

# **ALKALOIDA Vegyészeti Gyár Zrt., Tiszavasvári**

## **REPORT**

on the audit  
of the annual financial statements  
as of 31 March 2023

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Statistical code

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Company registration number

ALKALOIDA Chemical Company Zrt.

01. "A" BALANCE Assets

USD

No.	Item	Previous year 31/03/2022	Reference year 31/03/2023
a	b	c	e
002	<b>A FIXED ASSETS</b> (03.+11.+19.)	<b>658,040,321</b>	<b>672,184,141</b>
003	I. INTANGIBLE ASSETS (04. ... 10.)	47,168	28,478
004	1 Capitalised value of foundation and restructuring costs		
005	2 Capitalised value of research and development	0	0
006	3 Concessions and similar rights and assets k	20,355	28,478
007	4 Intellectual property	26,813	0
008	5 Goodwill	0	0
009	6 Advance payments on intangible assets	0	0
010	7 Revaluation of intangible assets	0	0
011	II. TANGIBLE ASSETS (12. ... 18.)	37,249,998	34,638,856
012	1 Land and buildings and related concessions and similar rights	30,974,955	29,821,045
013	2 Technical equipment, machinery and vehicles	3,177,542	2,478,981
014	3 Other equipment, fittings and vehicles	2,701,432	1,926,835
015	4 Breeding stock	0	0
016	5 Capital WIP, renovations	165,702	259,855
017	6 Advance payments on Capital WIP	230,367	152,140
018	7 Revaluation of tangible assets	0	0
019	III. FINANCIAL INVESTMENTS (20. ... 29.)	620,743,155	637,516,807
020	1 Long term investments in related companies	259,297,899	259,295,358
021	2 Long term loans given to related companies	359,945,256	375,821,449
022	3 Long term investments in non-related companies	0	0
023	4 Long term loans given to non-related companies	0	0
024	5 Other long term investments	1,500,000	1,500,000
025	6 Advance paid for investments	0	900,000
026	7 Long term loans given to other investees	0	0
027	8 Other long term loans given	0	0
028	9 Securities representing long term loans	0	0
029	10 Revaluation of financial investments	0	0
030	11 Valuation difference of Financial investments	0	0
031	<b>B CURRENT ASSETS</b> (31.+38.+47.+54.)	<b>47,538,036</b>	<b>49,278,838</b>
032	I. INVENTORIES (32. ... 37.)	27,722,396	30,781,950
033	1 Raw materials and consumables	9,847,804	13,141,026
034	2 Work in progress and semi-finished products	10,611,588	9,896,473
035	3 Animals	0	0
036	4 Finished goods	7,165,057	7,712,217
037	5 Goods	81,528	26,302
038	6 Advance payments on inventories	16,419	5,932
039	II. RECEIVABLES (39. ... 46.)	19,218,164	17,195,210
040	1 Trade accounts receivable	1,479,109	2,032,269
041	2 Receivables from related companies	14,765,111	12,002,957
042	3 Receivable from non-related companies	0	0
043	4 Receivables from other investees	0	0
044	5 Bills of exchange receivables	0	0
045	6 Other receivables	2,973,944	3,159,984
046	7 Valuation difference of Receivables	0	0
047	8 Positive valuation difference of derivatives	0	0
048	III. MARKETABLE SECURITIES (48. ... 53.)	0	0
049	1 Investments in related companies	0	0
050	2 Investment in non-related companies in a significant degree	0	0
051	3 Other investments	0	0
052	4 Own shares, own quotas	0	0
053	5 Securities representing loans held for sale	0	0
054	6 Valuation difference of securities	0	0
055	IV. LIQUID ASSETS (55.+56.)	597,476	1,301,678
056	1 Cash in hand, cheques	2,238	2,470
057	2 Bank deposits	595,238	1,299,208
058	<b>C PREPAID EXPENSES AND ACCRUED INCOME</b> (58. ... 60.)	<b>7,879,178</b>	<b>3,094,456</b>
059	1 Accrued income	7,721,156	2,908,408
060	2 Prepaid expenses	158,022	186,048
061	3 Deferred expenses	0	0
062	<b>TOTAL ASSETS</b> (02.+30.+57.)	<b>713,457,535</b>	<b>724,557,435</b>

Date: TISZAVASVARI, May 05, 2023

head of the company  
(representative)

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Statistical code

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Company registration number

ALKALOIDA Chemical Company Zrt.

"A" BALANCE Liabilities

USD

No	Item	Previous year 31/03/2022	Reference year 31/03/2023
a	b	e	e
063	<b>D SHAREHOLDERS' EQUITY</b> (64.+66. ... 70.+73.)	<b>703,775,572</b>	<b>711,110,009</b>
064	I. ISSUED CAPITAL	89,260,220	89,260,220
065	Of line 64: ownership shares repurchased at face value	0	0
066	II. ISSUED BUT NOT PAID CAPITAL (-)	0	0
067	III. CAPITAL RESERVES	296,794,237	296,794,237
068	IV. RETAINED EARNINGS FROM PREVIOUS YEAR	312,171,626	317,721,115
069	V. NON DISTRIBUTABLE RESERVES	0	0
070	VI. REVALUATION RESERVE	0	0
071	1. Revaluation reserve for value adjustment	0	0
072	2. Revaluation reserve for value assessment	0	0
073	VII. PROFIT AFTER TAX	5,549,489	7,334,437
074	<b>E PROVISIONS</b> (75. ... 77.)	<b>3,315,553</b>	<b>1,958,745</b>
075	1 Provisions for expected liabilities	3,315,553	1,958,745
076	2 Provisions for future expenses	0	0
077	3 Other provisions	0	0
078	<b>F LIABILITIES</b> (79.+84.+94.)	<b>4,061,427</b>	<b>9,736,474</b>
079	I. SUBORDINATED LIABILITIES (80. ... 83.)	0	0
080	1 Subordinated liabilities to related companies	0	0
081	2 Subordinated liabilities to companies with investment at relevant degree	0	0
082	3 Subordinated liabilities to other investees	0	0
083	4 Subordinated liabilities to other enterprises	0	0
084	II. LONG TERM LIABILITIES (85. ... 93.)	0	0
085	1 Long term credits	0	0
086	2 Convertible bonds	0	0
087	3 Debt on the issue of bonds	0	0
088	4 Investment and development loans	0	0
089	5 Other long term loans	0	0
090	6 Long term liabilities to related companies	0	0
091	7 Long term liabilities to non related but invested companies	0	0
092	8 Long term liabilities to other investees	0	0
093	9 Other long term liabilities	0	0
094	III. SHORT TERM LIABILITIES (95. ... 106.)	4,061,427	9,736,474
095	1 Short term credits	0	0
096	Of line 95: convertible bonds	0	0
097	2 Short term loans	0	0
098	3 Advance payments received from customers	46,810	0
099	4 Trade accounts payable	1,326,709	2,668,846
100	5 Bills of exchange payable	0	0
101	6 Short term liabilities to related companies	1,904,456	5,481,477
102	7 Short term liabilities to non related but invested companies	0	0
103	8 Short term liabilities to other investees	0	0
104	9 Other short term liabilities	783,452	1,586,151
105	10 Valuation difference of liabilities	0	0
106	11 Negative valuation difference of financial derivatives	0	0
107	<b>G ACCRUED EXPENSES AND DEFERRED INCOME</b> (108. ... 110.)	<b>2,304,983</b>	<b>1,752,207</b>
108	1 Deferred revenues	0	0
109	2 Accrued expenses and deferred income	1,906,717	1,373,972
110	3 Deferred income	398,266	378,235
111	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> (63.+74.+78.+107.)	<b>713,457,535</b>	<b>724,557,435</b>

Date: TISZAVASVARI, May 05, 2023

head of the company  
(representative)

ALKALOIDA Chemical Company Zrt.

"A" STATEMENT OF INCOME

(with total cost method)

No.	Item	Previous year 31/03/2022	Reference year 31/03/2023
a	b	e	e
01.	01. Net domestic sales revenues	765,489	525,277
02.	02. Net export sales revenues	42,928,176	45,821,083
03.	I. NET SALES REVENUES (01+02)	43,693,665	46,346,360
04.	03. Change in self-manufactured inventories	2,291,113	-167,954
05.	04. Capitalised value of self-manufactured assets	1,078,538	1,859,003
06.	II. CAPITALISED VALUE OF OWN PERFORMANCE (03+04)	3,369,651	1,691,049
07.	III. OTHER INCOME	841,772	1,735,636
08.	Of which: loss of value written back	269,539	312,577
09.	05. Cost of raw materials	23,815,662	29,170,235
10.	06. Value of services used	6,979,142	7,031,370
11.	07. Value of other services	302,984	264,397
12.	08. Cost of goods sold	669,598	639,185
13.	09. Value of recharged services	0	0
14.	IV. MATERIAL-TYPE EXPENDITURES (05+06+07+08+09)	31,767,386	37,105,187
15.	10 Wages costs	7,897,827	7,396,564
16.	11. Other payments to personnel	1,184,086	1,121,042
17.	12. Personnel related contributions	1,300,503	950,961
18.	V. PAYMENTS TO PERSONNEL (10+11+12)	10,382,416	9,468,567
19.	VI. DEPRECIATION CHARGE	3,450,756	3,445,945
20.	VII. OTHER EXPENSES	3,565,153	4,266,359
21.	Of which: impairment loss provision	2,483,305	1,818,799
22.	A. TRADING PROFIT ((I+II)-III-IV-V-VI-VII)	-1,260,623	-4,513,013
23.	13. Dividend received	0	0
24.	- Of which: received from related companies	0	0
25.	14. Gain on sale of investment	0	0
26.	- Of which: received from related companies	0	0
27.	15. Interest received and gain on financial investments	0	0
28.	- Of which: received from related companies	0	0
29.	16. Other interest received	7,510,642	12,469,976
30.	- Of which: received from related companies	7,503,789	12,388,805
31.	17 Other revenues from financial transactions	465,198	74,708
33.	VII. REVENUES FROM FINANCIAL TRANSACTIONS (09+10+11+12+13)	7,975,840	12,544,684
34.	18. Financial and foreign exchange loss of investments	0	0
35.	- Of which: related companies	0	0
36.	19. Financial and foreign exchange loss of long term financial assets (securities, loans)	0	0
37.	- Of which: paid to related companies	0	0
38.	20. Interest paid	5	184
39.	- Of which: given to related companies	0	0
40.	21. Losses on shares, securities and bank deposits	0	0
41.	22. Other expenditures of financial transactions	847,992	272,210
43.	- of which: valuation difference	0	0
44.	IX. EXPENDITURES OF FINANCIAL TRANSACTIONS (14+15+16+17+18)	847,997	272,394
45.	B. FINANCIAL PROFIT (VII.-VIII.)	7,127,843	12,272,290
46.	C. NET PROFIT BEFORE TAXATION (+-A+-B)	5,867,220	7,759,277
47.	X. TAX LIABILITY	317,731	424,840
	D. NET PROFIT PER BALANCE SHEET (±C-IX)	5,549,489	7,334,437

Date: TISZAVASVARI, May 05, 2023

head of the company  
(representative)

## 1 PRESENTATION OF THE COMPANY

Our company limited was established by János Kabay in the North-Eastern part of Hungary, in Tiszavasvári, in 1927, as Alkaloida Chemical Factory. ALKALOIDA Chemical Company Zrt. (hereinafter referred to as “Company”) is the member of the SUN Pharmaceutical Industries Ltd. international corporation based in India.

**The abbreviated name of the Company:** Alkaloida Chemical Company Zrt

**Headquarters, site:** Tiszavasvári, Kabay János street 29.

**Tax number:** 10715846-2-15

**Company registration number:** 15-10-040330

**Company owner (ownership:99.99%)**

### **Sun Pharma Holdings**

MU-Sesroches & St Louis Streets

Port Louis

Registration number: C114331

Registry office: Republic of Mauritius

Company is involved in consolidation by the SUN PHARMA, prepares its consolidated financial statement.

### **The person who is entitled for representation of the company and signing the report.**

Name: Mihály Kaszás General Manager

Address: 4032 Debrecen, Pápai József street 12.

### **The company is obliged to audit according to the accounting law.**

#### **Data of the auditing company**

Company name: Grant Thothton Audit Ltd.

Company registration number: 01-09-691274

#### **Data of the responsible auditor**

Name: Judit Gittinger

Address: 2030 Érd, Fazekas str. 3

Chamber membership no.: 007105

### **Person who is responsible for managing the accounting services.**

Name: Tímea Levenda Balogné

Address: 4440, Tiszavasvári, Árpád str. 67

Registration number: 176726

## ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023

(DATA IN USD)

### Core activities of ALKALOIDA Chemical Company Zrt.

#### Manufacturing of 2120 Pharmaceutical Products

- Vegetable based active pharmaceutical ingredients: morphine alkaloids, codeine and its derivatives as well as Sennozide.
- Synthetic API.
- Chloroquine salts used against malaria and rheumatics as well as Phenobarbital used for tranquilizers;
- Intermediate products and finished preparations (some thirty different types of pharmaceutical preparations. Solid dosage forms, tablets, film coated tablets and capsules).

Our medicines are used typically to the following scopes of therapies: cardio-vascular diseases, disorders of the digestive system and those of the nervous system.

Manufacturing License of the Company has been extended with import, analyze and release of solid pharmaceutical products from third countries in European Union.

ALKALOIDA Chemical Company Zrt. has no subsidiary company in Hungary.

#### **Data of foreign subsidiaries are detailed on the Annex 3.-**

ALKALOIDA Chemical Company Zrt. has no authorities in any enterprise on the basis of which or in pursuance of the accounting standards it shall be considered as a corporation of joint administration or associate company.

**Issued capital stock of the Company: 89.260.220.USD**, which is composed of the following elements:

#### **Shares providing general rights**

7.034.397 pieces of face values: 0,006 USD/pieces

14.489.167 pieces of face value: 6 USD/pieces

#### **Dividend priority share**

36.500 pieces of face value: 6 USD /pieces

#### **Redeemable shares**

344.000 pieces of face value: 6 USD /pieces

#### **Small investor shares**

1.939 pieces of face value: 0.006 USD/pieces

#### **Ownership structure:**

Shareholders	Data in USD									
	Number of shares				Par value (USD)				Percentage of ownership	
	31/03/2022		31/03/2023		31/03/2022		31/03/2023		31/03/2022	31/03/2023
0.006 -USD	6. -USD	0.006 -USD	6. -USD	0.006 -USD	6. -USD	0.006 -USD	6. -USD	%	%	
Sun Pharma Holdings Limited (Earlier Known as Nogad Holdings)	7,034,373	14,869,667	7,034,397	14,869,667	42,206.24	89,218,002	42,206.38	89,218,002	100.00%	100.00%
Small investors	1,963		1,939		11.78		11.63		0.00%	0.00%
<b>Total</b>	<b>7,036,336</b>	<b>14,869,667</b>	<b>7,036,336</b>	<b>14,869,667</b>	<b>42,218.02</b>	<b>89,218,002</b>	<b>42,218.02</b>	<b>89,218,002</b>	<b>100.00%</b>	<b>100.00%</b>

## 2 ACCOUNTING POLICY

### 1.1 General Information

#### **Form of the report**

Based on the legislative criteria determining the form of the report – as the net income, total balance sheet, number of employees – the Company is required to prepare an “Annual report”.

The method of chosen profit and loss statement: **Trade Cost Procedure** („A” version)

The “A” version balance occurs according to the act C. of 2000.

#### **Business year**

In accordance with the reporting system of the parent company the business year is determined differently from the calendar year from the 1<sup>st</sup> April to 31<sup>th</sup> March based on the article 11(2) of act C of 2000 by the Company.

#### **Date of balance preparation**

The date of balance preparation is the 15<sup>th</sup> April after the period.

#### **Accounting**

The company keep the books according to the rules of double-accounting in US dollars.

### 1.2 Major elements of the accounting policy

During the accounting, the Company enforces the evaluation methods, procedures, the order of value loss accounting are written in the compilation of the annual report, in the accounting principles and accounting policies. This ensures that report is reliable and provides a realistic view on the property of the Company, its composition, financial position and the results of the activities.

With respect to the report all and any information the omission or incorrect presentation of which may affect the decisions of the users shall be considered essential.

An error or impact of the error with effect on profit and loss or equity capital with the value of which is in excess of 2% of the aggregate amount of the balance shall be qualified as consequential (significant) error during the audit or internal audit.

#### **Evaluation procedures applied at the compilation of annaul report.**

#### **Intangible Assets**

The purchase or production cost of intangible assets reduced with the accumulated depreciation shall be indicated. Calculation of depreciation shall be made with the application of the linear method.

Expectable useful life of intangible assets is the following:

Intellectual products	3 - 10 years
Capitalised value of research and development	5 - 10 years

The residual value in the case of intangible assets is specified individually. Intellectual products under the purchasing value of 200 000 HUF shall be accounted in full amount.

**Tangible Assets**

Tangible assets are included in the balance sheet at purchase value, or at production cost deduced with cumulated depreciation. Calculation of depreciation is made by means of the linear method. The expectable useful lives of assets are the following:

Land and buildings	50 -100 years
Technological equipment	7 - 10 years
Other equipment	2 - 7 years

The expectable useful life time of tangible assets is defined with regard to the time of their continuous serviceability.

The reduced value of devices which purchase value is less than 200 000 HUF is accounted for an amount.

**Invested Financial Assets**

Investments meaning proportion of property are valuated at purchase price until their market values permanently decline under their registered value. In this case the market price at the time of balancing shall form basis for the valuation, or – if such is not available – the proportion possessed by the Company in the shareholders' equity as per the statement.

**Inventory**

The purchased stocks are reported. The valuation of stocks of private (own-) production (semi-finished and finished products, work in progress) occurs with the actual production cost determined with post calculation.

**Accounting of Securities and Transactions in Foreign Currency**

In accordance with Section 60 of the Act on accounting, the determination of the assets and liabilities shall be accounted in USD at the middle exchange rate being valid on the day of the transaction and announced by Hungarian National Bank.

**Valuation at Real Value**

ALKALOIDA Chemical Company Ltd. shall not avail itself of the opportunity of valuation at real value, thus there exists neither valuation difference not valuation reserve for real valuation in the balance sheet, and the income statement includes no valuation difference either.



**3 COMPLETION TO THE REPORTING DATA**

**3.1 Composition of assets**

Description	data in USD			
	31/03/2022	31/03/2023	Difference	Index % 2023/2022
Intangible assets	47,168	28,478	-18,690	60.38%
Tangible assets	37,249,998	34,638,856	-2,611,142	92.99%
Invested financial assets	620,743,155	637,516,807	16,773,652	102.70%
<b>Fixed assets</b>	<b>658,040,321</b>	<b>672,184,141</b>	<b>14,143,820</b>	<b>102.15%</b>
Inventories	27,722,396	30,781,950	3,059,554	111.04%
Receivables	19,218,164	17,195,210	-2,022,954	89.47%
Securities	0	0	0	0.00%
Liquid assets	597,476	1,301,678	704,202	217.86%
<b>Current assets</b>	<b>47,538,036</b>	<b>49,278,838</b>	<b>1,740,802</b>	<b>103.66%</b>
<b>Accrued and deferred assets</b>	<b>7,879,178</b>	<b>3,094,456</b>	<b>-4,784,722</b>	<b>39.27%</b>
<b>Total of assets</b>	<b>713,457,535</b>	<b>724,557,435</b>	<b>11,099,900</b>	<b>101.56%</b>

**3.1.1 Intangible assets**

The value of the intangible assets developed during the reporting period according to those contained in annex No.1.

The method of accounting for depreciation in the case of tangible assets has not changed compared to last year.

**3.1.2 Tangible assets**

The value of the intangible assets developed during the reporting period according to those contained in annex No.2.

The decrease in the tangible assets has been caused by the net value of the accounted depreciation. The value of the activated capital expenditure is 800 thousand USD, and the stock of WIP capital expenditure is 260 thousand USD in the reported period.

Changes in the stock are given in the Annex 2.

Renewal and enlarge of assets will continue.

**The tangible asset directly serves the protection of environment** so the recovery system works on the territory of the Company which data are the followings:

	01.04.2022 Opening USD	Increasing USD	Decreasing USD	31/03/2023 Closing USD
Gross value	5,399,846		0	5,399,846
Depreciation	3,973,368	499,378	0	4,472,746
Net value	1,426,478	0	499,378	927,100

## ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023

(DATA IN USD)

### 3.1.3 Invested Financial Assets

Description	data in USD	
	31/03/2022	31/03/2023
Long term investment to associated companies	259,297,899	259,295,358
Long term investment to others	1,500,000	1,500,000
Advance for long term investment	0	900,000
Long-term credits given to associated companies	359,945,256	375,821,449
<b>Invested financial asset</b>	<b>620,743,155</b>	<b>637,516,807</b>

Long-term loans to the subsidiary: 37.645.303 USD

The development of the Company's share is contained in annex No.3.

### 3.1.4 Inventory

Description	31/03/2021	Discard value	Write off	Deduct from prev years write off	data in USD	
					31/03/2023	Index %
Raw Materials and consumables	9,847,804	35,024	385,831	146,064	13,141,026	133%
Semi-finished goods and work in progress	10,611,588	15,060	277,379	106,892	9,896,473	93%
Finished goods	7,165,057	872,196	842,062	40,803	7,712,217	108%
Goods	81,528				26,302	32%
Advance payments for stock, goods	16,419				5,932	36%
<b>Total</b>	<b>27,722,396</b>	<b>922,280</b>	<b>1,505,272</b>	<b>293,760</b>	<b>30,781,950</b>	<b>111%</b>

Raw material inventory increased in the actual financial year.

Advance payment for stock was paid to the Pharmaffiliates Analytics & Synthetics Ltd.

### 3.1.5 Receivables

Discription	data in USD	
	31/03/2022	31/03/2023
Domestic trade receivables	204,343.26	97,448.51
Export trade receivables	1,274,765.60	1,934,819.92
Receivables to related companies	14,765,111.00	12,002,957.00
Other receivables	2,973,944	3,159,984
<b>Receivables</b>	<b>19,218,163.86</b>	<b>17,195,209.43</b>

**ALKALOIDA Chemical Company Limited by Shares**

**SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023**

**(DATA IN USD)**

Our receivables from related companies come from delivery of goods and services.  
At the end of the period the Company has no overdue receivables at related parties.

Receivables against parent company: 0

Receivables against subsidiaries: 265.156 USD

**Classification of receivables**

<b>Description</b>	<b>data in USD</b>	
	<b>31/03/2022</b>	<b>31/03/2023</b>
Due receivables	1,317,769	1,845,205
Overdue receivables	161,340	187,064
of which: between 0-90 days	135,864	147,472
between 91-180 days	25,476	11,246
between 181-360 days	-	12,655
over days	0	15,691
<b>Total</b>	<b>1,479,109</b>	<b>2,032,269</b>

The change in the devaluation of the receivables during the year developed as below:

<b>Description</b>	<b>data in USD</b>	
	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Opening</b>	<b>34,118</b>	<b>18,818</b>
Growth in devaluation	0	0
Devaluation writeback	0	18,818
Bad debt write-off	15,300	0
<b>Closing</b>	<b>18,818</b>	<b>0</b>

The Company did not charge devaluation in the financial year. The previous year's impairment was reserved because the customer paid.

The details of other receivables are shown in the table below

<b>Other receivables</b>	<b>data in USD</b>	
	<b>31/03/2022</b>	<b>31/03/2023</b>
Advance payments for services	774,624	850
Advance payment for salary to employee	13,433	358
Duty	19,921	28,644
Advance payments against rendering accounts	1,595	39,317
Refundable VAT	2,008,556	3,027,918
Corporation tax	92,426	-
Other receivables	63,389	62,898
<b>Total</b>	<b>2,973,944</b>	<b>3,159,984</b>

Among other receivables the VAT receivables decreased significantly.

### 3.1.6 Cash and Bank

At the end of the current year the total USD value of the cashes was 1.301.678 USD of which 2.470 USD was in the home cash office.

In the reported period the Company's domestic account-keeping bank is The Hungarian branch office of CIB Bank Zrt.

The company has forint and foreign exchange accounts at the bank.

### 3.1.7 Amount of accrued income

Description	Data in USD		Index %
	31/03/2022	31/03/2023	
Services, sold energy	246,580	131,144	0.00%
Interest on deposits tied up	7,474,576	2,777,265	37.16%
<b>Accrued income</b>	<b>7,721,156</b>	<b>2,908,408</b>	<b>37.67%</b>
Car tax	401	523	130.42%
Freight cost	0	1,495	
Insurance fee	27,304	14,271	52.27%
Membership fees	0	20,850	
Registration cost	105,006	114,067	108.63%
Construction and civil engineering tax	23,236	30,994	133.39%
Subscription fees	2,075	3,848	185.45%
<b>Accrued expenses</b>	<b>158,022</b>	<b>186,048</b>	<b>117.74%</b>
<b>Deferred expenses</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>7,879,178</b>	<b>3,094,456</b>	<b>39.27%</b>

The amount of accruals decreased during the reported period. IC affiliates have paid most of the interests on their given loans which is the reason why the accrued income decreased.

### 3.2 Composition, presentation of sources

#### Data in USD

Description	31/03/2022	31/03/2023	Difference	Index % 2023/2022
Issued capital stock	89,260,220	89,260,220	0	100.00%
Capital reserve	296,794,237	296,794,237	0	100.00%
Profit reserve	312,171,626	317,721,115	5,549,489	101.78%
Tied up reserves	0	0	0	
Profit or loss per balance sheet	5,549,489	7,334,437	1,784,948	132.16%
<b>Equity capital</b>	<b>703,775,572</b>	<b>711,110,009</b>	<b>7,334,437</b>	<b>101.04%</b>
<b>Provisions</b>	<b>3,315,553</b>	<b>1,958,745</b>	<b>-1,356,808</b>	<b>59.08%</b>
Deferred liabilities	0	0	0	
Long-term liabilities	0	0	0	
Short-term liabilities	4,061,427	9,736,474	5,675,047	239.73%
<b>Liabilities</b>	<b>4,061,427</b>	<b>9,736,474</b>	<b>5,675,047</b>	<b>239.73%</b>
<b>Accrued and deferred liabilities</b>	<b>2,304,983</b>	<b>1,752,207</b>	<b>-552,776</b>	<b>76.02%</b>
<b>Total of Sources</b>	<b>713,457,535</b>	<b>724,557,435</b>	<b>11,099,900</b>	<b>101.56%</b>

#### 3.2.1 Own share

#### Data in USD

Description	31/03/2022	31/03/2023	Difference 2022/2023	Index % 2023/2022
Subscribed capital	89,260,220	89,260,220	0	100.00%
Capital reserve	296,794,237	296,794,237	0	100.00%
Accumulated profit reserve	312,171,626	317,721,115	5,549,489	101.78%
Tied-up reserve	0	0	0	0.00%
Net profit per balance sheet	5,549,489	7,334,437	1,784,948	132.16%
<b>Own capital</b>	<b>703,775,572</b>	<b>711,110,009</b>	<b>7,334,437</b>	<b>101.04%</b>

The profit reserve has increased compared to the previous year due to the net profit in the previous year. The net profit per balance sheet also increased in the period compared to the previous year.

The figures required for the analysis of the financial situation of the Company are included in Annexes 6-7-8.

#### 3.2.2 Long term liabilities

There was no long-term liability of the company during the period.

### 3.2.3 Short term liabilities

Description	Data in USD	
	31/03/2022	31/03/2023
Short term loans	0	0
Advance from costumers	46,810	0
Suppliers	1,326,709	2,668,846
Short term liabilities to related company	1,904,456	5,481,477
Other liabilities	783,452	1,586,151
<b>Total</b>	<b>4,061,427</b>	<b>9,736,474</b>

Actual liabilities against the related companies are resulted from delivery.

Liabilities to parent company: 0

Liabilities to subsidiaries: 83.092 USD

### Other Short term liabilities:

Description	Data in USD		
	31/03/2022	31/03/2023	Index%
Other tax liabilities	81,579	2,375	2.91%
Personnal income tax	-	119,289	
Social security contribution	-	149,248	
Social contribution tax	-	111,381	
Extra profit tax	-	478,205	
Corporate income tax	-	68,530	
Company car tax	1,494	2,864	191.73%
Innovation fee	19,115	16,762	87.69%
Rehabilitation contribution	28,038	29,560	105.43%
Miscellaneous	5,713	2,462	43.09%
Liabilities for employee	598,948	595,009	99.34%
Local Industrial Tax	48,565	10,466	21.55%
<b>Total</b>	<b>783,452</b>	<b>1,586,151</b>	<b>293.49%</b>

### 3.2.4 Accrued and deferred liabilities

Accrued and deferred liabilities can be classified into the following groups:

Description	Data in USD		
	31/03/2022	31/03/2023	Index%
Deferred costs	1,906,717	1,373,972	72.06%
Accrued income	398,266	378,235	94.97%
<b>Total</b>	<b>2,304,983</b>	<b>1,752,208</b>	<b>76.02%</b>

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(DATA IN USD)

The detailed costs, investments of accrued and deferred liabilities are shown by the following table.

<b>Data in USD</b>			
<b>Description</b>	<b>31/03/2021</b>	<b>31/03/2022</b>	<b>Index%</b>
<b>Deferred costs</b>	<b>1,906,717</b>	<b>1,373,972</b>	<b>72.06%</b>
Maintanance	268,998	125,786	46.76%
Environmental protection cost	61,818	125,625	203.22%
Audit	20,591	20,147	97.84%
Energy supply	704,757	550,666	78.14%
Bonus	536,207	474,101	88.42%
Safety technology cost	33,638	31,962	95.02%
Cleaning, insect control	-	20,478	
Miscellaneous	20,146	815	4.05%
Professional	35,217	-	
Rent fee	5,291	-	
Freight	164,148	20,682	12.60%
Material consumption	55,906	3,710	6.64%

### 3.3 Data of profit and loss account

#### 3.3.1 Sales revenue

Domestic and export sales distribution:

<b>Data in USD</b>			
<b>Description</b>	<b>31/03/2022</b>	<b>31/03/2023</b>	<b>Index%</b>
Domestic	765,489	525,277	68.62%
Export	42,928,176	45,821,083	106.74%
<b>Total</b>	<b>43,693,665</b>	<b>46,346,360</b>	<b>106.07%</b>

98.86 percent of the total revenue comes from the export.

Export sales in the accounting period developed as below broken down by geographically separated markets:

<b>Description</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
	<b>USD</b>	<b>USD</b>
Europe	4,467,498	6,477,017
of which: EU	3,624,972	5,953,899
America	20,586,160	16,267,056
Asia	17,440,987	22,802,870
Africa	432,351	265,515
Australia	1,180	8,625
<b>Total</b>	<b>42,928,176</b>	<b>45,821,083</b>

### 3.3.2 Other income

Description	Data in USD	
	31/03/2022	31/03/2023
Revenue from sale of intangible and tangible	0	8
Revenue related to previous years	269,540	293,760
Writeback of receivable devaluation from previous year	0	18,818
Other	19,706	9,055
Rounding	139	2
Received delay interest, compensation	1,378	37,396
Provision writeback	532,159	1,356,808
Received subsidy for costs compensation	18,850	19,789
<b>Total</b>	<b>841,772</b>	<b>1,735,636</b>

### 3.3.3 Breakdown of cost by types of cost

Description	Data in USD	
	31/03/2022	31/03/2023
<b>Capitalised value of own performance</b>	<b>3,369,651</b>	<b>1,691,049.00</b>
Capitalised value of self produced assets	1,078,538.00	1,859,003.00
Change in self-produced inventory	2,291,113.00	- 167,954.00
correction of change of stocks/ devaluation		
<b>Material related expenses</b>	<b>31,767,386</b>	<b>37,105,187</b>
Material cost	23,815,662	29,170,235
Services rendered	6,979,142	7,031,370
Cost of goods sold	669,598	639,185
Intermediated services	-	-
Value of other services	302,984	264,397
<b>Staff expenses</b>	<b>10,382,416</b>	<b>9,468,567</b>
Wages and salaries	7,897,827	7,396,564
Personal related expenses	1,184,086	1,121,042
Social security contribution	1,300,503	950,961
<b>Depreciation and amortisation</b>	<b>3,450,756</b>	<b>3,445,945</b>



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**(DATA IN USD)**

**Environmental protection cost**

**Value in USD**

<b>Description</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
Operation of a remediation system	383,723.00	358,493.34
Waste burning	80,319.00	29,625.93
Material cost	15,485.00	24,191.27
Profession	34,615.00	0.00
Maintenance	16,007.00	4,113.21
Work related to remediation	2,010.00	
Depreciation	499,592.00	499,377.43
<b>Total</b>	<b>1,031,751.00</b>	<b>915,801.18</b>

**Salary and headcount data**

Payroll taxes

<b>Payroll taxes by title</b>	<b>USD</b>
Social security contribution	950,957
Miscellaneous	4
<b>Total</b>	<b>950,961</b>

In the reporting period the wages and personal allowances and the relating contributions were as follows:

<b>Staff group</b>	<b>Average statistical headcount</b>	<b>Wage costs</b>	<b>Contributions of wages</b>	<b>Other Compensation</b>	<b>Staff costs altogether</b>
	<b>persons</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Full-time, blue collar	308	3,929,156	509,699	670,588	5,109,443
Full-time white collar	146	3,391,223	431,220	434,820	4,257,264
Part time employees	5	37,896	4,895	6,123	48,914
Others not in staff	12	38,288	5,147	9,512	52,947
<b>Total</b>	<b>471</b>	<b>7,396,564</b>	<b>950,961</b>	<b>1,121,042</b>	<b>9,468,567</b>

**3.3.4 Other expenditure**

<b>Description</b>	<b>Data in USD</b>	
	<b>31/03/2022</b>	<b>31/03/2023</b>
Provision for expected costs	2,483,304	1,505,272
Devaluation Inventory and receivable	0	0
Taxes	445,637	874,988
Fines	0	8,251
Compensation for damages	846	651,420
Other	16,959	14,600
Scrapping	210,162	922,280
Penalty interest	348	278,393
Environment pollution fee	19,830	11,210
Accumulation of provisions	1,267	0
Rounding	10,382	-55
Depreciation	376,418	0.00
<b>Total</b>	<b>3,565,153</b>	<b>4,266,359</b>

**3.3.5 Result of financial operations**

<b>Description</b>	<b>Data in USD</b>	
	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues from financial trans.</b>		
Other interest received	6,854	81,171
Interest received from related companies	7,503,789	12,388,805
Other revenues from financial transactions exchange gain	465,198	74,708
<b>Revenues from financial trans.</b>	<b>7,975,840</b>	<b>12,544,684</b>
<b>Expenses on financial transactions</b>		
Interest paid	5	0
Interest paid to related companies	0	184
Receivables, liabilities, exchange loss	847,992	272,210
<b>Expenses on financial transactions</b>	<b>847,997</b>	<b>272,394</b>
<b>Profit (loss) of financial transactions</b>	<b>7,127,843</b>	<b>12,272,290</b>

3.3.6 Taxation

	Data in USD	
<b>Corporate Tax</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Income before taxation</b>	<b>5,867,221</b>	<b>7,759,277</b>
<b>Items deductible from income before tax</b>		
Loss carried forward utilised	3,530,345	4,638,335
Depreciation accounted as per the act on taxation, and the registration value defined when the asset was derecognised	3,663,062	3,355,235
Reversal of previous years impairment losses	0	0
Amount of provision reversed	532,159	1,356,808
Income taxable abroad	12,653	6,749
Amount recognised as revenue for the year under review during audit	0	136,822
<b>Total</b>	<b>7,738,219</b>	<b>9,493,949</b>
<b>Items increasing the income before tax</b>		
Provisions for expected liabilities	0	0
Depreciation accounted as cost and the amount accounted as expenditure when the asset is derecognised	3,827,910	3,445,945
Amount of devaluation accounted as expenditure for receivables	0	0
Costs related to activities other than business	903	1,042
Binding judgements	0	8,251
Costs expenses and reduction of sales revenues, revenues, as a consequence of tax inspection, self-revision	0	317
Difference between market price actual price applied to group companies /interest free loan/	1,572,531	2,917,452
<b>Total</b>	<b>5,401,344</b>	<b>6,373,007</b>
<b>Tax base</b>	<b>3,530,346</b>	<b>4,638,335</b>
<b>Corporate tax</b>	<b>317,731</b>	<b>424,840</b>
<b>Profit after tax</b>	<b>5,549,490</b>	<b>7,334,437</b>

Correlation's between the outcome forming basis of accounting and taxation:  
Corporate tax arised due to self-revision related to the previous year.

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**(DATA IN USD)**

Following table presents tax base calculated based on income minimum.

<b>Description</b>	<b>Data in USD</b>	
	<b>31/03/2022</b>	<b>31/03/2023</b>
Total income	52,511,277	60,626,680
Income increasing items	0	0
Income decreasing items	0	0
Adjusted income	52,511,277	60,626,680
2% of adjusted income	1,050,226	1,212,534
<b>Tax base</b>	<b>1,050,226</b>	<b>1,212,534</b>
<b>Tax liability based on minimum income calculation</b>	<b>94,520</b>	<b>109,128</b>

**3.4 Transactions with businesses within a group.**

<b>Associated Company</b>	<b>Data in USD</b>		
	<b>Customer turnover</b>	<b>Supplier turnover</b>	<b>Customer/Supplier turnover</b>
Sun Pharmaceutical Industries Limited	17,725,694	2,130,855	19,856,549
Sun Pharma Italia / Ranbaxy Italia S.p.A	302,870	0	302,870
Ranbaxy UK / SUN Pharma UK Limited	368,770	0	368,770
Sun Pharmaceuticals Germany GmbH	297,026	0	297,026
Sun Pharmaceutical Industries (Europe) B.V.	1,526,243	62,319	1,588,562
Taro Pharmaceutical Industries Ltd	11,101	64,091	75,192
Sun Pharmaceutical Industries (Australia) Pty Ltd.	0	11,082,611	11,082,611
Sun Pharma Holdings USA Inc (Previously known Ranbaxy Inc.)	15,583,684	0	15,583,684
SUN Pharmac.Medicare Ltd.	10,789	0	10,789
Sun Pharma Egypt Limited	1,161	0	1,161
Basics GmbH	379,031	0	379,031
<b>Total</b>	<b>36,206,369</b>	<b>13,339,876</b>	<b>49,546,245</b>

## **4 Other complements**

### **4.1 Research, development, investment**

In the years 2022-2023 research, experimental and development costs were not incurred at the company in its own activities.

### **4.2 Environmental protection, outgoings on Environmental protection**

In addition to complying with its obligations under environmental legislation, the Company's management will seek to prevent environmental pollution in cooperation with the sister company lessor.

The biological treatment plant has been operating continuously. Sewage sludge generated during the treatment process, which is considered hazardous waste, was transferred to a licensed waste manager.

During the period under review, hazardous waste was disposed of by incineration and regenerated, while some of the non-hazardous waste was landfilled and some was sent for recovery.

The following declarations and reports for the past year have been prepared for the environmental authorities:

- Declarations on hazardous and non-hazardous wastes
- Declarations on stationary point sources of air pollution and points of organic solvent emissions
- Groundwater protection data sheets (tank farms and wastewater treatment plant)
- Annual report on water quality of wastewater discharges to surface water

A water pollution fine was imposed on the company in 2022/2023, no air pollution fines were imposed.

The company Környezettechnológiai Kft. has carried out the air quality emission/immission, as well as wastewater and legionella tests required by the authority.

The company Három Kör DELTA Kft. has carried out the remediation groundwater and shallow layer water monitoring tests required by the authority twice a year and prepared the evaluation report.

The existing monitoring system was in operation continuously.

The operation of the groundwater remediation system installed by Biocentrum Kft. in the contaminated areas SZ-I-SZ-VIII-SZ-X and the remediation operation of the SZU-II area was also continuous.

### **4.3 One case of litigation relating to obligations is included in the balance sheet.**

In the reporting period, there are no reserve for litigation relating obligations in the balance sheet.

**4.4 There is no additional balance items**

**4.5 The balance sheet does not contain any correction relating for the earlier periods.**

**4.6 Balance sheet and the profit and loss statement include further breakdown beyond the determined breakdown.**

The company paid advance for long term investment of 700.000 USD for Tarsius and 200.000 USD for Cosmose, these amount is shown separately among the investements.

**4.7 Business Management, Board of Directors, Supervisory Board**

The members of the executive officers, the Board of Directors and the Business Management are unrewarded for their activities during the current year.

The Company Management and the Work Council agreed in 2007 that based on the possibilities are provided by the Act on New Economic Companies (Act IV of 2006) no Supervisory Board is elected. The law has since been replaced by the Civil Code (Act V of 2013) which controls the establishment of a supervisory board.

**4.8 Cash flow account**

A Cash-Flow account is included by the attachment – 5.

The Cash Flow statement corrections are used by the following table content

<b>1b. Corrections in Profit Before Tax</b>	<b>2023.03.31</b>	
Dividends received		
Cash permanently transferred		
Cash permanently transferred for development		
Debt forgiven		
Subsidy permanently received (change in deferred income)		
Revaluation of foreign currency funds	(21 f.)	36.377
Revaluation of long-term financial investments	(21 g.)	2.541
Revaluation of long-term and and subordinated debt	(21 g.)	65.826
		<b>104.744</b>

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(DATA IN USD)

<b>3. Impairment and reversal of impairment recognised+</b>			<b>2023.03.31</b>
	<b>recognised (+)</b>	<b>reversed (-)</b>	<b>total</b>
Impairment of inventories	1.505.272	- 293.760	1.211.513
Unplanned depreciation	376,418		
irrecoverable/written off debt		-18.818	18.818
Shortage, scrap	922.280		922.280
			<b>2,114.975</b>

<b>differences due to corrections</b>	<b>2023.03.31</b>
6. Change in trade payables +/-	
7. Change in other short-term payables +	-189.302
8. Change in accruals and deferred income +	-
9. Change in trade receivables +	18.818
10. Change in working capital (without trade receivables and cash and bank) +	-2.133.793
12. Paid corporate income tax	
14. Purchase of fixed assets	
11. Change in accrued and deferred assets +	-
	<b>-2.304.278</b>

### 4.9 Liquidity, capital structure, profitability

Indexes are contained by the attachment – 6, 7, 8.



**5 Going concern**

We have reviewed and assessed the impact of the changes in the economic and legal environment in the period after the balance sheet date and up to the date of signing the annual report on the financial and asset situation of the Company, as well as its future operability.

On the basis of our review and assessment, we have concluded that the impacts identified do not have such significant or materially negative impact on the financial and liquidity position of the Company in the short term (for the period of 12 months following the balance sheet date), on the valuation of the assets presented in the balance sheet, as well as on the business operations of the Company in this period that would materially influence or make significantly uncertain the Company's ability to continue as a going concern, or the evaluation of the above at the time of the balance sheet preparation, with respect to the same period.

05. May 2023, Tiszavasvári

Mihály Kaszás  
General Manager

**INTANGIBLE ASSETS  
2022/2023**

Description	Opening 01/04/2022 USD	Addition USD	Deletion USD	Closing 31/03/2023 USD
<b>Gross value</b>				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development	2,759,899			2,759,899
Concessions and similar rights and assets k	591,870			591,870
Intellectual property				
Goodwill				
Advance payments on intangible assets				
<b>Total</b>	<b>3,351,769</b>	<b>0</b>	<b>0</b>	<b>3,351,769</b>
<b>Depreciation</b>				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development	2,759,899			2,759,899
Concessions and similar rights and assets k	544,702	18,690		563,392
Intellectual property				
Goodwill				
Advance payments on intangible assets				
<b>Total</b>	<b>3,304,601</b>	<b>18,690</b>	<b>0</b>	<b>3,323,291</b>
<b>Net value</b>				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development				
Concessions and similar rights and assets k	47,168	-18,690		28,478
Intellectual property				
Goodwill				
Advance payments on intangible assets				
<b>Total</b>	<b>47,168</b>	<b>-18,690</b>	<b>0</b>	<b>28,478</b>

**TANGIBLE ASSETS**  
**2022/2023**

Description	Opening 01/04/2022 USD	Addition USD	Deletion USD	Closing 31/03/2023 USD
<b>Gross value</b>				
Land and buildings and related concessions and similar rights	55,142,311	342,213		55,484,524
Technical equipment, machinery and vehicles	26,015,003	364,763		26,379,766
Other equipment, fittings and vehicles	14,162,554	93,212		14,255,766
Breeding stock				
Capital WIP, renovations	165,702	894,340	800,187	259,855
Advance payments on Capital WIP	230,367		78,227	152,140
<b>Total</b>	<b>95,715,937</b>	<b>1,694,527</b>	<b>878,414</b>	<b>96,532,050</b>
<b>Depreciation</b>				
Land and buildings and related concessions and similar rights	24,167,356	1,496,121		25,663,477
Technical equipment, machinery and vehicles	22,837,461	1,063,324		23,900,785
Other equipment, fittings and vehicles	11,461,122	867,809		12,328,931
Breeding stock				
Capital WIP, renovations				
Advance payments on Capital WIP				
<b>Total</b>	<b>58,465,939</b>	<b>3,427,254</b>	<b>0</b>	<b>61,893,193</b>
<b>Net value</b>				
Land and buildings and related concessions and similar rights	30,974,955		1,153,909	29,821,046
Technical equipment, machinery and vehicles	3,177,542		698,561	2,478,981
Other equipment, fittings and vehicles	2,701,432		774,597	1,926,835
Breeding stock	0			
Capital WIP, renovations	165,702	894,340	800,187	259,855
Advance payments on Capital WIP	230,367		78,227	152,140
<b>Total</b>	<b>37,249,998</b>	<b>894,340</b>	<b>3,505,481</b>	<b>34,638,857</b>

**Long term investment in related companies 2022/2023**

Company	Original book value	Revaluation	Book value USD 31/03/2023
<b><u>Domestic</u></b>			
Reanal Gyógyszer-és Finomvegyszergyár Zrt	4,225,746	- 4,225,746	-
<b>Total Domestic</b>	<b>4,225,746</b>	<b>- 4,225,746</b>	<b>-</b>
<b><u>Overseas</u></b>			
Taro Pharmaceutical Industries Ltd	239,842,016	0	239,842,016
Sun Ph. Industries (Europe) BV	22,154	- 2,552	19,602
Sun Ph Germany GmbH	30,770	- 3,545	27,225
SUN Farmacêutica do Brasil Ltda	11,749,882	-	11,749,882
Sun Pharmaceuticals Switzerland	104,450	2,183	106,633
Tarsius Pharma	7,550,000	-	7,550,000
Cosmose Inc.	1,500,000	-	1,500,000
Advance paid for investments: Tarsius; Cosmose	900,000	-	900,000
<b>Total overseas</b>	<b>261,699,272</b>	<b>- 3,914</b>	<b>261,695,358</b>
<b>Total</b>	<b>265,925,018</b>	<b>- 4,229,660</b>	<b>261,695,358</b>

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023

(DATA IN USD)

Annex No. 4

Long term given loans to related companies

Company	Currency	31/03/2022	Increase	Decrease	31/03/2023	Book Value USD
SP Germany	EUR	1,600,000	0	600,000	1,000,000	1,089,010
SP Brasil	USD	36,556,293	0	0	36,556,293	36,556,293
Caraco USA	USD	321,608,147	7,474,577	29,406,578	299,676,146	299,676,146
Sun PharmaLaboratoires	USD	0	38,500,000	0	38,500,000	38,500,000
<b>Total</b>						<b>375,821,449</b>

**ALKALOIDA Chemical Company Limited by Shares**
**SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023**
**(DATA IN USD)**

CASH-FLOW STATEMENT FOR THE YEAR 2022/2023 ("A" TYPE)			USD	
No.	Designation	Previous year 31/03/2022	Reference year 31/03/2023	
	<b>I. Operating cash flow</b>	<b>10,269,856</b>	<b>18,398,703</b>	
	(operational cash flow)			
1a	± Profit or loss before tax	5,867,220	7,759,277	
1b	Profit or loss before tax correction	667	104,744	
1	Adjusted profit before tax (1a+1b) +	5,867,887	7,864,021	
2	+ Depreciation write-off	3,450,756	3,445,945	
3	± Impairment loss and reversal	2,801,614	2,114,975	
4	± Difference between formation and utilization of provisions	-532,159	-1,356,808	
5	± Fixed assets sold	0	-8	
6	± Change in trade accounts payable	-3,430,460	4,919,158	
7	± Change in other short term liabilities	516,376	613,397	
8	± Changes in accrued and deferred liabilities	5,300	-552,776	
9	± Change in trade accounts receivables	723,408	2,181,002	
10	± Change in current assets (except for: trade accounts and liquid assets)	-545,514	-5,379,387	
11	± Changes in accrued and deferred assets	2,030,031	4,784,722	
12	- Corporate tax paid (payable)	-617,520	-235,538	
13	- Dividend paid (payable)			
	<b>II. Investment cash flow</b>	<b>-11,411,636</b>	<b>-17,658,124</b>	
14	- Purchase of fixed assets	4,158,604	-1,716,113	
15	+ Sale of fixed assets	0	8	
16	+ Repayment, termination or redemption of long-term loans and bank deposits +	2,450,945	30,032,557	
17	Long-term loans and bank deposits -	-9,703,977	-45,974,576	
18	Dividends and profit-sharing received +			
	<b>III. Financial cash flow</b>	<b>0</b>	<b>0</b>	
19	+ Receipts from shares issue, capital raising (capital increase) +	0	0	
20	+ Receipts from the issue of bonds and debt securities +			
21	+ Borrowings	0	0	
22	+ Non-repayable assets received +			
23	+ Cancellation of shares, disinvestment (capital reduction) -	0	0	
24	- Redeemed bonds and debt securities -			
25	- Loan installment payments, repayment of loans -			
26	- Non-repayable liquid assets transferred -			
	<b>IV. Movement in cash and cash equivalent</b>	<b>-1,141,780</b>	<b>740,579</b>	
27	Revaluation of cash and equivalent	0	-36,377	
	<b>V. Movement in cash and cash equivalent as per Balance Sheet</b>	<b>-1,141,780</b>	<b>704,202</b>	

**ALKALOIDA Chemical Company Limited by Shares**

**SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023**

**(DATA IN USD)**

Annex No. | 6

**Annex No. 6**

<b>LIQUIDITY</b>		2021/22	2022/23	CHANGE
Liquidity ratio	= $\frac{\text{Current assets}}{\text{Short term liabilities}}$	11.70	5.06	-57%
Quick asset ratio	= $\frac{\text{Current assets} - \text{Stocks}}{\text{Short term liabilities}}$	4.88	1.90	-61%
Cash liquidity ratio (cash ratio)	= $\frac{\text{Cash and Bank} + \text{Securities}}{\text{Short term liabilities}}$	0.15	0.13	-9%
Dynamic liquidity	= $\frac{\text{Trading (operating) profit (loss)}}{\text{Short term liabilities}}$	-0.31	-0.46	49%
Term indicator (day)	= $\frac{\text{Current assets} - \text{Stocks}}{(\text{Material-related expenses} + \text{staff expenses} + \text{Other expenses} + \text{Paid interest and interest related expenses} + \text{Tax payment liability}) / 365}$	157.12	131.70	-16%
Short term operation safety indicator	= $\frac{\text{Current assets} - \text{Short term liabilities}}{\text{Short term liabilities}}$	10.70	4.06	-62%
Long term operation safety indicator	= $\frac{\text{Owner's equity} + \text{Deferred liabilities} + \text{Long term liabilities}}{\text{Fixed assets}}$	1.07	1.06	-1%

<b>DEBT SERVICE</b>		2021/22	2022/23	CHANGE
Interest coverage I.	= $\frac{\text{Trading (operating) profit (loss)}}{\text{Paid interest and interest related expenses}}$	-252124.60	-24527.24	-90%
Interest coverage II.	= $\frac{\text{Ordinary entrepreneurial profit (loss)} + \text{Paid interest and interest related expenses} - \text{Received interest and interest related revenues}}{\text{Paid interest and interest related expenses}}$	-328683.40	-25600.63	-92%
EBITDA coverage I.	= $\frac{\text{Trading (operating) profit (loss)} + \text{Amortisation}}{\text{Paid interest and interest related expenses}}$	438026.60	-5799.28	-101%
EBITDA coverage II.	= $\frac{\text{Ordinary entrepreneurial profit (loss)} + \text{Paid interest and interest related expenses} - \text{Received interest and interest related revenues} + \text{Amortisation}}{\text{Paid interest and interest related expenses}}$	361467.80	-6872.66	-102%
Cash-flow coverage	= $\frac{\text{Profit (loss) after taxation} + \text{Amortisation}}{\text{Paid interest and interest related expenses}}$	1800049.00	58589.03	-97%
Debt repayment ability	= $\frac{\text{Profit (loss) after taxation} + \text{Amortisation}}{\text{Liabilities}}$	2.22	1.11	-50%

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023

(DATA IN USD)

Annex No. 7

<b>CAPITAL STRUCTURE</b>		2021/22	2022/23	CHANGE
Capital adequacy	= $\frac{\text{Owner's equity}}{\text{Assets total}}$	0.99	0.98	-0.5%
Rate of indebtedness	= $\frac{\text{Liabilities}}{\text{Assets total}}$	0.01	0.01	136.1%
Net indebtedness	= $\frac{\text{Liabilities} - \text{Receivables}}{\text{Owner's equity}}$	-0.02	-0.01	-51.3%
Capital strain indicator	= $\frac{\text{Liabilities}}{\text{Owner's equity}}$	0.01	0.01	137.3%
Long term indebtedness	= $\frac{\text{Deferred liabilities} + \text{Long term liabilities}}{\text{Deferred liabilities} + \text{Long term liabilities} + \text{Owner's equity}}$	0.00	0.00	0.0%
Liabilities / Tangible assets	= $\frac{\text{Liabilities}}{\text{Tangible assets}}$	0.11	0.28	157.8%
Liabilities / Tangible net worth	= $\frac{\text{Liabilities}}{\text{Owner's equity} - \text{Intangible assets}}$	0.01	0.01	137.3%
Internal generation of equity capital	= $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.01	0.01	30.8%
<b>WORKING CAPITAL</b>		2021/22	2022/23	CHANGE
Working capital adequacy	= $\frac{\text{Current assets} - \text{Short term liabilities}}{\text{Assets total}}$	0.06	0.05	-10.4%
Turnaround of working capital	= $\frac{\text{Net sales revenue}}{\text{Current assets} - \text{Short term liabilities}}$	1.00	1.17	16.6%
Short term liabilities /Tangible net worth	= $\frac{\text{Buyer stock}}{\text{Supplier stock}}$	1.11	0.76	-31.7%
Short term liabilities /Tangible net worth	= $\frac{\text{Short term liabilities}}{\text{Owner's equity} - \text{Intangible assets}}$	0.01	0.01	137.3%



ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023

(DATA IN USD)

Annex No. 8

Annex No. 8

<b>PROFITABILITY I.</b>		2021/22	2022/23	CHANGE
Return on Equity (ROE)	= $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.79%	1.03%	0.0%
Return on Sales (ROS)	= $\frac{\text{Profit (loss) after taxation}}{\text{Net sales revenue}}$	12.70%	15.83%	24.6%
Return on Assets (ROA)	= $\frac{\text{Profit (loss) after taxation}}{\text{Assets total}}$	0.78%	1.01%	30.1%
Profit (loss) after taxation / Working capital	= $\frac{\text{Profit (loss) after taxation}}{\text{Current assets - short term liabilities}}$	12.76%	18.55%	45.3%
Profit (loss) after taxation / Tangible net worth	= $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity-Intangible assets}}$	0.79%	1.03%	30.8%
Equity-proportional profit (loss) before taxation	= $\frac{\text{Profit (loss) before taxation}}{\text{Owner's equity}}$	0.83%	1.09%	30.9%
Sales-proportional profit(loss) before taxation	= $\frac{\text{Profit (loss) before taxation}}{\text{Net sales revenue}}$	13.43%	16.74%	24.7%
Asset-proportional profit (loss) before taxation	= $\frac{\text{Profit (loss) before taxation}}{\text{Assets total}}$	0.82%	1.07%	30.2%
Profit rate of activity 1	= $\frac{\text{Trading (operating) profit (loss)}}{\text{Net sales revenue}}$	-2.89%	-9.74%	237.5%
Profit rate of activity 2	= $\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Net sales revenue}}$	-3.76%	-	170.2%
Trading profit (loss) /Owner's equity	= $\frac{\text{Trading (operating) profit (loss)}}{\text{Owner's equity}}$	-0.18%	-0.63%	254.3%

**ALKALOIDA Chemical Company Limited by Shares**

**SUPPLEMENTARY ANNEX 01/04/2022 – 31/03/2023**

**(DATA IN USD)**

**Annex No. 9**

<b>PROFITABILITY II.</b>		2021/22	2022/23	CHANGE
Trading profit (loss) / Assets total	= $\frac{\text{Trading (operating) profit (loss)}}{\text{Assets total}}$	-0.18%	-0.62%	252.5%
EBIT / Assets total	= $\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses} - \text{Received interest and interest related revenue}}{\text{Assets total}}$	-0.23%	-0.65%	182.2%
EBIT / Tangible net worth	= $\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses} - \text{Received interest and interest related revenue}}{\text{Owner's equity - Intangible assets}}$	-0.23%	-0.66%	183.7%
EBITDA / Assets total	= $\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses} - \text{Received interest and interest related revenue} + \text{Amortisation}}{\text{Assets total}}$	0.25%	-0.17%	-168.9%
Return on Investment (ROI)	= $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity + Deferred liabilities + Long term liabilities}}$	0.79%	1.03%	30.8%
Return on Capital Employed (ROCE) (Capital-proportional EBITDA)	= $\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses} - \text{Received interest and interest related revenue}}{\text{Owner's equity + Deferred liabilities + Long term liabilities}}$	-0.23%	-0.66%	183.7%
Return on Invested Capital (ROIC)	= $\frac{\text{Trading (operating) profit (loss)} * (1 - \text{Company tax rate})}{\text{Total liabilities - Suppliers - Accruals}}$	-0.16%	-0.57%	252.9%
Profit reinvestment ratio (Rate of capital growth)	= $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.79%	1.03%	30.8%
Gross margin	= $\frac{\text{Sales sales revenue} - (\text{Material related expenses} + \text{Staff expenses})}{\text{Net sales revenue}}$	3.53%	-0.49%	-113.9%
Export ratio	= $\frac{\text{Net export sales revenue}}{\text{Net sales revenue}}$	98.25%	98.87%	0.6%

## Independent Auditor's Report

To the shareholder of ALKALOIDA Vegyészeti Gyár Zrt.

### Opinion

We have audited the Annual Report of ALKALOIDA Vegyészeti Gyár Zrt. („the Company”) for the year 2022/2023., which Annual Report comprises the balance sheet made at the balance sheet date of 31 March 2023 – presenting the balance sheet total of assets and liabilities in equal amount of USD 724.557.435 and the after-tax result of USD 7.334.437 (profit) –, the income statement for the financial year then ended and the supplementary notes, including also a summary of significant elements of accounting policies.

In our opinion the attached Annual Report provides a true and fair view of the assets and financial position of the Company as at 31 March 2023, as well as its income position for the financial year then ended in accordance with the provisions in force in Hungary of the Act C of 2000 on Accounting (hereinafter: „Accounting Act”).

### Basis for opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the respective laws and other regulations applicable to auditing in Hungary. Our responsibilities under those standards are further described in the „Auditor's responsibilities for the audit of the Annual Report” section of our report.

We are independent of the Company in accordance with the requirements laid down in relevant legislation in force in Hungary and in the “Regulations on the code of conduct (ethical rules) of the audit profession and the disciplinary procedures” of the Chamber of Hungarian Auditors, as well as in respect of issues not settled therein, with the requirements of the “The International Code of Ethics for Professional Accountants (including International Independence Standards)” issued by the International Ethics Standards Board for Accountants (the IESBA Code). and also comply with additional ethical requirements contained within the same standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information: The Business Report

Other information consists of the 2022/2023. Business Report of ALKALOIDA Vegyészeti Gyár Zrt. The management is responsible for the preparation of the Business Report in accordance with the relevant provisions set out in the accounting act and other legislation. Our independent auditor's opinion expressed on the Annual Report in the „Opinion” section of our report does not cover the Business Report.

In the context of the audit carried out by us concerning the Annual Report, our responsibility is to read through the Business Report and during it to make a judgement whether the Business Report is significantly at odds with the Annual Report or with our knowledge obtained during the audit, or otherwise it seems that a material misstatement is contained therein. If, based on

the work we have performed, we conclude that there is a material misstatement contained in other information, we are required to report this fact and the nature of the misstatement.

On the basis of the Accounting Act, we are also responsible for making a judgement, whether the Business Report is consistent with the relevant provisions of the Accounting Act and other legislations and for expressing an opinion on this and as well as on the consistency of the Business Report and the Annual Report.

In our opinion, the Business Report for the year 2022/2023. of ALKALOIDA Vegyészeti Gyár Zrt., in all material respects, is consistent with the Annual Report for the 2022/2023. of ALKALOIDA Vegyészeti Gyár Zrt. and the relevant provisions of the Accounting Act. As there is no other legislation providing for additional requirements for the Company regarding the Business Report, so we do not express an opinion in this regard.

No material contradiction or material misstatement of other nature has been brought to our knowledge either in the Business Report, so thus we have nothing to report in this regard.

#### **Responsibilities of Management and those charged with governance for the Annual Report**

The management is responsible for the preparation of the Annual Report that give a true and fair view in accordance with the provisions of the Act on Accounting and for such internal controls as the management determines as necessary to enable the preparation of the Annual Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Report, the management is responsible for assessing the Company's ability to continue as a going concern and for disclosing of information related to going concern as appropriate in the given circumstances and the management is also responsible for compiling of the Annual Report based on the principle of going concern. The management shall take the going concern principle as a starting point, unless enforcing of this principle is prevented by a different provision, or such a factor or circumstance exists that is inconsistent with the continuation of the business activity.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the audit of the Annual Report**

The objectives of our audit are to obtain reasonable assurance about whether the Annual Report as a whole is free from material misstatements, whether due to fraud or error, and based on it 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 Hungarian National Standards on Auditing 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 users' economic decisions taken on the basis of the given Annual Report.

Throughout the audit conducted in accordance with the Hungarian National Standards on Auditing we exercise professional judgement and maintain professional scepticism.

We also:

- Identify and assess the risks of material misstatements of the Annual Report, 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 given 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 management.
- Draw a conclusion, whether using of going concern as a basis, the compilation of the Annual Report by management is appropriate, and based on the audit evidence obtained also whether any material uncertainty exists in connection with such events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If it is concluded that there is a material uncertainty, then in our independent auditor’s report we have to call the attention to the related disclosures in the Annual Report, or if the disclosures are not appropriate in this respect, then we have to issue a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause that the Company will not be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Report, including the disclosures made in the supplementary notes, and also whether the Annual Report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance – among other matters – the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit, if there were any.

Budapest, 05 May 2023

Waltraud Körbler  
Grant Thornton Audit Kft.  
1134 Budapest Dévai utca 26-28.  
Company Court Registration Number: 000168

Judit Gittinger  
Registered Auditor  
Chamber Membership Reg. No.: 007105

“This Report has been prepared originally in Hungarian language and the Hungarian original version has been signed by the Parties. In case of disputes the Hungarian version shall prevail.”