

Glenmark Pharmaceuticals Nordic AB
Org.nr. 559065-7085

Annual report
Glenmark Phamaceuticals Nordic AB
559065-7085

Fiscal year
2023-04-01 - 2024-03-31

Board of Directors report

The board of directors of Glenmark Pharmaceuticals Nordic AB, 559065-7085, with its registered office in Malmö, may hereby submit the Annual Report for the financial year 2023-04-01 - 2024-03-31

The annual report is issued in SEK.

General information

Glenmark Pharmaceuticals Nordic AB, is based in Malmö. The company's business is to carry out distribution, marketing, export and import of pharmaceuticals. Our high-quality medicines are sold in all five Nordic countries Sweden, Denmark, Norway, Finland and Iceland. Our portfolio includes several indication groups including focus on the therapy areas of the central nervous system, the cardiovascular system and the respiratory system.

The company has its residence in Malmö

Ownership

Shareholder
Glenmark Holding SA
Chemin de al Combeta 5
CH-2300 La Chaux-de-Fonds
Switzerland
Orgnr: CHE-112,940,235

Significant events during the financial year

The company is still in a development phase where new products have been launched during the financial year. Sales has increased during the financial year.

Expected future development as well as significant risks and uncertainty factors

The company will continue to develop, launch new products on the Nordic market and sales are expected to increase.

Branches abroad

The company has no branches abroad.

Sustainability information

Glenmark's objective is to achieve sustainability as part of our process that encompasses our operations, stakeholders, societies and the planet at large. Our CSR initiatives are in line with our main focus areas covering health and sanitation, water conservation, livelihood and skills development, education, promotion of sports disaster relief and access to health care. Employees at Glenmark contribute both financially and non-financially to social causes worldwide through the Glenmark Joy of Giving and employee volunteer initiatives.

| Fiscal years overview | 2024-03-31 | 2022-03-31 | 2021-03-31 | 2020-03-31 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Net sales | 212 843 016 | 156 897 887 | 93 294 538 | 93 433 117 |
| Operating margin % | 2% | 4% | 3% | 2% |
| Balance sheet total | 129 464 216 | 98 182 236 | 107 471 760 | 72 204 304 |
| Solidity, % | 18% | 19% | 13% | 15% |
| Profit/loss after financial items | 3 741 724 | 5 542 017 | 2 444 450 | 1 977 879 |

*For definitions, see note

Changes in equity

| | Restricted | Non-restricted | | Total |
|-----------------------------------|---------------|-------------------|------------------|-------------------|
| | Share capital | Retained earnings | Net profit | |
| Opening balance 2023-04-01 | 50 000 | 13 541 631 | 5 542 017 | 19 133 648 |
| Net profit disposition | | 5 542 017 - | 5 542 017 | |
| Net profit of the year | | | 3 741 724 | 3 741 724 |
| Closing balance 2024-03-31 | 50 000 | 19 083 648 | 3 741 724 | 22 875 372 |

Conditional shareholder contribution on closing day is 22 100 000 SEK, (22 100 000 SEK)

The Board of Directors propose that the non-restricted equity, 19 083 648 SEK is allocated as shown below:

| | |
|--|-------------------|
| Balanced profit is at the disposal of the Annual General Meeting | 19 083 648 |
| Profit for the year | 3 741 724 |
| Total | 22 825 372 |
| Profit or loss brought forward | 22 825 372 |

For further information regarding the company's profit and financial position information can be found in the following income statement, balance sheet, cash flow statement and pertaining notes.

Income statement

| Amount in kr | Note | 2023-04-01- 2024-03-31 | 2022-04-01- 2023-03-31 |
|--|------|---------------------------|---------------------------|
| Net sales | 2 | 212 843 016 | 156 897 887 |
| Other operating income | | 4 614 256 | 2 576 684 |
| | | 217 457 271 | 159 474 571 |
| Operating expenses | | | |
| Trade goods | 3 | - 154 922 011 | - 96 348 396 |
| Other external costs | 4, 5 | - 37 604 969 | - 37 106 266 |
| Employee benefit expenses | 6, 7 | - 12 680 474 | - 11 118 119 |
| Depreciation, amortisation and impairment of equipment | | - | - |
| Other operating expenses | | - 8 219 819 | - 9 353 232 |
| Operating profit | | 4 029 998 | 5 548 558 |
| Profit/loss from financial items | | | |
| Interest income and similar profit/loss items | | - | - |
| Interest expense and similar profit/loss items | | 5 851 | - 6 541 |
| Profit after financial items | | 4 035 849 | 5 542 017 |
| Profit before tax | | 4 035 849 | 5 542 017 |
| Tax | 8 | - 294 125 | - |
| Net profit for the year | | 3 741 724 | 5 542 017 |

Balance sheet statement

| Amount in kr | Note | 2024-03-31 | 2023-03-31 |
|---|------|--------------------|-------------------|
| Assets | | | |
| Fixed assets | | | |
| Property, plant and equipment | | - | - |
| Equipment, tools, fixtures and fittings | | - | - |
| Total fixed assets | | - | - |
| Current assets | | | |
| Inventory | | 67 622 515 | 61 387 223 |
| Trade goods | | 67 622 515 | 61 387 223 |
| Current receivables | | 37 009 553 | 20 597 134 |
| Accounts receivable | | 173 826 | 480 922 |
| Current tax assets | | 1 907 862 | 1 701 501 |
| Prepaid expenses and accrued income | 9 | 39 091 241 | 22 779 557 |
| Cash and bank | | 22 750 460 | 14 015 455 |
| Total current assets | | 129 464 216 | 98 182 236 |
| Total assets | | 129 464 216 | 98 182 236 |

Balance sheet statement

| Amount in kr | Note | 2024-03-31 | 2023-03-31 |
|--------------------------------------|------|--------------------|-------------------|
| Equity and Liabilities | | | |
| Equity | 10 | | |
| Restricted equity | | | |
| Share capital | | 50 000 | 50 000 |
| | | 50 000 | 50 000 |
| Non-restricted equity | | | |
| Retained earnings | 12 | 19 083 648 | 13 541 631 |
| Net profit | | 3 741 724 | 5 542 017 |
| | | 22 825 372 | 19 083 648 |
| Total equity | | 22 875 372 | 19 133 648 |
| Long term debt | | - | - |
| Current liabilities | | | |
| Intercompany debt | | 82 124 551 | 69 036 144 |
| Accounts payable | | 9 721 474 | 1 614 112 |
| Current tax liability | | 294 125 | - |
| Other short term liabilities | | 13 311 807 | 7 249 174 |
| Accrued expenses and deferred income | 11 | 1 136 886 | 1 149 158 |
| Total current liabilities | | 106 588 844 | 79 048 587 |
| Total equity and liabilities | | 129 464 216 | 98 182 236 |

Cash flow statement

| Amount in kr | 2024-03-31 | 2023-03-31 |
|--|-------------------|---------------------|
| Cash flow from operations | | |
| Profit before interest and Tax | 4 035 849 | 5 542 017 |
| Adjustment for non cash flow items | - 294 125 | - |
| Total cash flow from operations before changes in working capital | 3 741 724 | 5 542 017 |
| Cash flow from working capital | | |
| Changes in current assets | - 16 311 683 | 9 220 208 |
| Changes in inventory | - 6 235 292 | - 5 494 767 |
| Changes in current liabilities | 27 540 256 | - 14 831 541 |
| Total cash flow from changes in working capital | 4 993 281 | - 11 106 101 |
| Opening bank balance | 14 015 455 | 19 579 538 |
| Free cash flow of the year | 8 735 005 | - 5 564 084 |
| Closing bank balance | 22 750 460 | 14 015 455 |

Notes

Note 1 Accounting principles

Amount in SEK

General accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Board's general advice BFNAR 2012:1 Annual report and consolidated accounts (K3).

Valuation principles

The principles are unchanged compared to the previous year.

Receivables and liabilities in foreign currency are initially recorded in the accounting currency in accordance with the exchange rate on the transaction date. As of the balance sheet date, receivables and liabilities in foreign currency are recalculated at the balance sheet date rate and reported and valued according to this.

Receivables

Receivables are posted at the amount of which is expected to be collected

Other assets, provisions and liabilities

Other assets, provisions and liabilities are recorded at cost of acquisition unless otherwise stated.

Revenue recognition

Revenue is recorded at fair value of what has been received or will be received. Consequently the company records revenue at nominal value (invoice amount) if the payment is received in cash or cash equivalents directly on delivery. Deduction is made for discounts given.

Leasing

All leasing agreements are expensed linearly over the leasing period.

Tangible assets

Tangible fixed assets are reported to the cost of acquisition less accumulated depreciation and impairment. The assets are depreciated on a straight-line-basis over the estimated useful life. The useful life is reviewed as at every balance sheet date.

Inventories

Inventories are reported at the lower of cost and net realisable value. The acquisition value is calculated according to the first-in first-out principle and net realisable value. Net realisable value has been calculated as the sales value after deduction for estimated selling expenses, taking into account obsolescence.

Receivable and payable in foreign currency

Monetary receivables and liabilities in foreign currency have been converted to the exchange rate on the balance sheet date. Exchange rate differences that arise when adjusting or recalculating monetary items are reported in the income statement at respective financial year they arise, either as an operating item or as a financial item based on the underlying transaction.

Income tax

Current tax is income tax for the current financial year that refers to the years taxable earnings and the as yet unreported part of previous financial years income tax.

Current tax is stated at the probable amount according to the tax rates and tax rules applicable on the balance sheet date.

Group consolidated accounts

Group consolidated accounts is reported by Glenmark Pharmaceuticals Limited with org nr: AAACG2207L, based in Mumbai, India.

Cash flow statement

Indirect method

| | <u>2023-04-01- 2024-03-31</u> | <u>2022-04-01- 2023-03-31</u> |
|--|-----------------------------------|-----------------------------------|
| Note 2 Net sales per geographic market | | |
| Net sales per geographic market comprise of sales for deliveries for respective customer within below markets | | |
| Denmark | 58 815 268 | 54 141 580 |
| Finland | 19 431 368 | 6 048 744 |
| Norway | 25 993 453 | 24 858 715 |
| Sweden | 108 602 928 | 71 848 848 |
| Total Net sales | <u>212 843 016</u> | <u>156 897 887</u> |
| | | |
| Note 3 Intercompany purchases | <u>2023-04-01- 2024-03-31</u> | <u>2022-04-01- 2023-03-31</u> |
| Share of intercompany purchases | 100% | 100% |
| | | |
| Note 4 Operational leasing | <u>2023-04-01- 2024-03-31</u> | <u>2022-04-01- 2023-03-31</u> |
| During the year, the company's leasing fees amounted to | 816 313 | 733 318 |
| Future minimum lease payments for non-cancelables lease agreement, due for payment as follows | | |
| Within one year | 873 494 | 753 040 |
| Between two and five years | 878 245 | 1 489 607 |
| Later than five years | - | - |
| Total | <u>1 751 738</u> | <u>2 242 647</u> |
| | | |
| Note 5 Audit expenses | <u>2023-04-01- 2024-03-31</u> | <u>2022-04-01- 2023-03-31</u> |
| BDO | | |
| Audit engagement | 260 055 | 225 000 |
| Other services | - | - |
| | <u>260 055</u> | <u>211 250</u> |
| Audit engagement comprise of the legal statutory audit Other services are those that are not part of the audit engagement or tax services | | |
| | | |
| Not 6 Staff | <u>2023-04-01- 2024-03-31</u> | <u>2022-04-01- 2023-03-31</u> |
| Average employees | | |
| The average number of employees is based on attendance hours paid by the company related to a normal hours | | |
| Average number of employees | 7 | 7 |
| Women | 4 | 4 |
| Men | 3 | 3 |
| | | |
| Salary and other compensations | | |
| Wages, benefits, social costs | 10 518 047 | 9 487 495 |
| Pension costs | 1 959 631 | 1 502 465 |
| | | |
| Board of Directors: | | |
| Salary and other benefits | 0 | 0 |
| Pension benefit | 0 | 0 |
| | <u>0</u> | <u>0</u> |

| | | |
|------------------------|-------------------|-------------------|
| Other employees | | |
| Salary and benefits | 10 518 047 | 9 487 495 |
| Pension costs | 1 959 631 | 1 502 465 |
| | 12 477 678 | 10 989 960 |

| | | |
|--------------|-------------------|-------------------|
| Total | 12 477 678 | 10 989 960 |
|--------------|-------------------|-------------------|

Gender split in the board and company management

| | | |
|-------------------------------------|----------|----------|
| Number of Board of Directors | 1 | 1 |
| Women | 0 | 0 |
| Men | 1 | 1 |
| Other Company Management | 1 | 1 |
| Women | 0 | 0 |
| Men | 1 | 1 |
| Pension benefits | 0 | 0 |
| Pension benefits Board of Directors | 0 | 0 |

Not 7 Average number of employee's per country

| | |
|-----------------------------------|-----------------------------------|
| 2023-04-01- 2024-03-31 | 2022-04-01- 2023-03-31 |
|-----------------------------------|-----------------------------------|

The average number of employees is distributed among the following countries
The average number of employees is based on those paid by the company
attendance hours related to normal working hours.

| | | |
|---------|---|---|
| Sweden | | |
| Woman | 3 | 3 |
| Men | 3 | 2 |
| Iceland | | |
| Woman | 1 | 1 |
| Men | 0 | 0 |

Not 8 Tax

| | |
|-----------------------------------|-----------------------------------|
| 2023-04-01- 2024-03-31 | 2022-04-01- 2023-03-31 |
|-----------------------------------|-----------------------------------|

| | | |
|-------------------------------------|------------------|-----------|
| Reconciliation effective tax | | |
| Net profit | 4 035 849 | 5 542 017 |
| Tax 20,60% (20,60%) | - 831 385 - | 1 141 656 |
| Tax effect: | | |
| Non deductible cost | - | 20 420 |
| Non taxable income | | |
| Tax adjustments: | 30 153 | |
| Income on accrual fond | | |
| Return of accrual fond | | |
| Tax loss carry forward utilization | 507 107 | 1 162 076 |
| Tax related to previous years | | |
| New Tax losses for the year | | |
| Change in deferred tax asset | | |
| Rounding | | |
| Total tax cost | - 294 125 | - |

Note 9 Prepaid expenses and accrued income

| | <u>2024-03-31</u> | <u>2023-03-31</u> |
|---|-------------------|-------------------|
| Prepaid rent | 232 434 | 222 528 |
| Prepaid expenses for industry organisations | 909 407 | 831 700 |
| Prepaid insurance | 166 859 | 106 969 |
| Prepaid other expenses | 599 162 | 540 304 |
| Total | 1 907 862 | 1 701 501 |

Note 10 Share capital

| | Antal aktier | Kvotvärde per aktie |
|------------------------------|---------------------|----------------------------|
| Number/value opening balance | 500 | 100 |
| Number/value closing balance | 500 | 100 |

Note 11 Accrued expenses and prepaid income

| | <u>2024-03-31</u> | <u>2023-03-31</u> |
|------------------------|-------------------|-------------------|
| Accrued vacation | 1 131 331 | 948 036 |
| Other accrued expenses | 299 179 | 201 121 |
| Total | 1 430 510 | 1 149 158 |

Note 12 Net profit disposition

| | <u>2024-03-31</u> | <u>2023-03-31</u> |
|---|-------------------|-------------------|
| Förslag till disposition av bolagets vinst | | |
| At the disposal of the Annual General Meeting | | |
| Retained earnings | 19 083 648 | 13 541 631 |
| Net profit | 3 741 724 | 5 542 017 |
| Total | 22 825 372 | 19 083 648 |

Styrelsen föreslår att i ny räkning överföres

| | |
|-------------------|-------------------|
| 22 825 372 | 19 083 648 |
|-------------------|-------------------|

Note 13 Definition of KPI's

Solidity

Adjusted Equity in % of total assets

Return on Equity

EBIT in % of adjusted Equity

Return on total Assets

EBIT with addition of financial income in % of average total balance

Cash liquidity

Current assets excl inventory in % of current liabilities