

GLENMARK PHARMACEUTICALS SK, s. r. o.
Bratislava

A U D I T O R ' S R E P O R T

**ON THE FINANCIAL STATEMENTS AND ON
THE ANNUAL REPORT AND ANNUAL
REPORT FOR THE YEAR ENDED
31 MARCH 2021**

CONTENTS

- **Independent auditor's report**
- **Financial Statements as of 31 March 2021**
- **Annual report**

INDEPENDENT AUDITOR'S REPORT

This Report is intended for partner and Managing Directors of the company

GLENMARK PHARMACEUTICALS SK, s. r. o.
Limited liability company with registered capital of EUR 6,638.78
The headquarters of the Company: Tomášikova 64, 831 04 Bratislava
Identification code (IČO): 35 933 526

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the company GLENMARK PHARMACEUTICALS SK, s. r. o. ("the Company"), which comprise the balance sheet as at 31 March 2021, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and methods and other explanatory information, showing a balance sheet total of EUR 5,454,277 and a profit of EUR 172,653.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company

GLENMARK PHARMACEUTICALS SK, s. r. o.
Bratislava
as at 31 March 2021,

and of its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (hereinafter as "Act on Accounting")

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 No. 423/2015 Coll on Statutory Audit and on amendments of Act No. 431/2002 Coll. On Accounting as amended (hereinafter as "Act on Statutory Audit") related to the ethical requirements, including Code of Ethics for Professional Accountants, that are relevant to our audit of the financial statements, 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.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Act on Accounting and for such internal control as management 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless management 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 and methods used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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.

Report on Other Legal and Regulatory Requirements

Report on information contained in Annual Report

Management is responsible for the information contained in the Annual Report prepared in accordance with the Act on Accounting. Our opinion on the financial statements does not cover the other information in annual report.

In connection with our audit of the financial statements, our responsibility is to read the information in annual report, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered, whether the Annual Report of the Company contains all data, which is required by the Act on accounting.

Based on the work performed during the audit of the financial statements, we concluded the following:

- information in the Annual Report for the year ending on 31 March 2021 are consistent with the financial statements for that year,
- the annual report contains all information required by the Act on accounting.

Furthermore, based on our knowledge about the accounting unit and its situation obtained during the audit of the financial statements, we are required to report, whether we have identified any material misstatement in the Annual Report that we received prior to the date of this auditor's report. We have nothing to report in this regard.

Bratislava on 07 May 2021

Grant Thornton Audit, s.r.o.
Audit company
License No. 28
Hodžovo námestie 1A, 811 06 Bratislava



Dipl. Ing. Filip Tichý, Msc
Managing Director



Dipl. Ing. Ladislav Nyéki
Statutory auditor, Licence No. 1055

Úč POD

FINANCIAL STATEMENTS

for accounting entities with double-entry bookkeeping

as of 31.3. 20 21

for the period from	Month	Year	to	Month	Year
previous period from	0 4	2 0 2 0	to	0 3	2 0 2 1
	0 4	2 0 1 9	to	0 3	2 0 2 0

Attached parts of the financial statements

- Balance sheet (Úč POD 1-01) (in whole EUR)
- Profit and loss account (Úč POD 2-01) (in whole EUR)
- Notes (Úč POD 3-01) (in whole EUR or in eurocents)

Financial statements

- ordinary
- extraordinary
- interim

Accounting entity

- small
- large

*) check with checkmark

Identification number (IČO)

3 5 9 3 3 5 2 6

Tax ID number

2 0 2 2 0 0 2 5 1 0

SKNACE

4 6 . 4 6 . 0

Legal name (designation) of the accounting entity

G L E N M A R K P H A R M A C E U T I C A L S S K , s . r . o .

Registered office of the accounting entity, street and number

T o m á š i k o v a 6 4

Zip code

8 3 1 0 4

Municipality

B r a t i s l a v a

Designation of the commercial register and registration number of the accounting entity

D i s t r i c t C o u r t B r a t i s l a v a I s e c t i o n
s . r . o . i n s e r t 3 5 8 7 9 / b

Telephone

+ 4 2 1 9 0 3 4 4 9 9 8 8

Fax

e-mail

i n f o . s k @ g l e n m a r k p h a r m a . c o m

Prepared on:

28.04.2021

Approved on:

Signature of the accounting entity's statutory body or of the accounting entity statutory body member or of a sole trader:

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			Gross 1 part 1	Correction 1 part 2	Net 2	Net 3
	Total assets line 002 + 033 + 074	001	5 534 446	80 169	5 454 277	3 450 814
A.	Non-current assets line 003 + 011 + 021	002	107 052	71 521	35 531	41 951
A. I.	Non-current intangible assets total (lines 004 to 010)	003				
A. I. I.	Capitalized development costs (012) - /072,091A/	004				
2.	Software (013) - /073,091A/	005				
3.	Valuable rights (014) - /074,091A/	006				
4.	Goodwill (015) - /075,091A/	007				
5.	Other non-current intangible assets (019,01X) - /079,07X,091A/	008				
6.	Acquisition of non-current intangible assets (041) - 093	009				
7.	Advance payments made for non-current intangible assets (051) - 095A	010				
A. II.	Property, plant and equipment total (lines 012 to 020)	011	107 052	71 521	35 531	41 951
A. II.1.	Land (031) - 092A	012				
2.	Structures (021) - /081,092A/	013				
3.	Individual movable assets and sets of movable assets (022) - /082,092A/	014	107 052	71 521	35 531	41 951
4.	Perennial crops (025) - /085,092A/	015				
5.	Livestock (026) - /086,092A/	016				
6.	Other property, plant and equipment (029,02X,032) - /089,08X,092A/	017				
7.	Acquisition of property, plant and equipment (042) - 094	018				
8.	Advance payments made for property, plant and equipment (052) - 095A	019				
9.	Value adjustment to acquired assets (+/-097) +/-098	020				
A. III.	Non-current financial assets total (lines 022 to 032)	021				
A. III.1.	Shares and ownership interests in affiliated companies (061) - 096A	022				
2.	Shares and ownership interests with participating interest except for affiliated companies (062) - 096A	023				
3.	Other available-for-sale shares and ownership interest (063,065) - 096A	024				
4.	Loans to affiliated companies (066A) - 096A	025				
5.	Loans within participating interest, except for affiliated companies (066A) - 096A	026				
6.	Other loans (067A) - 096A	027				
7.	Debt securities and other non-current financial assets (065A,069,06XA) - 096A	028				
8.	Loans and other non-current financial assets with maturity of up to one year (066A,067A,06XA) - 096A	029				
9.	Bank accounts with notice period exceeding one year (22XA)	030				
10.	Acquisition of non-current financial assets (043) - 096A	031				
11.	Advance payments made for non-current financial assets (053) - 095A	032				
B.	Current assets line 034 + 041 + 053 + 066 + 071	033	5 405 042	8 648	5 396 394	3 311 184
B. I.	Inventory total (lines 035 to 040)	034	3 783 703	8 648	3 775 055	1 996 437
B. I. I.	Raw material (112, 119, 11X) - /191,19X/	035				
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	036				
3.	Finished goods (123) - 194	037				
4.	Livestock (124) - 195	038				
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	039	3 783 703	8 648	3 775 055	1 996 437
6.	Advance payments made for inventory (314A) - 391A	040				

B. II.	Non-current receivables total (line 042 + 046 to 052)	041	54 249	54 249	90 539
B. II.1.	Trade receivables total (line 043 to 045)	042			
1.a.	Trade receivables from affiliated companies (311A,312A,313A,314A,315A,31XA) - 391A	043			
1.b.	Trade receivables within participating interest, except for receivables from affiliated companies (311A,312A,313A,314A,315A,31XA) - 391A	044			
1.c.	Other trade receivables (311A,312A,313A,314A,315A,31XA) - 391A	045			
2.	Net value of contract (316A)	046			
3.	Other receivables from affiliated companies (351A) - 391A	047			
4.	Other receivables within participating interest, except for receivables from affiliated companies (351A) - 391A	048			
5.	Receivables from partners, members and participants in an association (354A,355A,358A,35XA) - 391A	049			
6.	Receivables related to derivative transactions (373A, 376A)	050			
7.	Other receivables (335A,33XA,371A,373A,374A,375A,376A,378A) - 391A	051	23 278	23 278	23 378
8.	Deferred tax assets (481A)	052	30 971	30 971	67 161
B. III.	Current receivables total (line 054 + 058 to 065)	053	991 720	991 720	808 772
B. III.1.	Trade receivables total (line 055 to 057)	054	879 134	879 134	690 374
1.a.	Trade receivables from affiliated companies (311A,312A,313A,314A,315A,31XA) - 391A	055			
1.b.	Trade receivables within participating interest, except for receivables from affiliated companies (311A,312A,313A,314A,315A,31XA) - 391A	056			
1.c.	Other trade receivables (311A,312A,313A,314A,315A,31XA) - 391A	057	879 134	879 134	690 374
2.	Net value of contract (316A)	058			
3.	Other receivables from affiliated companies (351A) - 391A	059			
4.	Other receivables within participating interest, except for receivables from affiliated companies (351A) - 391A	060			
5.	Receivables from partners, members and participants in an association (354A,355A,358A,35XA,398A) - 391A	061			
6.	Social insurance (336A) - 391A	062			
7.	Tax receivables and subsidies (341,342,343,345,346,347)-391A	063	104 565	104 565	109 789
8.	Receivables related to derivative transactions (373A, 376A)	064			
9.	Other receivables (335A,33XA,371A,373A,374A,375A,376A,378A) - 391A	065	8 021	8 021	8 609
B. IV.	Current financial assets (lines 067 to 070)	066			
B.IV.1.	Current financial assets in affiliated companies (251A,253A,256A,257A,25XA) - /291A, 29XA/	067			
2	Current financial assets except current financial assets in affiliated companies (251A,253A,256A,257A,25XA) - /291A, 29XA/	068			
3.	Own shares and own ownership interests (252)	069			
4.	Acquisition of current financial assets (259, 314A) - 291A	070			
B. V.	Financial accounts total (lines 072 to 073)	071	575 370	575 370	415 436
B.V.1.	Cash (211, 213, 21X)	072			
2.	Bank accounts (221A, 22X +/- 261)	073	575 370	575 370	415 436
C.	Accruals/deferrals total (lines 075 to 078)	074	22 352	22 352	97 679
C.1.	Long-term prepaid expenses (381A, 382A)	075			
2.	Short-term prepaid expenses (381A, 382A)	076	22 352	22 352	97 679
3.	Long-term accrued income (385A)	077			
4.	Short-term accrued income (385A)	078			

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period	Preceding accounting period
			4	5
	Total equity and liabilities total line 080 + 101 + 141	079	5 454 277	3 450 814
A.	Equity line 081 + 085 + 086 + 087 + 090 + 093 + 097 + 100	080	1 120 665	948 012
A. I.	Share capital total (lines 082 to 084)	081	6 639	6 639
A. I. 1.	Share capital (411 or +/-491)	082	6 639	6 639
2.	Change in share capital +/- 419	083		
3.	Receivables related to unpaid share capital (353)	084		
A. II.	Share premium (412)	085		
A. III.	Other capital funds (413)	086	1 200 000	1 200 000
A. IV.	Legal reserve funds total (lines 088 to 089)	087	664	664
A. IV. 1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	088	664	664
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	089		
A. V.	Other funds created from profit total (lines 091 to 092)	090		
A. V. 1.	Statutory funds (423, 42X)	091		
2.	Other funds (427, 42X)	092		
A. VI.	Differences from revaluation total (lines 094 to 096)	093		
A. VI. 1.	Differences from revaluation of assets and liabilities (+/-414)	094		
2.	Investment revaluation reserves (+/-415)	095		
3.	Differences from revaluation in the event of a merger, amalgamation into a separate company or demerger (+/-416)	096		
A. VII.	Net profit/loss of previous years line 098 and 099	097	-259 291	-526 467
A. VII. 1.	Retained earnings from previous years (428)	098	1 075 057	807 881
2.	Accumulated losses from previous years (-/429)	099	-1 334 348	-1 334 348
A. VIII.	Net profit/loss for the accounting period after tax +/- line 001 - (081 + 085 + 086 + 087 + 090 + 093 + 097 + 101 + 141)	100	172 653	267 176
B.	Liabilities line 102 + 118 + 121 + 122 + 136 + 139 + 140	101	4 333 612	2 502 802
B. I.	Non-current liabilities total (line 103 + 107 to 117)	102	4 675	3 849
B. I. 1.	Non-current trade liabilities total (lines 104 to 106)	103		
1 a.	Trade liabilities to affiliated companies (321A, 475A, 476A)	104		
1 b.	Trade liabilities within participating interest, except for liabilities to affiliated companies (321A, 475A, 476A)	105		
1 c.	Other trade liabilities (321A, 475A, 476A)	106		
2.	Net value of contract (316A)	107		
3.	Other liabilities to affiliated companies (471A, 47XA)	108		
4.	Other liabilities within participating interest, except for liabilities to affiliated companies (471A, 47XA)	109		
5.	Other non-current liabilities (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Liabilities related to social fund (472)	114	4 675	3 849
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

B. II.	Long-term provisions total (lines 119 to 120)	118	30	30
B. II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120	30	30
B. III.	Long-term bank loans (461A, 46XA)	121		
B. IV.	Current liabilities total (line 123 + 127 to 135)	122	4 134 402	2 228 781
B.IV.1.	Trade liabilities total (lines 124 to 126)	123	3 920 765	2 028 297
1.a.	Trade liabilities to affiliated companies (321A,322A,324A,325A,326A,32XA,475A,476A,478A,47XA)	124		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated companies (321A,322A,324A,325A,326A,32XA,475A,476A,478A,47XA)	125		
1.c.	Other trade liabilities (321A,322A,324A,325A,326A,32XA,475A,476A,478A,47XA)	126	3 920 765	2 028 297
2.	Net value of contract (316A)	127		
3.	Other liabilities to affiliated companies (361A,36XA,471A, 47XA)	128		
4.	Other liabilities within participating interest, except for liabilities to affiliated companies (361A,36XA,471A, 47XA)	129		
5.	Liabilities to partners, members and participants in an association (364,365,366,367,368,398A,478A,479A)	130		
6.	Liabilities to employees (331,333,33X,479A)	131	52 975	48 659
7.	Liabilities related to social insurance (336A)	132	34 256	34 726
8.	Tax liabilities and subsidies (341,342,343,345,346,347,34X)	133	125 779	116 719
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A,379A,474A,475A,479A,47XA)	135	627	380
B. V.	Short-term provisions total (lines 137 to 138)	136	194 505	270 142
B. V.1.	Legal provisions (323A, 451A)	137	49 165	58 954
2.	Other provisions (459A, 45XA)	138	145 340	211 188
B. VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139		
B.VII.	Short-term financial assistance (241, 249, 24X, 473A, /-/255A)	140		
C.	Accruals/deferrals total (lines 142 to 145)	141		
C. 1.	Long-term accrued expenses (383A)	142		
2.	Short-term accrued expenses (383A)	143		
3.	Long-term deferred income (384A)	144		
4.	Short-term deferred income (384A)	145		

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
*	Net turnover (part of account class 6 according to law)	01	12 044 226	11 779 004
**	Operating income total (lines 03 to 09)	02	19 385 501	17 649 864
I.	Revenue from the sale of merchandise (604, 607)	03	8 288 821	7 410 308
II.	Revenue from the sale of own products (601)	04		
III.	Revenue from the sale of services (602,606)	05	3 755 405	4 368 696
IV.	Changes in internal inventory (+/- account group 61)	06		
V.	Own work capitalized (account group 62)	07		
VI.	Revenue from the sale of non-current assets and raw materials (641,642)	08	548	604
VII.	Other operating income (644,645,646,648,655,657)	09	7 340 727	5 870 256
**	Operating expenses total (line 11+12+13+14+15+20+21+24+25+26)	10	19 131 316	17 318 424
A.	Cost of merchandise sold (504, 507)	11	8 467 377	7 742 091
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	104 244	176 283
C.	Value adjustments to inventory (+/- 505)	13	-167 701	98 626
D.	Services (account group 51)	14	2 015 319	2 120 405
E.	Personnel expenses total (lines 16 to 19)	15	1 324 315	1 278 215
E.I.	Wages and salaries (521, 522)	16	922 443	915 062
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	347 489	329 046
4.	Social expenses (527, 528)	19	54 383	34 107
F.	Taxes and fees (account group 53)	20	8 552	4 784
G.	Amortization of non-current intangible assets, depreciation of property, plant and equipment and their value adjustments total (line 22 + 23)	21	14 741	13 569
G.I.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	14 741	13 569
2.	Value adjustments to non-current intangible assets and to property, plant and equipment (553)	23		
H.	Carrying value of non-current assets sold and materials sold (541,542)	24	171	1 534
I.	Value adjustments to receivables +/- 547	25		
J.	Other operating expenses (543,544,545,546,548,549,555,557)	26	7 364 298	5 882 917
***	Profit/loss from operations (+/-) line 02 - 10	27	254 185	331 440
*	Added value line 03+04+05+06+07 - (11+12+13+14)	28	1 624 987	1 641 599

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
**	Income from financial activities total (line 30+31+35+39+42+43+44)	29	8 371	2 406
VIII.	Revenue from sale of securities and shares (661)	30		
IX.	Income from non-current financial assets total (lines 32 to 34)	31		
IX.1.	Income from securities and ownership interests in affiliated companies (665A)	32		
2.	Income from securities and ownership interests within participating interest except for income from affiliated companies (665A)	33		
3.	Income from other long-term securities and ownership interests (665A)	34		
X.	Income from current financial assets total (lines 36 to 38)	35		
X.1.	Income from current financial assets in affiliated companies (666A)	36		
2.	Income from current financial assets within participating interest except for income from affiliated companies (666A)	37		
3.	Income from other current financial assets (666A)	38		
XI.	Interest income total (lines 40 to 41)	39		
XI.1.	Interest income from affiliated companies (662A)	40		
2.	Other interest income (662A)	41		
XII.	Exchange rate gains (663)	42	8 371	2 406
XIII.	Gains on revaluation of securities and income from derivative transactions (664,667)	43		
XIV.	Other income from financial activities (668)	44		
**	Expenses related to financial activities total (line 46+47+48+49+52+53+54)	45	33 994	32 362
K.	Securities and shares sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/- 565)	48		
N.	Interest expenses total (lines 50 to 51)	49	6 104	5 275
N.1.	Interest expenses related to affiliated companies (562A)	50		
2.	Other interest expenses (562A)	51	6 104	5 275
O.	Exchange rate losses (563)	52	9 166	11 111
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other expenses related to financial activities (568, 569)	54	18 724	15 976
***	Profit/loss from financial activities line 29 - 45	55	-25 623	-29 956
****	Profit/loss for the accounting period before taxation (+/-) line 27 + 55	56	228 562	301 484
R.	Income tax total (line 58 + 59)	57	55 909	34 308
R.1.	- due (591, 595)	58	19 718	2 170
2.	- deferred (+/-592)	59	36 191	32 138
S.	Transfer of net profit/net loss shares to partners (+/-596)	60		
****	Profit/loss for the accounting period after taxation (+/-) line 56-57-60	61	172 653	267 176

A. INFORMATION ABOUT ACCOUNTING ENTITY**1. General information about company**

Name of company: GLENMARK PHARMACEUTICALS SK, s.r.o. (hereinafter the "Company")
Registered office of company: Tomášikova 64, 831 04 Bratislava.

The Company GLENMARK PHARMACEUTICALS SK, s.r.o. was founded on 24 March 2005 and registered at the Commercial Register on 04 May 2005 (Commercial Register of the County Court in Bratislava I in Bratislava, section s.r.o., file No. 35879/B).

2. Scope of business of the Company

- Automatic data processing,
- Purchase of goods for sale to final consumer (retail trade) and purchase of goods for sale to other traders (wholesale trade),
- Intermediary business not requiring any special authorization,
- Management consultancy not requiring any special authorization,
- Market survey,
- Administrative works,
- Organization of social activities, seminars, conferences and other similar educational activities, not requiring any special authorization,
- Wholesale distribution of medicines,
- Advertising and marketing services.

3. Approval of the Financial Statements for the preceding accounting period

- Financial Statements were approved by an ordinary general meeting YES NO

The Financial Statements of the Company as at 31 March 2020 for the preceding accounting period were approved by the Company's general meeting on 29 September 2020.

4. Publication of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 March 2020 including the auditor's report on audit of the financial statements and the annual report were filed in the Register of Financial Statements on 29 September 2020.

5. Legal reason for the preparation of the Financial Statement

- The Financial Statements of the Company have been prepared as ordinary financial statements as of the last day of the accounting period in accordance with Article 17 (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 April 2020 to 31 March 2021 YES NO

6. Information on the Group

	Name	Seat	Place where the consolidated financial statements are filled
Group	GLENMARK PHARMACEUTICALS LTD	Glenmark House, B.D. Sawant Marg, Chakala, Off Western Express Highway, Andherei (East), Mumbai - 400 099, India	Glenmark House, B.D. Sawant Marg, Chakala, Off Western Express Highway, Andherei (East), Mumbai - 400 099, India
Direct parent company	Glenmark Pharmaceuticals s.r.o.	Hvězdova 1716/2b, Prague Czech Republic	Glenmark House, B.D. Sawant Marg, Chakala, Off Western Express Highway, Andherei (East), Mumbai - 400 099, India

The Company is included in consolidated financial statements of the company GLENMARK PHARMACEUTICALS LTD, registered office: GLENMARK HOUSE, B.D. SAWANT MARG, CHAKALA, OFF WESTERN EXPRESS HIGHWAY, ANDHEREI (EAST), MUMBAI - 400 099, INDIA, which is included in consolidated financial statements of the group GLENMARK PHARMACEUTICALS LTD. The consolidated financial statements of the group GLENMARK PHARMACEUTICALS LTD are compiled by the company GLENMARK PHARMACEUTICALS LTD, registered office: GLENMARK HOUSE, B.D. SAWANT MARG, CHAKALA, OFF WESTERN EXPRESS HIGHWAY, ANDHEREI (EAST), MUMBAI - 400 099, INDIA. These consolidated financial statements are available in the company GLENMARK PHARMACEUTICALS LTD, registered office: GLENMARK HOUSE, B.D. SAWANT MARG, CHAKALA, OFF WESTERN EXPRESS HIGHWAY, ANDHEREI (EAST), MUMBAI - 400 099, INDIA.

7. Number of employees

The data on the average number of employees are shown in the following table:

Item	Current accounting period	Preceding accounting period
Average recalculated number of employees	33,6	32

B. INFORMATION ON ADOPTED ACCOUNTING PROCEDURES**1. Basis for the preparation of the financial statements**

The financial statements were prepared using the going concern assumption (that the Company will continue in operation for the foreseeable future).

2. Accounting principles and accounting policies

The accounting principles and methods used are in compliance with the valid accounting regulations.

The company conducts bookkeeping in compliance with the principle of temporal and substantive correlation of costs and income. The basis is formed by all costs and income that are related to the reporting period, regardless of the date of their payment.

The accounting policies and general accounting principles have been consistently applied by the entity.

3. Changes in comparison with the preceding accounting period

Type of change	Reason	Description	Financial impact on the value of assets, liabilities, equity, profit and loss
Valuation method	no change		
Accounting method	no change		
Classification of items of financial statements	no change		
Content of items of financial statements	no change		
Depreciation method	no change		

4. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the value of reported assets, liabilities, income and expenses. Estimates and underlying assumptions are based on historical experience and various other factors considered appropriate to the circumstances that provide a basis for assessing the carrying amounts of assets and liabilities that are not apparent from other sources. Actual results may therefore differ from these estimates.

Estimates and underlying assumptions are constantly being reviewed. Revisions to accounting estimates are not recognized retrospectively, but are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both future and future periods.

The Company has not identified such uncertainty in estimates and assumptions that there would be a significant risk that it could lead to a significant adjustment in the following accounting period.

5. Information about material transactions not specified in the Balance Sheet

In addition to the facts set out in Note G.3, no non-balance sheet transactions were made in the current accounting period that could have a material effect on the assessment of the Company's financial position.

6. Method and determination of valuation of individual assets and liabilities

6.1. Non-current intangible assets and property, plant and equipment

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.).

With effect from 1 July 2010, acquisition cost of non-current intangible assets does not include borrowing costs, which arose before the non-current intangible assets were put into use.

6.2. Depreciation methods laid down in the depreciation plan (accounting depreciation)

Estimated useful life, amortization/depreciation method, and amortization/depreciation rate are described in the following table:

No.	Type of non-current tangible and intangible assets	Estimated useful life	Yearly depreciation/amortization rate in %	Depreciation/amortization method
1.	Cars	4	25	straight line
2.	Furniture	10	10	straight line
3.	Computers	4	25	straight line
4.	Information technologies	4	25	straight line

6.3. Depreciation of non-current tangible assets is based on:

- Expected useful life and expected wear and tear

The depreciation starts on:

- the first day of a month following the month in which the asset was put into use
- the first day of the month in which the asset was put into use
- other

Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 40, or less are written off when the asset is put into use. Land is not depreciated.

The value of acquired non-current tangible asset that is used will be decreased by an adjustment at the amount corresponding to its wear.

In case of transitional decrease of the useful value of non-current asset that was identified by inventory-taking and is much lower than its accounting value after deduction of adjustments, an adjustment at the amount of its identified useful value will be created.

6.4. Inventory

Inventory is valued at the lower of its acquisition cost (purchased inventory or its net realizable value).

Acquisition cost includes the price of inventory and costs related to the acquisition (customs duty, transport, insurance, commissions, discount etc.) Borrowing costs are not capitalized.

Allowances are included in the valuation of inventory in store. An allowance provided for already sold or used inventory is posted as a decrease of costs of sold or used inventory.

The Company accounts for inventories using the method A as defined by the accounting procedures. A decrease of inventory is posted at cost calculated using the method weighted average cost.

Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. If cost or own inventory costs are higher than net realisable value of inventory at the date of financial statements, an adjustment to inventory is created at the amount of the difference between their valuation in accounting and its net realisable value.

Inventory is written down for any impairment of value.

6.5. Receivables

Receivables are valued at their nominal value except for: assigned receivables and receivables acquired via a contribution to share capital which are valued at their acquisition cost, including costs related to the acquisition.

This valuation is decreased through creation of an adjustment to doubtful and unrecoverable debts.

If the residual maturity of a debt is longer than one year, an adjustment representing the difference between the nominal and the present value of the debt will be created. Present value of a debt is calculated as the product of future cash income and the respective discount factors.

In the case of sale, receivable is charged to account 546 to write off receivable with a nominal value of receivable and the proceeds from the sale of the claim in the selling price to the account receivable 646.

6.6. Cash, stamps and vouchers

Cash, stamps and vouchers are valued at their nominal value. A value adjustment is created for any impairment.

6.7. Prepaid expenses and accrued income

Prepaid expenses and accrued income are presented in accordance with the matching principle in terms of substance and time.

6.8. Liabilities

Liabilities are valued at their nominal value except for: assumed liabilities, which are valued at their acquisition cost at the time of their assumption. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

6.9. Provisions

Provision is a liability representing the existing obligation of the Company, that has arisen from past events and that will probably decrease its economic benefits in the future. Provisions are liabilities with indefinite time period or amount; they are formed to cover known risks or losses from business activities. They are valued at the expected amount of the liability.

The formation of provision is posted to the cost or asset account to which the liability is attributed. The use of provision is debited to the respective account of provisions with an offsetting entry credited to the respective account of liabilities. The release of redundant provision or its part is posted by a book entry opposite to that used for posting of the formation of provision.

Provision for bonuses, rebates, discounts and refund of purchase price in case of complaint is formed as a decrease of initially achieved income, with an offsetting entry credited to account of provisions.

6.10. Employee benefits

Salaries, wages, contributions to the state pension funds and insurance funds, paid annual leave and paid sick leave, bonuses and other non-monetary benefits (e.g. health care) are accounted for in the accounting period, to which they are timely and objectively related.

Long-term employee benefits

According to the Labour Code a retiring employee shall be entitled to a bonus at the amount of one average monthly wage.

6.11. Income tax due

Income tax is posted to costs of the Company in the period of rise of the tax liability. In the enclosed Profit and Loss Statement of the Company it is calculated from the basis resulting from profit/loss before taxation, adjusted by items increasing and decreasing the tax base for the reason of permanent and temporary adjustments of the tax base and redemption of loss. The tax liability is disclosed after deduction of advance payments for income tax that the Company paid during the year. If advance payments for income tax made during the year are higher than the tax liability for this year, the Company will report a resulting tax asset.

6.12. Deferred taxes

Deferred taxes (deferred tax assets and deferred tax liabilities) relate to the following:

- a) temporary differences between the carrying value of assets and the carrying value of liabilities presented in the Balance Sheet and their tax base;
- b) tax losses which are possible to carry forward to future periods, being understood as the possibility of deducting these tax losses from the tax base in the future; and
- c) unused tax deductions and other tax claims, which are possible to carry forward to future periods.

Deferred tax assets are posted up to the amount at which temporary differences are likely to be set off against the future tax base.

The Company will use for the calculation of deferred tax the rate of income tax that will be probably valid at the time of settlement of deferred tax.

6.13. Accrued expenses and deferred income

Accrued expenses and deferred income are presented in accordance with the matching principle in terms of substance and time.

6.14. Lease

Operating lease. Assets leased in the form of operating lease are recognised as assets by their owner, not by the lessee. Assets acquired in the form of operating lease are charged to costs evenly during the period of validity of the lease contract.

6.15. Revenue

Revenues from sale of trading products are recognised at the moment of the transfer of risk and ownership of the goods, usually after the delivery. If the Company undertakes to transport the goods to a specified place, revenues will be recognised at the moment of delivery of the goods to the destination.

Revenues from sale of services are recognised in the reporting period in which the services were provided, taking into account the percentage of completion of the respective service.

Revenues for goods and services do not include value added tax. They are also reduced by discounts and reductions (bonuses, credit notes, etc.) regardless of whether the customer was entitled to a discount in advance or whether it is an additional discount.

6.16. Translation of foreign currency to Euro

Assets and liabilities denominated in foreign currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction.

Assets and liabilities denominated in a foreign currency except for advance payments made and advance payments received are translated to Euro at the Balance Sheet date according to the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date. Resulting exchange rate differences are recorded in accordance with § 24 of valid accounting procedures for enterprises with an impact on profit or loss.

Advance payments made and advance payments received in foreign currencies to or from bank account maintained in this currency are translated to Euro by the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the date preceding the date of accounting transaction. Advance payments made and advance payments received in a foreign currency to or from bank account maintained in Euro are translated to Euro by the exchange rate for which these values were purchased or sold. Advance payments are not translated to Euro as of the Balance Sheet date.

An increase in a foreign currency purchased with euro currency is valued according to the exchange rate at which this foreign currency was purchased.

In case of a decrease in the same foreign currency in cash or in a foreign exchange account, reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction is used for the valuation of a decrease in the foreign currency in Euros.

6.17. Comparable data

The Company did not make any adjustments to comparable data compared to their presentation or disclosure in the financial statements for the prior period.

6.18. Correction of material errors

The Company has not made any corrections of significant errors of previous accounting periods in the accounting period 01 April 2020 – 31 March 2021.

C. INFORMATION ON ASSETS**1. Goodwill**

The company did not account for goodwill during the year.

D. INFORMATION ON LIABILITIES AND EQUITY**1. Liabilities****1.1. Liabilities according to maturity period in general**

The structure of liabilities (except for bank loans) according to the remaining maturity period is presented in the following overview:

Item	Current accounting period	Preceding accounting period
Total current liabilities	4.675	3.849
Liabilities due over 5 years		
Liabilities due within 1-5 years	4.675	3.849
Total non-current liabilities	4.134.402	2.228.781
Liabilities due within 1 year	2.599.024	2.228.781
Liabilities overdue	1.535.378	0

2. Derivatives

The company did not account for derivatives during the year.

E. INFORMATION ON INCOME

The company did not account for income with the special range or occurrence during the period of 01 April 2020 – 31 March 2021.

F. INFORMATION ON EXPENSES

The company did not account for expenses with the special range or occurrence during the period of 01 April 2020 – 31 March 2021.

G. INFORMATION ON OTHER ASSETS AND LIABILITIES**1. Contingent assets**

The company did not account for contingent assets.

2. Contingent liabilities

Possible future contingent liabilities not kept in the accounting and not recognised in the balance sheet:

YES NO

Possible future contingent liabilities not kept in accounting and not recognizes in the balance sheet because there is no possibility of outflow of funds:

YES NO

Possible future contingent liabilities not kept in accounting and not recognizes in the balance sheet because the amount of the liability cannot be reliably valued:

YES NO

Many parts of Slovak tax legislation remain untested and there is uncertainty about its interpretation of the tax authorities. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

3. Summary information about the data in off-balance sheet accounts**Operating lease of vehicles:**

Under the general contract on operating lease of vehicles and on provision of operating services, the amount of commitment till February 2023 represents EUR 285 thousand.

Office lease:

Under the contract on rental of office premises, the amount of commitment till February 2025 represents EUR 226 thousand.

H. INFORMATION ON EVENTS OCCURING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS

At the end of 2019, news from China about coronavirus and its transmission to humans appeared for the first time. The first cases in Europe were recorded in February 2020. Subsequently, the virus spread worldwide and the World Health Organization called it a pandemic. The situation regarding COVID 19 did not have any negative impact on the Company's results in the financial year ended 31.03.2021.

In the financial year 01.04.2020 - 31.03.2021, there were only minimal impacts on the Company's operation in the form of a continuing "home office" for all employees, as well as minor complications with the transport and delivery of some products. Thanks to the rapid response of all departments involved in the Company as well as organizations (e.g. GENAS), these complications were resolved within a few days without significantly impacting the continuity of treatment, sales and results of the Company at the beginning of the 2020-21 financial year. Like the whole society in Slovakia, the Company is preparing a gradual return to the "normal" mode. Management will continue to monitor the potential impact and take all possible steps to mitigate any negative effects on the company and its employees.

In 2021, the pandemic situation persists. Although the Company's situation is relatively stable at the time of publication of these financial statements, it may change and future effects cannot be predicted. The entity's management closely monitors the situation and seeks ways to minimize the impact on the Company. The entity's management considered all potential impacts of COVID-19 on its business activities and concluded that the company is able to continue as a going concern and function as a healthy entity.

Apart from the above facts, no events occurred after 31 March 2021 that have a significant effect on the accurate presentation of the facts that are the subject of accounting.

I. INFORMATION ON INCOME AND BENEFITS OF MEMBERS OF THE STATUTORY BODIES, SUPERVISORY BODIES AND OTHER BODIES OF THE ACCOUNTING ENTITY

All income of managers was paid as part of dependent activity for the current period and is taken into account in wage costs.

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