



Mylan Denmark ApS

Borupvang 1
2750 Ballerup
CVR No. 36184779

Annual report 2019

The Annual General Meeting adopted the
annual report on 15.06.2020

Jan Ulrik Stevensborg
Chairman of the General Meeting

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Entity details

Entity

Mylan Denmark ApS

Borupvang 1

2750 Ballerup

CVR No.: 36184779

Registered office: Ballerup

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jan Ulrik Stevnsborg

Jose Javier Cotarelo

Kurt Glud

Executive Board

Jan Ulrik Stevnsborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Mylan Denmark ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.06.2020

Executive Board

Jan Ulrik Stevnsborg

Board of Directors

Jan Ulrik Stevnsborg

Jose Javier Cotarelo

Kurt Glud

Independent auditor's report

To the shareholders of Mylan Denmark ApS

Opinion

We have audited the financial statements of Mylan Denmark ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies 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 in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The Company's activities consist of marketing, sale and distribution of pharmaceutical products, to the health sector in Denmark, the Faroe Islands and Iceland.

Development in activities and finances

Profit for the year after tax amounts to DKK 4.978 thousand and total assets amount to DKK 197.505 thousand. The company has changed its name from BGP Products ApS to Mylan Denmark ApS on the 1st of July. The change was made as a strategic decision by the Group and the company's management.

Outlook

Mylan Denmark ApS has taken over distribution of Meda A/S products, and this is expected to have a positive influence on future results.

Events after the balance sheet date

In early 2020, the outbreak of the coronavirus disease (COVID-19) has escalated, and on 11 March 2020 the WHO declared it a worldwide pandemic. The outbreak has led to a number of precautions that affect the planning and execution of day-to-day operations, and the Group's vendors and customers may be affected as well. Their financial impact cannot be determined at this point in time.

Aside from this, no material events have occurred after the balance sheet date which affect the annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		30,329,017	15,559,915
Staff costs	1	(22,936,881)	(14,327,085)
Depreciation, amortisation and impairment losses		(674,382)	(604,074)
Operating profit/loss		6,717,754	628,756
Other financial income		52,536	5,331
Other financial expenses	2	(449,804)	(203,336)
Profit/loss before tax		6,320,486	430,751
Tax on profit/loss for the year	3	(1,342,533)	(126,687)
Profit/loss for the year		4,977,953	304,064
Proposed distribution of profit and loss			
Retained earnings		4,977,953	304,064
Proposed distribution of profit and loss		4,977,953	304,064

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Goodwill		1,307,964	1,911,642
Intangible assets	4	1,307,964	1,911,642
Other fixtures and fittings, tools and equipment		712,484	0
Property, plant and equipment	5	712,484	0
Deposits		374,450	0
Other financial assets		374,450	0
Fixed assets		2,394,898	1,911,642
Manufactured goods and goods for resale		29,370,941	0
Inventories		29,370,941	0
Trade receivables		151,012,435	30,022,418
Receivables from group enterprises		0	11,480,495
Deferred tax		60,411	803
Other receivables		0	42,700
Income tax receivable		887,797	568,492
Joint taxation contribution receivable		6,752,221	5,487,364
Prepayments		326,724	0
Receivables		159,039,588	47,602,272
Cash		6,699,957	1,070,451
Current assets		195,110,486	48,672,723
Assets		197,505,384	50,584,365

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		100,000	100,000
Retained earnings		22,768,828	17,790,875
Equity		22,868,828	17,890,875
Trade payables		4,028,437	1,100,931
Payables to group enterprises		142,187,775	13,631,167
Income tax payable		6,752,221	0
Other payables		21,668,123	17,961,392
Current liabilities other than provisions		174,636,556	32,693,490
Liabilities other than provisions		174,636,556	32,693,490
Equity and liabilities		197,505,384	50,584,365
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Related parties with controlling interest	8		
Group relations	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	17,790,875	17,890,875
Profit/loss for the year	0	4,977,953	4,977,953
Equity end of year	100,000	22,768,828	22,868,828

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	20,759,857	13,229,318
Pension costs	1,659,432	1,043,815
Other social security costs	53,144	31,243
Other staff costs	464,448	22,709
	22,936,881	14,327,085
Average number of full-time employees	23	14

2 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	389,648	102,770
Exchange rate adjustments	13,489	635
Other financial expenses	46,667	99,931
	449,804	203,336

3 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	1,462,203	94,585
Change in deferred tax	(59,608)	(834)
Adjustment concerning previous years	(60,062)	32,936
	1,342,533	126,687

4 Intangible assets

	Goodwill DKK
Cost beginning of year	4,225,741
Cost end of year	4,225,741
Amortisation and impairment losses beginning of year	(2,314,099)
Amortisation for the year	(603,678)
Amortisation and impairment losses end of year	(2,917,777)
Carrying amount end of year	1,307,964

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Additions	783,188
Cost end of year	783,188
Impairment losses for the year	(70,704)
Depreciation and impairment losses end of year	(70,704)
Carrying amount end of year	712,484

6 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	7,763,115	0

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

8 Related parties with controlling interest

Mylan Inc., 1000 Mylan Blvd, Canonsburg, PA 15317, USA.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Mylan Inc, 1000 Blvd, Canonsburg, PA 15317, USA.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for

premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.