (net realisable value).

3.5. Prepaid expenses

The company is posting on accounts prepaid expenses purchases of distribution rights for licenses from the company GPEL UK. Distribution rights are amortised over 10 years, starting when introducing product to the market.

3.6. Foreign currency translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank prevailing on the date of the transaction.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

Realized and unrealized profits and losses resulting from exchange rates are calculated into revenues or costs for the regular year. In the financial statements are unrealized exchange rate losses and gains settled and recorded in the other financial expenses and Other financial revenues according to the actual balance.

3.7. Receivables

Receivables are initially recognised at their nominal value. When necessary they are reduced by appropriate provisions for doubtful and bad amounts. The provisions for receivables are created based on the aging structure of the receivables, including an individual evaluation of the borrower's credit worthiness

Impairment

Provision for accounts receivable which are overdue more than 360 days is based on the following rules:

Receivables overdue:	Provision %:
361 – 720	5
721– 1 080	50
1 081 and more	100

3.8. Trade payables

Trade payables are recognised at their nominal value.

3.9. Provisions for liabilities and charges

Provisions are intended to cover future risks and expenditure, the nature of which is clearly defined and which are likely to be incurred, but which are uncertain as to the amount or the date on which they will arise.

3.10. Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

3.11. Revenue Recognition

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts; value added tax and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

3.12. Taxes

3.12.1. Depreciation of Fixed Assets for Tax Purposes

Depreciation of fixed assets is calculated using the straight-line method for the tax purposes.

3.12.2. Current tax payable

Management of the Company has not recognised a tax payable and a tax charge based on its tax calculation due to tax losses which follows from its understanding of the interpretation of Czech tax legislation valid at the financial statements date and believes that the amount of tax is correct in compliance with the effective Czech tax regulations. Since various interpretations of tax laws and regulations by third parties, including state administrative bodies, exist, the income tax payable reported in the Company's financial statements may change based on the ultimate opinion of the tax authorities.

3.12.3. Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Deferred taxes are based on all temporary differences between the accounting and tax value of assets and liabilities using the enacted tax rate valid for the period in which these temporary differences will be settled.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the related deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

3.13. Cash and cash equivalents

Cash equivalents represent short-term liquid assets from which a present cash amount can be withdrawn easily and on demand.

3.14. Subsequent events

The impact of events that occurred between the balance sheet date and the date of financial statements is captured in accounting reports if these events have provided additional information about circumstances that existed at the balance sheet date.

If important events occurred between the balance sheet date and the date of financial statements due to circumstances that occurred after the balance sheet date, the consequences of those events are described in the notes to the financial statements, but are not reflected in the financial statements themselves.

4. ACCOMPANYING INFORMATIONS FOR BALANCE SHEET AND PROFIT AND LOSS STATEMENT

4.1. Intangible assets (ths CZK)

	Software	Valuable rights	Other intangibles	Total
Cost:				
Balance at 31.3.2020	1 902	429 862	140 674	572 438
Additions	541	27 276	129 212	157 029
Disposals	0	-129	-27 817	-27 496
Balance as at 31.3.2021	2 443	457 009	242 069	701 521
Accumulated amortisation and impairment:				
Balance at 31.3.2020	705	326 944	1 922	329 571
Amortisation charge for the year	440	24 289	0	24 729
Disposals	0	-10	0	-10
Impairment loss	0	8 622	984	9 606
Balance as at 31.3.2021	1 145	359 845	2 906	363 896
Carrying value at 31.3.2021	1 298	97 164	138 752	337 625

4.2. Tangible assets (ths CZK)

	Land and Buildings	Individual movable fixed asset	Other tangibles and assets under construction	Total
Cost:				
Balance at 31.3.2020	196 511	141 459	2 954	340 924
Additions	8 886	17 173	6 699	54 986
Disposals	0	-8 675	- 3 831	-34 734
Balance as at 31.3.2021	205 397	149 957	5 822	361 176
Accumulated depreciation:				
Balance at 31.3.2020	74 452	81 368	0	159 820
Depreciation charge for the year	3 854	11 545	0	15 399
Disposals	0	-7 998	0	-7 998
Balance as at 31.3.2021	82 306	84 915	0	167 221
Carrying value at 31.3.2021	123 091	65 042	5 822	193 955

4.3. Inventories (ths CZK)

The company has performed physical inventory count and any identified differences were accounted as surplus and shortages.

4.4. Financial investment (ths CZK)

	Company	Balance at 31.3.2021	Balance at 31.3.2020
Equity share	GLENMARK PHARMACEUTICALS SK, s. r. o.	29 300	25 904

4.5. Receivables**4.5.1. Trade receivables (ths CZK)**

The standard contracted payment term is 60 days.

	Balance at 31.3.2021	Balance at 31.3.2020
Domestic trade receivables	25 734	66 774
Foreign trade receivables	564 604	967 769
Total (net of provision)	590 338	1 034 543

Aging of trade receivables

	Balance at 31.3.2021	Balance at 31.3.2020
Not yet due	298 839	680 390
Overdue	291 499	354 153
<i>thereof overdue more than 365 days</i>	<i>101 982</i>	<i>2 467</i>
Total (net of provision)	590 338	1 034 543

Bad debt provision

The company has recorded bad debt provision for overdue receivables in the amount of 357 ths CZK as at March 31, 2021.

4.5.2. Other short-term receivables

Other short-term receivables in the amount of 15 ths CZK are advances to employees as at March 31, 2021. The other long-term receivables as at March 31, 2020 were in the amount of 23 130 ths CZK—loans given in the group and short-term receivables and interest receivable on loans provided to other group companies.

4.6. Liabilities**4.6.1. Short-term trade payables (ths CZK)**

The standard credit term is 14 days.

	31.3.2021	31.3.2020
Domestic trade payables	50 217	156 595
Foreign trade payables	429 921	470 174
Total	480 138	626 769

Aging of trade payables

	31.3.2021	31.3.2020
Not yet due	290 756	469 528
Overdue	189 382	157 241
<i>thereof overdue more than 365 days</i>	<i>943</i>	<i>860</i>
Total	480 138	626 769

The company has not recorded any liabilities for social and health insurance which would not be settled till following month.

4.6.2. Long-term other liabilities

Long-term liability as at March 31, 2021 of CZK 114 067 ths CZK is recorded at net present value. Related interest expense is recognised in income statement over its maturity. This liability relates to out of court settlement related to one the Company's products. The company recorded long-term liability as at March 31, 2020 in the amount of 134 646 ths CZK.

4.6.3. Liabilities due to employees

The company has recorded as at March 31, 2021 liabilities due to employees in the value of 4 945 ths CZK, particularly unpaid salaries for March 2021. Liabilities due to employees as at March 31, 2020 were recorded in the value of 4 698 ths CZK.

4.6.4. Tax payables

The company has recorded as at March 31, 2021 the taxes payable in the value of 15 587 ths CZK, which represents liability from VAT.

Taxes payables as at March 31, 2020 were recorded in the value of 623 ths CZK.

4.6.5. Accrued liabilities

The company has recorded as at March 31, 2021 accrued liabilities in the value of 38 508 ths CZK primarily for not invoiced services and awaited corrections of purchase prices to the products sold, so-called price-reco during the year ending March 31, 2021.

Accrued liabilities as at March 31, 2020 were recorded in the value of 105 743 ths CZK.

4.6.6. Short-term other liabilities

The company has recorded the short-term other liability in the amount of ths CZK 30 704, which represents short-term part of liability described in the point 4.6.2.

4.7. Provisions (ths CZK)

	31.3.2021	31.3.2020
Provision for unspent holiday	3 995	2 767
Provision for MSA	138 932	121 536
Total	142 927	124 303

Provision for MSA is created for contribution to cover distribution costs related to the goods sold to distribution companies in the group in the current year. Distribution companies have these goods in stock at March 31, 2021. The provision ensures matching of expenses and revenues.

4.8. Contingent liabilities

The company has contingent liabilities from operative leasing in the amount of ths CZK 5 535 as at March 31, 2021, which are not recorded in the balance sheet; as at March 31, 2020 were liabilities from operative leasing in the amount of ths CZK 4 312.

4.9. Income from operations (ths CZK)

	2021	2020
Revenues – finished goods	235 016	415 300
Revenues – services	70 161	50 583
Revenues – merchandise	1 342 526	1 172 838
Proceeds from sale of tangible assets	5	365 147
Proceeds from sale of raw materials	3 475	695
Other income	8 543	10 673
Total	1 659 726	2 015 236

Revenues from sale of finished goods and services according to the geographical structure:

	2021	2020
Czech Republic	46 583	58 619
Slovak Republic	24 798	32 818
Poland	4 355	55 718
Germany	128 801	128 123
Romania	-	1 978
Great Britain	87 595	136 739
Sweden	959	8 874
Other	12 086	43 014
Total	305 177	465 883

4.10. ExpensesServices

Services include primarily MSA costs, which are paid to the distribution companies as a contribution for compensation of costs connected with the sale of the regulated products, which are purchased by the distribution companies in the group of Glenmark and also costs for legal services.

Other operating expenses

Other operating expenses for the year ended March 31, 2021 in the value of 22 692 ths CZK, include mainly compensation paid by the Company to other company in Group due to the sale of part of its product portfolio to third party outside Glenmark Group. There are also insurance charges, shortages and damages, scrapping costs. For the year ended March 31, 2020 they amount to 46 724 ths CZK, and include mainly insurance charges, shortages and damages and cost of sale of distribution rights.

4.10.1. Auditor remuneration

The company has concluded the agreement for audit services with Grant Thornton Audit, s.r.o., registered by Chamber of Auditors of the Czech republic as the authorized company with license no. 603, with seat Pujmanove 1753/10a, 140 00 Praha 4. Remuneration for the auditor amounts based on the signed agreement to 550 ths CZK.

4.10.2. Current and deferred tax

The company created tax loss for the financial year ended March 31, 2021.

The Company booked the deferred tax in the amount 72 120 ths CZK as at March 31, 2021; as at March 31, 2020 was posted deferred tax in the amount of 57 406 ths CZK.

Deferred tax (in ths CZK)	31.3.2021	31.3.2020
RV Tangible and intangible assets	23 508	21 796
Other provisions and adjustments	35 485	29 688
Accumulated tax losses	13 127	5 922
Total	72 120	57 406

5. STAFF COSTS

Average number of company employees as at March 31, 2021: 124, statutory representative wasn't employee of the Company.

Average number of company employees as at March 31, 2020: 113, statutory representative wasn't employee of the Company

	31.3.2021 (in ths CZK)	31.3.2020 (in ths CZK)
Payroll costs	65 717	54 514
Social security and health insurance costs	21 415	18 236
Social costs	5 466	3 904
Total	92 598	76 654

6. POST BALANCE SHEET EVENTS

The Company assessed all possible impacts on its financial results of measures implemented in the Czech Republic in respect of SARS-CoV-2 (COVID 19) outbreak. Considering all available information and estimates it assessed impact in all important areas including availability and procurement of goods, sales and human resources. Based on that analysis it was concluded that there is no impairment of going concern assumption based on which financial statements as at 31.3.2021 are prepared.

Annual Report

**for the reporting period from 1 April
2020 to 31 March 2021**

Glenmark Pharmaceuticals s.r.o.

Hvězdova 1716/2b, Praha 4, 140 78

1. General information

Glenmark Pharmaceuticals s.r.o. (hereinafter the “Company”), IČ 465 05 164 was registered in the Commercial register on 6 May 1992. The registered address of the company is Hvězdova 1716/2b, Praha 4, 140 78.

Principal activities of the Company:

- Distribution of pharmaceuticals and medical equipment,
- Chemical analyses,
- manufacturing of pharmaceutical preparations,

Sole shareholder of the Company:

The sole shareholder of the Company is Glenmark Holdings SA, La Chaux-de-Fonds, Chemin de la Combeta 5, Switzerland as of March 31, 2021.

Statutory representative of the Company:

Oliver Henry Bourne (since November, 1 2014)

Andrzej Gondek (since May, 12 2017)

Achin Gupta (since May, 12 2017)

Ajay Varshney (since November, 19 2019)

The accounting period of the company is the fiscal year starting April 1 and ending March 31.

2. Post balance sheet events

The Company assessed all possible impacts on its financial results of measures implemented in the Czech Republic in respect of SARS-CoV-2 (COVID 19) outbreak. Considering all available information and estimates it assessed impact in all important areas including availability and procurement of goods, sales and human resources. Based on that analysis it was concluded that there is no impairment of going concern assumption based on which financial statements as at 31.3.2021 are prepared.

3. Group information

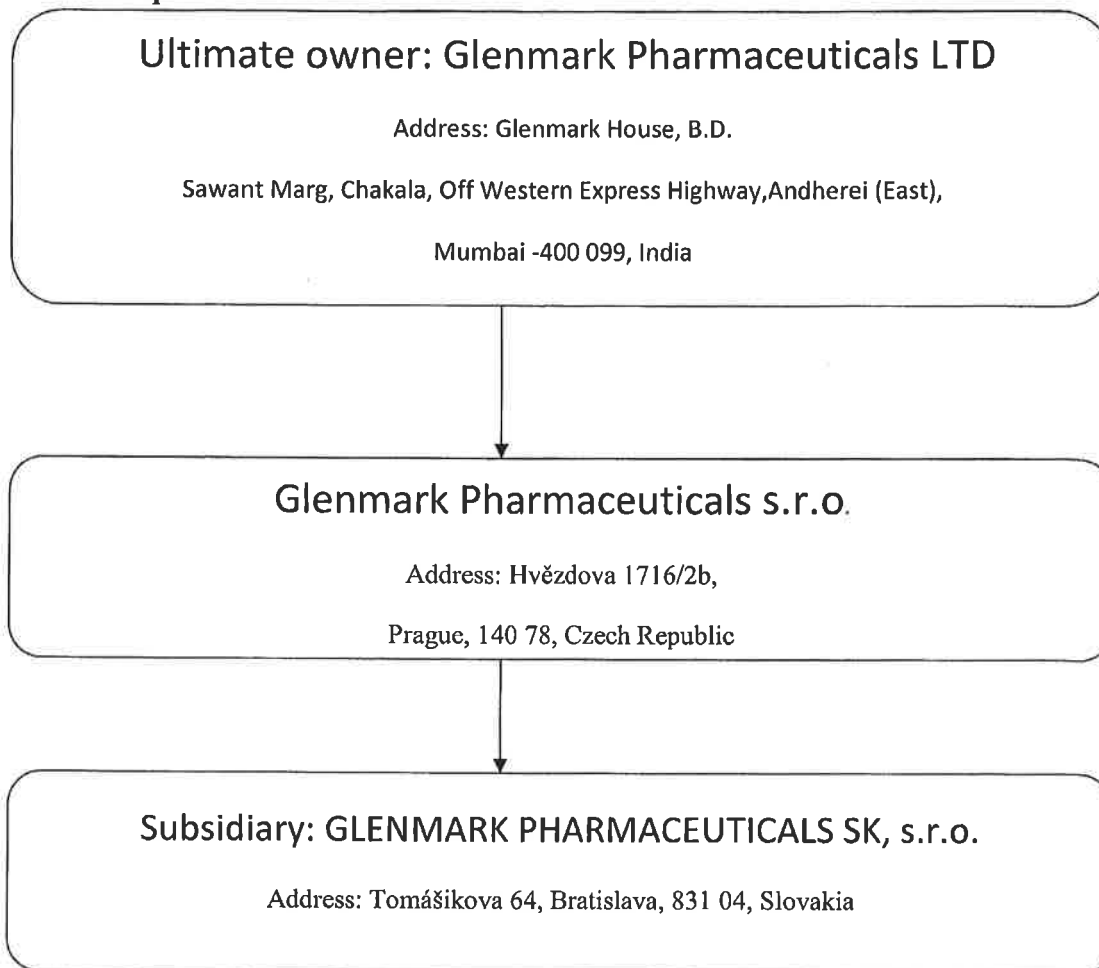
Glenmark group (hereinafter "Glenmark") is a research-driven, global, integrated pharmaceutical company. Glenmark is a leading player in the discovery of new molecules both NCEs (new chemical entity) and NBEs (new biological entity) with five molecules in various stages of clinical development. Glenmark has a significant presence in branded generics markets across emerging economies including India. Its subsidiary, Glenmark Generics Limited has a fast growing and robust US generics business, where the new factory was opened in 2017. The subsidiary also markets APIs to regulated and semi-regulated countries. Glenmark employs nearly 10000 people in over 80 countries. It has thirteen manufacturing facilities in four countries and has five R&D centres.

Since 2000 Glenmark is listed on the stock exchange in India and it is currently ranked among the World's top 100 Pharma & Biotech companies.

Glenmark's ground-breaking drug discovery effort is primarily focused in the areas of inflammation, metabolic disorders and pain. Glenmark has a robust pipeline of 13 molecules in various stages of preclinical & clinical development. Of these, eight molecules are in clinical trials. Glenmark has actively followed the strategy of out-licensing its molecules in clinical development to large multinational pharmaceutical organizations. This out-licensing strategy has been successful so far. This business has three dedicated R&D centres. Discovery research for New Chemical Entities (NCEs) is carried out at its state-of-the-art research centre at Navi Mumbai, India. Glenmark's biopharmaceutical research is carried out at its R&D facility in Switzerland. The centre is dedicated to the discovery and development of novel monoclonal antibodies (mAbs).

Glenmark's formulations business is currently organized around four regions – India, Latin America, Central Eastern Europe and Semi Regulated Markets of Africa/Asia/CIS. The formulations business focuses on therapeutic areas viz. dermatology, anti-infectives, respiratory, cardiac, diabetes, gynaecology, CNS, and oncology.

4. Group structure



5. Evaluation of the reporting period

The situation in the pharmaceutical market segment did not avoid the general impacts associated with Brexit and the COVID-19 pandemic. This global situation has increased the demands on processes that maintain the continuity of production of individual preparations. The fundamental impact on the functionality of the company was the imposition of restrictive measures concerning the movement of people not only with regard to its own employees, but also in connection with the closure of school facilities. Increased demands on the use of protective equipment were not a major problem for a company operating in strict GMP requirements. Despite all the restrictions, the company managed to meet the expected deliveries for our partners. Equally successful were audits of state authorities covering GMP and ISO standards.

Development of the financial situation and economic management is captured in the financial statements which constitute part of the annual report.

6. Anticipated development

The strategy set in the past year remains unchanged and will continue to be aimed at ensuring maximum service support for individual countries, despite ongoing restrictions regarding to COVID-19 in the area of logistics processes resulting from the global interdependence of the pharmaceutical industry. Brexit will have impacts on administrative processes connected with the import and export of pharmaceutical products to/from UK. Industry constraints in China and India will continue to have an impact on the availability of API as well as on logistics processes to ensure product transfer from the company's manufacturing sites in India.

Efforts to maximize efficiency and optimize the product portfolio provided by the manufacturing facility will continue. In connection with another installed packaging line, the following period will be used to transfer packaging operations for other molecules.

Several customer audits are expected this year. Similarly, a recertification audit of ISO standards will take place and audit SUKL.

7. Environmental protection

The Company does not provide any activity with the significant impact on the environment. The Company complies with the local legislation with respect to the environmental area. As part of its activities, the Company makes every effort to minimise negative environmental impacts.

8. Labor relations

In the reporting period, the company was not in the insolvency and fulfilled its obligations towards Authorities, suppliers and employees properly. There no violation on the field of labor relations, the Company was not involved in any legal dispute related to the employees. In the Company isn't any Labor union founded. Further information are stated in the Notes to the financial statements.

9. Organisational branch abroad

The Company has no organisational branch abroad.

10. Research and development

The Company does not conduct any research and development activities.