



Glenmark Pharmaceuticals s.r.o.

REPORT

**ON THE AUDIT
OF FINANCIAL STATEMENTS
AS AT 31 MARCH 2022**



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INDEPENDENT AUDITOR'S REPORT

To the Shareholder

Glenmark Pharmaceuticals s.r.o.

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 2.394.329 thds. CZK and a profit 86.779 thds. CZK. These financial statements comprise the balance sheet as at 31 December 2022, 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 December 2022 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 these laws and regulations 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 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, other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. Managing Directors is 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

The electronic version of this document can be deemed as reliable and legally binding only if accompanied by a qualified auditor's certificate. This is a translation of the original Czech Auditor's Report on the accompanying financial statements. Therefore, in the event of any inconsistency between the English and the Czech version, the Czech version shall prevail.

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") 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 and 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

Grant Thornton Audit s.r.o.

Pujmanové 1753/10a, 140 00 Praha 4 - Nusle

Licence No. 603

Michal Kováč
Ing. Michal Kováč
 Auditor, Licence No. 1188

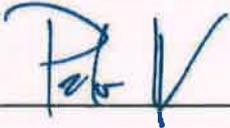


**Financial statements
for the year ended 31.3.2022**

Name of accountancy unit: Glenmark Pharmaceuticals s.r.o.
Seat: Hvězdova 1719/2b
Praha 4
14078
Identif. Code: 46505164
Compiled on: 21.5.2022

Components of the Financial Statements:

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

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



BALANCE SHEET
in full scale
as of 31.3.2022
(in entire thousands CZK)

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

MISLIT Code
46205164

Iřevězková 1719/2b
Praha 4
14078

Denotation a	A S S E T S b	Current accounting period			Previous acc. period
		Drifted 1	Corrected 2	Neto 3	Neto 4
	TOTAL ASSETS	2 596 743	+ 602 014	2 994 228	1 876 364
A.	Amounts receivable for subscribed registered capital				
B.	Fixed assets	1 229 663	+ 536 027	1 765 691	560 886
B. I.	Long-term intangible assets	827 681	+ 105 621	933 302	337 625
B. I. 1.	Intangible results of development				
B. I. 2.	Valuable rights (patents, licences and know-how)	718 206	+ 399 393	1 117 600	95 462
B. I. 2.1.	Software	2 505	+ 1 420	3 925	1 298
B. I. 2.2.	Other valuable rights (patents, licences and know-how)	715 701	+ 397 973	1 113 676	94 164
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	109 078	+ 6 431	115 509	229 163
B. I. 5.1.	Advances for long-term intangible assets				
B. I. 5.2.	Intangible fixed assets under construction	109 078	+ 6 431	115 509	229 163
B. II.	Long-term tangible assets	768 112	+ 180 183	948 295	491 955
B. II. 1.	Land and structures	205 649	+ 86 245	291 894	123 091
B. II. 1.1.	Land	983		983	983
B. II. 1.2.	Structures	204 666	+ 86 245	290 911	122 108
B. II. 2.	Plant and equipment	159 204	+ 93 938	253 142	65 042
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	4 259		4 259	5 822
B. II. 5.1.	Advances for tangible fixed assets				1 696
B. II. 5.2.	Long-term tangible assets in progress	4 259		4 259	4 126
B. III.	Long-term financial assets	34 072		34 072	29 200
B. III. 1.	Equity investments - group undertakings	34 072		34 072	29 200
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				



Denomination	A S S E T S	Current accounting period			Prolonged period
		Brutto 1	Correction 2	Netto 3	
C.	Current assets	1 448 146	+ 16 007	1 432 139	970 723
C. I.	Inventories	213 320	+ 15 996	197 324	110 859
C. I. 1.	Materials	39 271	+ 486	38 785	27 257
C. I. 2.	Work-in-progress and semi-finished products	14 411		14 411	6 808
C. I. 3.	Finished goods and goods for resale	159 618	+ 15 510	144 108	76 793
C. I. 3.1	Finished goods	12 784	+ 2 594	10 190	26 779
C. I. 3.2	Purchased goods for resale (incl. goods in transit)	146 830	+ 12 916	133 914	50 014
C. I. 4.	Young and other animals and their herds				
C. I. 5.	Advance payments for inventories				
C. II.	Receivables	1 064 723	+ 11	1 064 712	761 540
C. II. 1.	Long-term receivables	65 554		65 554	34 282
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	67 773		67 773	72 120
C. II. 1.5.	Receivables - other	2 811		2 811	2 167
C. II. 1.5.1	Receivables from partners				
C. II. 1.5.2	Long-term advances granted	2 811		2 811	2 167
C. II. 1.5.3	Estimated receivables				
C. II. 1.5.4	Other receivables				
C. II. 2.	Short-term receivables	999 139	+ 11	999 128	687 558
C. II. 2.1	Trade receivables	952 223	+ 11	952 212	590 338
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	46 916		46 916	90 915
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	3 009		3 009	82
C. II. 2.4.4	Short-term advances granted	1 096		1 096	939
C. II. 2.4.5	Estimated receivables	42 811		42 811	95 476
C. II. 2.4.6	Other receivables				15
C. III.	Short-term financial assets				
C. III. 1.	Equity investments - group controlling				
C. III. 2	Other short-term financial assets				
C. IV.	Cash	170 103		170 103	98 345
C. IV. 1.	Cash in hand				
C. IV. 2.	Bank accounts	170 103		170 103	98 345
D.	Accruals	318 529		318 529	344 761
D. 1.	Prepaid expenses	318 529		318 529	344 761
D. 1. 1.	Complex prepaid expenses				
D. 1. 3.	Accrued income				



Denomination a)	EQUITY + LIABILITIES b)	Current acc. period c)	Previous acc. period d)
	TOTAL EQUITY + LIABILITIES	2 394 329	1 876 384
A.	Equity	1 117 809	1 046 258
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	2 470 000	2 465 618
A II. 1.	Share premium	18 587	18 287
A II. 2.	Capital funds	2 451 413	2 447 331
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 (+/-)	3 095	+ 1 013
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	8 520	8 520
A III. 1.	Other reserve funds	8 498	8 498
A III. 2.	Statutory and other funds	22	22
A IV.	Retained profit or loss from prior year (+/-)	+ 1 487 889	+ 1 450 146
A IV. 1.	Retained earnings or losses (+/-)	+ 1 487 889	+ 1 450 146
A IV. 2.	Other profit or loss from previous years (+/-)		
A V.	Profit or loss of the current accounting period (+/-)	86 779	+ 57 351
A VI.	Approved advance profit distribution (-)		
B. + C.	Liabilities	255 918	829 427
B.	Provisions	136 224	142 927
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	136 224	142 927



Denotation a	EQUITY & LIABILITIES b	Current acc. period c	Previous acc. period d
C.	Liabilities	1 119 094	686 500
C. I.	Long-term liabilities	87 986	114 067
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 entities)		
C. I. 7.	Inter-group payables - significant influence		
C. I. 8.	Deferred tax payable		
C. I. 9.	Liabilities - other	87 986	114 067
C. I. 9.1.	Payables to partners		
C. I. 9.2.	Estimated payables		
C. I. 9.3.	Other payables	87 986	114 067
C. II.	Short-term liabilities	1 031 108	572 433
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	951 344	480 118
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	78 764	92 315
C. II. 8.1.	Payables to partners		
C. II. 8.2.	Other short-term borrowings		
C. II. 8.3.	Payables to employees	5 881	4 945
C. II. 8.4.	Social security and health insurance payables	2 188	2 551
C. II. 8.5.	Due to state - taxes and subsidies	4 55	15 587
C. II. 8.6.	Estimated payables	17 275	36 508
C. II. 8.7.	Other payables	29 915	30 704
D.	Accruals	602	699
D. I.	Accrued expenses	602	699
D. II.	Deferred income		



PROFIT AND LOSS STATEMENT - classification by types

In full scale
as of 31.3.2022
(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	272 023	305 177
II	Sales of goods bought for resale	2 533 367	1 342 526
*	Total sales	2 806 310	1 647 703
A.	Purchased consumables and services	2 518 277	1 564 616
A. 1.	Cost of goods sold	1 683 668	786 404
A. 2.	Consumables	164 368	200 077
A. 3.	Services	670 241	578 135
B.	Change in inventory of own production (+/-)	3 803	= 20 680
C.	Own work capitalized (-)		
D	Staff costs	108 215	92 598
D 1.	Wages and salaries	72 476	65 717
D 2.	Social security, health insurance and other expenses	30 739	26 881
D 2. 1.	Social security and health insurance expenses	24 618	21 416
D 2. 2.	Other expenses	6 121	5 465
E.	Adjustments relating to operating activities	74 246	51 162
E. 1.	Adjustments to intangible and tangible fixed assets	73 319	50 519
E. 1. 1.	Depreciation and amortization of intangible and tangible fixed assets	73 224	40 912
E. 1. 2.	Impairment of intangible and tangible fixed assets	95	9 606
E. 2.	Adjustments to inventories	1 266	2 283
E. 3.	Adjustments to receivables	= 345	= 1 610
III.	Other operating revenues	173 495	12 023
III. 1.	Proceeds from disposals of fixed assets	8	5
III. 2.	Proceeds from disposals of raw materials	3 282	3 475
III. 3.	Other operating revenues	170 205	8 543
F.	Other operating expenses	368 278	47 956
F. 1.	Net book value of fixed assets sold		11
F. 2.	Material sold		3 475
F. 3.	Taxes and charges	493	3 153
F. 4.	Provisions relating to operating activity and complex prepaid expenses	= 6 703	18 625
F. 5.	Other operating expenses	374 488	22 692
*	Operating profit or loss (+/-)	106 992	= 75 926



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		
III.	Expenses related to other long-term investments		
VI.	Interest revenue and similar revenue	35	69
VI. 1.	Interest revenue and similar revenue - group undertakings		
VI. 2.	Other interest revenue and similar revenue	35	69
I.	Adjustments and provisions relating to financial activity		
J.	Interest expense and similar expense	10 186	10 477
J. 1.	Interest expense and similar expense - group undertakings		
J. 2.	Other interest expense and similar expense	10 186	10 477
VII.	Other financial revenues	72 984	47 166
K.	Other financial expenses	71 324	63 260
*	Profit (loss) from financial operations	8 491	26 541
**	Profit (loss) before tax (+/-)	98 501	102 467
L.	Income tax	11 722	14 714
L. 1.	Current tax	2 375	
L. 2.	Deferred tax (+/-)	9 347	14 714
**	Profit (loss) after tax (+/-)	86 779	87 753
M.	Transfer of profit or loss to shareholders/members (+/-)		
***	Profit (loss) for the accounting period (+/-)	86 779	87 753
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. - VI. +	3 252 824	1 706 961



STATEMENT OF
CHANGES IN EQUITY

Name and seat
of accounting unit
Clenmark Pharmaceuticals s.r.o.

as of 31.12.2022
(in entire thousands CZK)

Period 1993
1994

Account Code
14019

	Share capital	Own shares/ ownership interests	Share premium	Other capital funds	Differences from revaluations	Differences from transformations	Funds from capital reserves fund	Revaluation surplus or losses (net)	Other profit or loss from previous years	Profit or loss for the current period	TOTAL EQUITY
Balance at 31.12.2020	66 088		18 267	2 408 314	-4 844		5 206	1 378 779		-21 290	1 124 814
Revaluation of property of lease											
Change in share capital								-21 290			
Profit share paid											
Change in capital funds											
Profit or loss for taxonomic period					3 293						3 293
Balance at 31.12.2021	66 088		18 267	2 408 314	-1 294		6 206	-1 486 130		-47 288	1 016 389
Profit share paid											
Change in capital funds											
Profit or loss for taxonomic period											
Balance at 31.12.2022	66 088		18 267	2 408 314	-3 406		8 206	-1 487 808		-6 296	1 117 869



CASH FLOW STATEMENT

as of 31.3.2022
(in entire thousands CZK)

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

Identif. Code:
46505164

Hvězdova 1719/2b
Praha 4
14078

Den.	TEXT	Balance in accounting period	
		current 1	previous 2
P	Cash and cash equivalents, beginning of period	98 345	61 385
	Net operating cash flow	-	-
Z.	Accounting profit (loss) from ordinary activities	98 501	- 102 467
A. 1.	Non-cash transactions	77 680	80 201
1.	Depreciation of fixed assets	73 224	40 913
2.	Change in:	+ 5 687	28 874
2. 1.	goodwill and adjustments to acquired assets		
2.	provisions and other adjustments	+ 5 687	28 874
3.	Profit(-) Loss(+) on sale of fixed assets	+ 8	6
4.	Profit(-) Loss(+) on sale of securities		
5.	Revenue from dividends and profit distribution		
6.	Expense and revenue interests accounted for	0 151	0 408
7.	Other non-cash transactions		
A. *	Net operating cash flow before financial items, changes in working capital and extraordinary items	176 181	+ 22 266
A. 2.	Changes in working capital	82 784	246 767
2. 1.	Change in receivables from operating activities and deferrals	- 286 287	508 594
2.	Change in short-term liabilities from operating activities and accruals	456 803	- 214 263
2. 1.	Change in inventories	+ 87 732	+ 47 624
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	258 965	224 441
A. 3.	Interest paid excluding amounts capitalised		
A. 4.	Interest received	35	32
A. 5.	Income tax paid on ordinary income and income tax relating to prior periods		
A. 6.	Dividends received		
A. ***	Net operating cash flow	259 000	224 473



Den. a	TEXT b	Balance in accounting period	
		current 1	previous 2
	Investment activity	-	-
B. I.	Acquisition of fixed assets	- 187 250	- 187 518
I. I.	Acquisition of tangible fixed assets	+ 88 946	+ 109 114
2.	Acquisition of intangible fixed assets	- 98 304	- 78 604
3.	Acquisition of long-term investments		
B. 2.	Proceeds from sales of fixed assets	8	8
2. 1.	Proceeds from sales of tangible and intangible fixed assets	8	5
2.	Proceeds from sale of financial investments		
B. 3.	Advances and loans to related parties		
B. ***	Net cash flow from investment activity	- 187 242	- 187 513
	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	71 758	36 960
R.	Cash and cash equivalents, end of period	170 103	98 345



NOTES TO THE FINANCIAL STATEMENTS
as of March 31, 2022

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. (hereinafter „Company“), 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, 2022, 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%	1 397	277

Glenmark Pharmaceuticals s.r.o.

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 from previous period (in ths EUR)
GLENMARK PHARMACEUTICALS SK, s. r. o.	Tomášikova 64 83104 Bratislava	100%	1 121	173

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, Andheri (East), Mumbai – 400 099, India).

Financial result for the year ended March 31, 2021 was approved on November 8, 2021 and the loss of the company was transferred to the account retained earnings or losses.

The Shareholder intends to transfer the profit of the year ended March 31, 2022 to the account retained earnings.

1.3. Statutory representatives as of March 31, 2022

Oliver Henry Bourne	Since November 1, 2014
Andrzej Gondek	Since May 12, 2017
Achin Gupta	Since May 12, 2017 – till December 23, 2021
Ajay Varshney	Since November 19, 2019 -till December 23, 2021
Petr Podlipny	Since December 24, 2021
Filip Ludvik	Since December 24, 2021

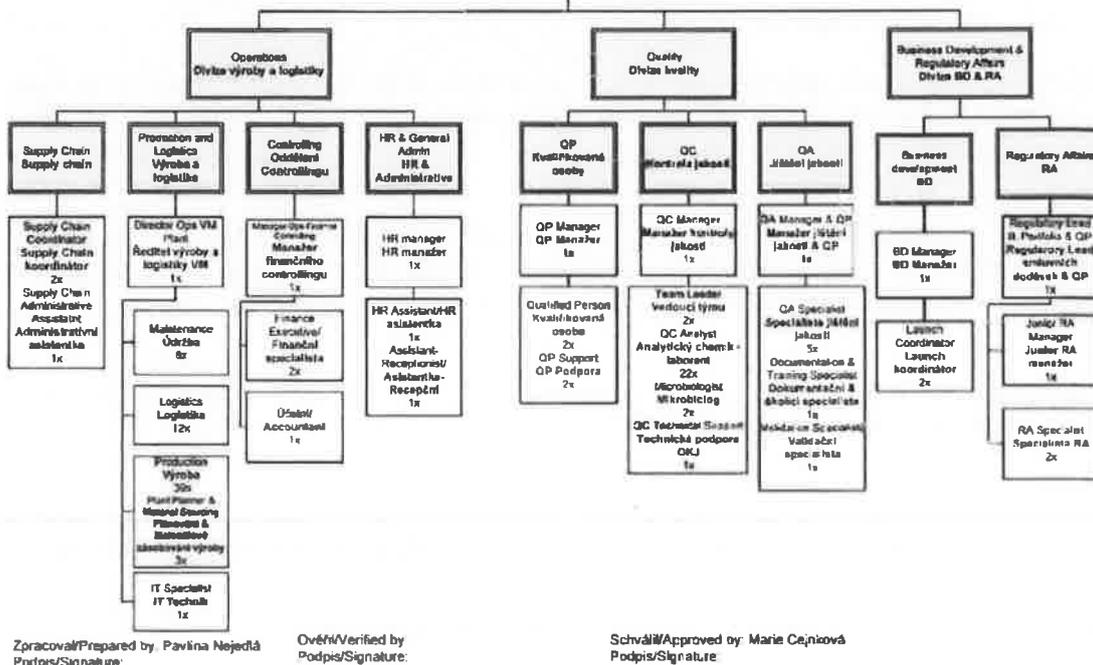
Each executive acts independently on the company's behalf.

1.4. Organization chart of the company as of March 31, 2022

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.

Glenmark Pharmaceuticals
s.r.o.



2. BASIS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

These financial statements are prepared for the year ending March 31, 2022.

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 Glenmark Pharmaceuticals Europe Limited. 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:

Domestic debtors:

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

Export debtors:

Receivables overdue:	Provision %:
361 – 720	10
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

Company has recognised a tax payable and a tax charge based on its tax calculation 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 31.3.2021	2 443	457 009	242 069	701 521
Additions	256	274 064	141 331	415 649
Disposals	-194	-15 172	-274 320	-289 686
Balance as at 31.3.2022	2 505	715 901	109 078	827 484
Accumulated amortisation and impairment:				
Balance at 31.3.2021	1 145	359 845	2 906	363 896
Amortisation charge for the year	469	41 683	0	42 152
Disposals	-194	-126	0	-320
Impairment loss	0	-3 429	3 525	96
Balance as at 31.3.2022	1 420	397 973	6 431	405 824
Carrying value at 31.3.2022	1 085	317 928	102 647	421 660

4.2. Tangible assets (ths CZK)

	Land and Buildings	Individual movable fixed asset	Other tangibles and assets under construction	Total
Cost:				
Balance at 31.3.2021	205 397	149 957	5 822	361 176
Additions	252	11 295	9 984	21 531
Disposals	0	-3 048	-11 547	-14 595
Balance as at 31.3.2022	205 649	158 204	4 259	368 112
Accumulated depreciation:				
Balance at 31.3.2021	82 306	84 915	0	167 221
Depreciation charge for the year	3 940	11 895	0	15 834
Disposals	0	-2 872	0	-2 872
Balance as at 31.3.2022	86 246	93 938	0	180 183
Carrying value at 31.3.2022	119 403	64 266	4 259	187 929

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 31.3.2022	Balance at 31.3.2021
Equity share	GLENMARK PHARMACEUTICALS SK, s. r. o.	34 072	29 300

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

The standard contracted payment term is 60 days.

	Balance at 31.3.2022	Balance at 31.3.2021
Domestic trade receivables	179 900	25 734
Foreign trade receivables	772 312	564 604
Total (net of provision)	952 212	590 338

Aging of trade receivables

	Balance at 31.3.2022	Balance at 31.3.2021
Not yet due	700 066	298 839
Overdue	252 146	291 499
<i>thereof overdue more than 365 days</i>	<i>101</i>	<i>101 982</i>
Total (net of provision)	952 212	590 338

Bad debt provision

The company has recorded bad debt provision for overdue receivables in the amount of 11 ths CZK as at March 31, 2022

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

The standard credit term is 14 days.

	31.3.2022	31.3.2021
Domestic trade payables	102 012	50 217
Foreign trade payables	851 332	429 921
Total	953 344	480 138

Aging of trade payables

	31.3.2022	31.3.2021
Not yet due	843 137	290 756
Overdue	110 207	189 382
<i>thereof overdue more than 365 days</i>	<i>0</i>	<i>943</i>
Total	953 344	480 138

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, 2022 of CZK 87 986 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, 2021 in the amount of 114 067 ths CZK.

4.6.3. Liabilities due to employees

The company has recorded as at March 31, 2022 liabilities due to employees in the value of 5 881 ths CZK, particularly unpaid salaries for March 2022. Liabilities due to employees as at March 31, 2021 were recorded in the value of 4 945 ths CZK.

4.6.4. Tax payables

The company has recorded as at March 31, 2022 the taxes payable in the value of 3 155 ths CZK, which represents liability from corporate income tax.

Taxes payables as at March 31, 2021 were recorded in the value of 15 587 ths CZK.

4.6.5. Accrued liabilities

The company has recorded as at March 31, 2022 accrued liabilities in the value of 37 225 ths CZK primarily for not invoiced services and awaited supplier's purchase prices adjustments to the products sold (so-called price-reco) during the year ending March 31, 2022.

Accrued liabilities as at March 31, 2021 were recorded in the value of 38 508 ths CZK.

4.6.6. Short-term other liabilities

The company has recorded the short-term other liability as at March 31, 2022 in the amount of ths CZK 28 915, out of which 28 827 ths CZK represents short-term part of liability described in the point 4.6.2

The company has recorded the short-term other liability as at March 31, 2021 in the amount of ths CZK 30 704, which represented short-term part of liability described in the point 4.6.2

4.7. Provisions (ths CZK)

	31.3.2022	31.3.2021
Provision for unspent holiday	4 231	3 995
Provision for MSA	131 993	138 932
Total	136 224	142 927

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 as at March 31, 2022. 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 5 317 as at March 31, 2022, which are not recorded in the balance sheet; as at March 31, 2021 were liabilities from operative leasing in the amount of ths CZK 5 535.

4.9. Income from operations (ths CZK)

	2022	2021
Revenues – finished goods	217 356	235 016
Revenues – services	55 587	70 161
Revenues – merchandise	2 533 367	1 342 526
Proceeds from sale of tangible assets	8	5
Proceeds from sale of raw materials	3 282	3 475
Other income	370 205	8 543
Total	3 179 805	1 659 726

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

	2022	2021
Czech Republic	57 660	46 583
Slovak Republic	30 437	24 798
Poland	812	4 355
Germany	104 863	128 801
Great Britain	55 151	87 595
Sweden	537	959
Other	23 483	12 086
Total	272 943	305 177

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, 2022 in the value of 374 488 ths CZK, include mainly compensation paid by the Company to other companies in Group in respect of their distribution activity for the Company. There are also insurance charges, shortages and damages, scrapping costs. For the year ended March 31, 2021 they amount to 22 692 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 573 ths CZK.

4.10.2. Current and deferred tax

The company created tax profit for the financial year ended March 31, 2022, the corporate income tax payable is 2 375 ths CZK.

The Company booked the deferred tax in the amount 62 773 ths CZK as at March 31, 2022; as at March 31, 2021 was posted deferred tax in the amount of 72 120 ths CZK.

	31.3.2022	31.3.2021
Deferred tax (in ths CZK)		
RV Tangible and intangible assets	25 859	23 508
Other provisions and adjustments	36 914	35 485
Accumulated tax losses	0	13 127
Total	62 773	72 120

5. STAFF COSTS

Average number of company employees as at March 31, 2022: 129, statutory representative wasn't employee of the Company.

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

	31.3.2022 (in ths CZK)	31.3.2021 (in ths CZK)
Payroll costs	77 476	65 717
Social security and health insurance costs	24 618	21 416
Social costs	6 121	5 465
Total	108 215	92 598

6. POST BALANCE SHEET EVENTS

No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.