Ranbaxy South Africa Proprietary Limited and subsidiary
(Registration number 1993/001413/07)
Consolidated Financial Statements
for the year ended 31 March 2026

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Marketing and trade of pharmaceutical goods and services.
Directors	A Ajoodha M Brown V Sethuraman
Registered office	Ground Floor, Tugela Park, Riverside Office Park 1303 Heuwel Avenue Centurion Gauteng 0046
Business address	Ground Floor, Tugela Park, Riverside Office Park 1303 Heuwel Avenue Centurion Gauteng 0046
Postal address	PO Box 14058 Centurion Gauteng 0046
Holding company	Sun Pharma (Netherlands) BV incorporated in Netherlands
Ultimate holding company	Sun Pharmaceuticals Industries Limited incorporated in India
Auditors	BDO South Africa Incorporated Chartered Accountants (SA)
Company registration number	1993/001413/07
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, No. 71 of 2008.
Preparer	The consolidated financial statements were internally compiled by: Melissa McGill CA(SA)
Issued	22 May 2026

Contents

The reports and statements set out below comprise the consolidated financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa, No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, No. 71 of 2008. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the next 12 months and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 6 to 7.

The consolidated financial statements set out on pages 8 to 38, which have been prepared on the going concern basis, were approved by the board of directors on 22 May 2026 and were signed on their behalf by:

M Brown	**A Ajoodha**

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Ranbaxy South Africa Proprietary Limited (the Company) and its subsidiary (the Group) for the year ended 31 March 2026.

1. Nature of business

Ranbaxy South Africa Proprietary Limited and subsidiary has interest in the marketing and trade of pharmaceutical goods and services.

There have been no material changes to the nature of the group's business from the prior year.

2. Review of financial results and activities

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were declared or paid in the current year (2025: Rnil).

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Changes
A Ajoodha	
M Brown	
V Sethuraman	Appointed, 10 September 2025

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group.

7. Holding company

The group's holding company is Sun Pharma (Netherlands) BV which holds 100% (2025: 100%) of the group's equity. Sun Pharma (Netherlands) BV is incorporated in Netherlands.

8. Ultimate holding company

The group's ultimate holding company is Sun Pharmaceuticals Industries Limited which is incorporated in India.

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

10. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa, No. 71 of 2008.

Directors' Report

11. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group and company has adequate financial resources to continue in operation for the next twelve months and, accordingly, the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group and company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation which may affect the group and company.

12. Auditors

BDO South Africa Incorporated was appointed as auditors for the Company and the Group for 2026.

Independent Auditor's Report

To the Shareholder of Ranbaxy South Africa Proprietary Limited and subsidiary (the group)

Opinion

We have audited the consolidated and separate financial statements of Ranbaxy South Africa Proprietary Limited (thegroup and company) set out on pages 8 to 38, which comprise the consolidated and separate statements of financial position as at 31 March 2026, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Ranbaxy South Africa Proprietary Limited as at 31 March 2026 , and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled Ranbaxy South Africa Proprietary Limited Consolidated and Separate Financial Statements for the year ended 31 March 2026, which includes the Directors' Report as required by the Companies Act of South Africa, No. 71 of 2008. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

Independent Auditor's Report

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

BDO South Africa Incorporated
Saajid Jassat
Partner
Chartered Accountants (SA)

22 May 2026

Statement of Financial Position as at 31 March 2026

		Group		Company	
	Notes	2026 R	2025 R	2026 R	2025 R
Assets					
Non-Current Assets					
Property, plant and equipment	3	2 304 255	1 931 806	2 304 157	1 931 708
Right-of-use assets	4	2 317 966	4 846 654	2 317 966	4 846 654
Intangible assets	5	352 500	536 767	352 500	536 767
Investments in subsidiaries	6	-	-	905 342	905 342
Deferred tax	8	9 399 185	16 289 296	6 506 602	13 034 516
		14 373 906	**23 604 523**	**12 386 567**	**21 254 987**
Current Assets					
Inventories	9	14 585 350	36 606 910	13 916 407	15 003 308
Trade and other receivables	7	197 894 034	223 961 815	148 550 674	94 991 776
Current tax receivable		2 591 322	206 159	1 638 771	206 159
Cash and cash equivalents	10	247 437 345	217 781 684	29 951 208	69 969 330
		462 508 051	**478 556 568**	**194 057 060**	**180 170 573**
Total Assets		**476 881 957**	**502 161 091**	**206 443 627**	**201 425 560**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	11	17 511 923	17 511 923	17 511 923	17 511 923
Reserves		(211 831)	(211 831)	-	-
Retained income		333 251 357	292 289 958	140 992 130	116 855 748
		350 551 449	309 590 050	158 504 053	134 367 671
Non-controlling interest		44 766 745	37 556 023	-	-
		395 318 194	**347 146 073**	**158 504 053**	**134 367 671**
Liabilities					
Non-Current Liabilities					
Lease liabilities	4	-	2 714 138	-	2 714 138
Deferred tax	8	-	1 308 596	-	1 308 596
		-	**4 022 734**	**-**	**4 022 734**
Current Liabilities					
Trade and other payables	12	78 849 625	143 599 879	45 225 436	60 487 731
Lease liabilities	4	2 714 138	2 547 424	2 714 138	2 547 424
Current tax payable		-	4 844 981	-	-
		81 563 763	**150 992 284**	**47 939 574**	**63 035 155**
Total Liabilities		**81 563 763**	**155 015 018**	**47 939 574**	**67 057 889**
Total Equity and Liabilities		**476 881 957**	**502 161 091**	**206 443 627**	**201 425 560**

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Notes	2026 R	2025 R	2026 R	2025 R
Revenue	13	489 014 046	521 246 184	129 411 551	109 444 029
Cost of sales	14	(338 324 521)	(385 372 844)	(32 200 148)	(28 026 087)
Gross profit		**150 689 525**	**135 873 340**	**97 211 403**	**81 417 942**
Other operating gains	15	49 669	207 662	49 669	207 662
Other operating expenses		(98 217 139)	(113 295 869)	(75 884 704)	(84 850 138)
Operating profit	16	**52 522 055**	**22 785 133**	**21 376 368**	**(3 224 534)**
Investment income	17	16 417 633	16 981 718	10 209 033	15 471 561
Finance costs	18	(360 218)	(580 311)	(360 218)	(580 311)
Profit before taxation		**68 579 470**	**39 186 540**	**31 225 183**	**11 666 716**
Taxation	19	(18 302 699)	(10 918 046)	(7 088 801)	(2 427 769)
Total comprehensive income for the year		**50 276 771**	**28 268 494**	**24 136 382**	**9 238 947**
Profit attributable to:					
Owners of the parent		40 961 399	21 252 995	24 136 382	9 238 947
Non-controlling interest		9 315 372	7 015 499	-	-
		50 276 771	**28 268 494**	**24 136 382**	**9 238 947**
Total comprehensive income attributable to:					
Owners of the parent		40 961 399	21 252 995	24 136 382	9 238 947
Non-controlling interest		9 315 372	7 015 499	-	-
		50 276 771	**28 268 494**	**24 136 382**	**9 238 947**

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Common control reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	R	R	R	R	R	R	R	R
Group								
Balance at 01 April 2024	**361 917**	**17 150 006**	**17 511 923**	**(211 831)**	**271 036 963**	**288 337 055**	**32 407 146**	**320 744 201**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**21 252 995**	**21 252 995**	**7 015 499**	**28 268 494**
Dividends	-	-	-	-	-	-	(1 866 622)	(1 866 622)
Balance at 01 April 2025	**361 917**	**17 150 006**	**17 511 923**	**(211 831)**	**292 289 958**	**309 590 050**	**37 556 023**	**347 146 073**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**40 961 399**	**40 961 399**	**9 315 372**	**50 276 771**
Dividends	-	-	-	-	-	-	(2 104 650)	(2 104 650)
Balance at 31 March 2026	**361 917**	**17 150 006**	**17 511 923**	**(211 831)**	**333 251 357**	**350 551 449**	**44 766 745**	**395 318 194**
Note(s)	11	11	11					

Ranbaxy South Africa Proprietary Limited and subsidiary
(Registration number 1993/001413/07)
Consolidated Financial Statements for the year ended 31 March 2026

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Common control reserves	Retained income	Total attributable to equity holders of the group / company	Total equity
	R	R	R	R	R	R	R
Company							
Balance at 01 April 2024	**361 917**	**17 150 006**	**17 511 923**	**-**	**107 616 801**	**125 128 724**	**125 128 724**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**9 238 947**	**9 238 947**	**9 238 947**
Balance at 01 April 2025	**361 917**	**17 150 006**	**17 511 923**	**-**	**116 855 748**	**134 367 671**	**134 367 671**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**24 136 382**	**24 136 382**	**24 136 382**
Balance at 31 March 2026	**361 917**	**17 150 006**	**17 511 923**	**-**	**140 992 130**	**158 504 053**	**158 504 053**
Note(s)	11	11	11				

Statement of Cash Flows

		Group		Company	
	Note(s)	2026 R	2025 R	2026 R	2025 R
Cash flows from operating activities					
Cash (used in)/generated from operations	20	39 459 581	54 121 994	(42 759 485)	(55 739 608)
Interest income	17	16 417 633	16 981 718	5 298 184	11 116 110
Finance costs	18	(360 218)	(580 311)	(360 218)	(580 311)
Tax paid	21	(19 951 328)	(6 458 900)	(3 302 095)	(303 613)
Net cash from operating activities		**35 565 668**	**64 064 501**	**(41 123 614)**	**(45 507 422)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(1 288 107)	(1 740 496)	(1 288 107)	(1 740 496)
Proceeds from sale of property, plant and equipment		320 670	269 183	320 670	269 183
Dividends received	17	-	-	4 910 849	4 355 451
Net cash from investing activities		**(967 437)**	**(1 471 313)**	**3 943 412**	**2 884 138**
Cash flows from financing activities					
Cash repayments on lease liabilities	4	(2 837 920)	(2 154 501)	(2 837 920)	(2 154 501)
Dividends paid to non-controlling interest		(2 104 650)	(1 866 622)	-	-
Net cash from financing activities		**(4 942 570)**	**(4 021 123)**	**(2 837 920)**	**(2 154 501)**
Total cash movement for the year		**29 655 661**	**58 572 065**	**(40 018 122)**	**(44 777 785)**
Cash and cash equivalents at the beginning of the year		217 781 684	159 209 619	69 969 330	114 747 115
Cash and cash equivalents at the end of the year	10	**247 437 345**	**217 781 684**	**29 951 208**	**69 969 330**

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and IFRIC® Interpretations Standards (IFRIC interpretations) issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, No. 71 of 2008 of South Africa.

The consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Sub-heading

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and subsidiary. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated financial statements from the date of obtaining control.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Impairment of financial assets

The expected credit loss provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

At the end of the reporting period, the group estimated the expected credit loss as per the following methodology:

- Obtain a historical loss % based on the prior period bad debts written off;
- Obtain a forward looking % (based on probability of default % multiplied the average loss given default %) at which debts are expected to default based on the sector the customer belongs to;
- Determine the age bracket at which point a customer is expected to be at risk of default;
- Add the historical loss % and forward looking % and multiply this by the age bracket from where debt is deemed to be a credit risk, in order to obtain the expected credit loss.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment of non financial assets

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Residual values and useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Fixtures and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	10% - 33.33% per annum

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.5 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life	Remaining useful ife
Computer software	Straight line	2 years	1 year
Copyrights, patents and other industrial rights, service and operating rights	Straight line	5 years	2 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.6 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis.

1.6 Financial instruments (continued)

The material accounting policies for each type of financial instrument held by the group are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write-offs accounting policy.

Impairment - Expected credit losses

A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

De-recognition

The group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The group de-recognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

When management assess the extent to which is it probable that taxable profit will be available against which potential deferred tax assets can be utilised, they take into consideration that the utilisation of assessed losses are limited to the greater of 80% of the taxable income or R1 million in the year of assessment.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.8 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Accounting Policies

1.8 Leases (continued)

Lease liability

At the commencement date of a lease, lease liabilities are measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, where that rate can be readily determined.

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.10 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

1.11 Share capital and equity

Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of paid annual leave and sick leave, bonuses, and medical care, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.13 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

Accounting Policies

1.13 Revenue from contracts with customers (continued)

Revenue from the sale of goods is recognised when control of the goods is transferred to the customer, being the point in time at which the performance obligation is satisfied, which generally occurs upon delivery of the goods to the customer. The normal credit term is 30 to 90 days upon delivery. The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g.,warranties, customer loyalty points). In determining the transaction price for the sale of goods, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). The payment terms above do not constitute a significant financing component.

1.14 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.15 Investment income

Interest is recognised when it accrues to the group on a time proportion basis, taking account of the principal outstanding and the effective yield of the asset.

Dividend income is recognised in profit or loss when the group’s right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

Notes to the Consolidated Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lack of exchangeability - amendments to IAS 21	01 January 2025	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2099	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Expected to impact the presentation and disclosure of financial statements and enhance transparency, with no material impact on the underlying accounting or reported results anticipated.
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 10 Consolidated Financial Statements	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact

Notes to the Consolidated Financial Statements

3. Property, plant and equipment

Group	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	34 292 930	(34 292 850)	80	34 292 930	(34 292 850)	80
Furniture and fixtures	1 859 405	(1 803 721)	55 684	1 834 910	(1 792 532)	42 378
Motor vehicles	1 004 662	(593 276)	411 386	1 004 662	(408 593)	596 069
Office equipment	417 978	(43 764)	374 214	32 287	(6 920)	25 367
IT equipment	4 555 413	(3 092 522)	1 462 891	3 948 510	(2 680 598)	1 267 912
Total	**42 130 388**	**(39 826 133)**	**2 304 255**	**41 113 299**	**(39 181 493)**	**1 931 806**

Company	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1 793 310	(1 737 644)	55 666	1 768 815	(1 726 455)	42 360
Motor vehicles	1 004 662	(593 276)	411 386	1 004 662	(408 593)	596 069
Office equipment	417 978	(43 764)	374 214	32 287	(6 920)	25 367
IT equipment	4 555 413	(3 092 522)	1 462 891	3 948 510	(2 680 598)	1 267 912
Total	**7 771 363**	**(5 467 206)**	**2 304 157**	**6 754 274**	**(4 822 566)**	**1 931 708**

Reconciliation of property, plant and equipment - Group - 2026

	Opening balance	Additions	Disposals / Write-offs	Depreciation	Total
Plant and machinery	80	-	-	-	80
Furniture and fixtures	42 378	24 495	-	(11 189)	55 684
Motor vehicles	596 069	-	-	(184 683)	411 386
Office equipment	25 367	376 565	-	(27 718)	374 214
IT equipment	1 267 912	887 047	(271 001)	(421 067)	1 462 891
	1 931 806	**1 288 107**	**(271 001)**	**(644 657)**	**2 304 255**

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Disposals / Write-offs	Transfers	Depreciation	Total
Plant and machinery	80	-	-	-	-	80
Furniture and fixtures	53 588	-	-	-	(11 210)	42 378
Motor vehicles	394 718	426 243	(61 521)	-	(163 371)	596 069
Office equipment	-	28 246	-	4 023	(6 902)	25 367
IT equipment	614 668	1 286 007	-	(4 023)	(628 740)	1 267 912
	1 063 054	**1 740 496**	**(61 521)**	**-**	**(810 223)**	**1 931 806**

Reconciliation of property, plant and equipment - Company - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	42 360	24 495	-	(11 189)	55 666
Motor vehicles	596 069	-	-	(184 683)	411 386
Office equipment	25 367	376 565	-	(27 718)	374 214
IT equipment	1 267 912	887 047	(271 001)	(421 067)	1 462 891
	1 931 708	**1 288 107**	**(271 001)**	**(644 657)**	**2 304 157**

Notes to the Consolidated Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	53 570	-	-	-	(11 210)	42 360
Motor vehicles	394 718	426 243	(61 521)	-	(163 371)	596 069
Office equipment	-	28 246	-	4 023	(6 902)	25 367
IT equipment	614 668	1 286 007	-	(4 023)	(628 740)	1 267 912
	1 062 956	**1 740 496**	**(61 521)**	**-**	**(810 223)**	**1 931 708**

4. Right of use assets and Lease liabilities

The group has the option to purchase the plant at a nominal amount on completion of the lease term.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Group	**2026**			**2025**		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	7 586 066	(5 268 100)	2 317 966	7 586 066	(2 739 412)	4 846 654

Company	**2026**			**2025**		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	7 586 066	(5 268 100)	2 317 966	7 586 066	(2 739 412)	4 846 654

Reconciliation of right-of-use assets - Group - 2026

	Opening balance	Depreciation	Total
Buildings	4 846 654	(2 528 688)	2 317 966

Reconciliation of right-of-use assets - Group - 2025

	Opening balance	Depreciation	Total
Buildings	7 375 342	(2 528 688)	4 846 654

Reconciliation of right-of-use assets - Company - 2026

	Opening balance	Depreciation	Total
Buildings	4 846 654	(2 528 688)	2 317 966

Reconciliation of right-of-use assets - Company - 2025

	Opening balance	Depreciation	Total
Buildings	7 375 342	(2 528 688)	4 846 654

Notes to the Consolidated Financial Statements

4. Right of use assets and Lease liabilities (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	Undiscounted	Interest	Net
2026			
Within one year	2 833 618	(119 490)	2 714 128
2025			
Within one year	2 905 853	(358 429)	2 547 424
Two to five years	2 833 618	(119 480)	2 714 138

Reconciliation of lease liability	**2026**	**2025**
Opening balance	5 261 562	7 416 065
Interest accrued	358 429	561 247
Lease payments	(2 905 853)	(2 715 750)
	2 714 138	**5 261 562**

	Group		Company	
	2026 R	2025 R	2026 R	2025 R
Non-current liabilities	-	2 714 138	-	2 714 138
Current liabilities	2 714 138	2 547 424	2 714 138	2 547 424
	2 714 138	**5 261 562**	**2 714 138**	**5 261 562**

5. Intangible assets

Group	**2026**			**2025**		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Patents, trademarks and other rights	1 133 550	(781 050)	352 500	1 133 550	(596 783)	536 767

Company	**2026**			**2025**		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Patents, trademarks and other rights	1 133 550	(781 050)	352 500	1 133 550	(596 783)	536 767

Reconciliation of intangible assets - Group - 2026

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	536 767	(184 267)	352 500

Notes to the Consolidated Financial Statements

5. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2025

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	721 034	(184 267)	536 767

Reconciliation of intangible assets - Company - 2026

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	536 767	(184 267)	352 500

Reconciliation of intangible assets - Company - 2025

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	721 034	(184 267)	536 767

6. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	% holding 2026	% holding 2025	Carrying amount 2026	Carrying amount 2025
Sonke Proprietary Limited	70,00 %	70,00 %	905 342	905 342

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

Summarised statement of financial position

	Sonke Pharmaceuticals Proprietary Limited	
	2026	2025
Assets		
Non-current assets	2 892 681	3 254 878
Current assets	268 895 851	298 605 567
Total assets	271 788 532	301 860 445
Liabilities		
Current liabilities	34 069 050	88 176 704
Total liabilities	34 069 050	88 176 704
Total net assets (liabilities)	237 719 482	213 683 741
Carrying amount of non-controlling interest	35 451 373	37 556 023

6. Interests in subsidiaries including consolidated structured entities (continued)

Summarised statement of profit or loss and other comprehensive income

	Sonke Pharmaceuticals Proprietary Limited	
	2026	2025
Revenue	359 602 496	411 802 155
Other income and expenses	(317 337 359)	(379 926 881)
Profit before tax	42 265 137	31 875 274
Tax expense	(11 213 898)	(8 490 277)
Profit	31 051 239	23 384 997
Total comprehensive income	31 051 239	23 384 997
Profit allocated to non-controlling interest	9 315 372	7 015 499

Summarised statement of cash flows

	Sonke Pharmaceuticals Proprietary Limited	
	2026	2025
Cash flows from operating activities	76 689 181	109 571 923
Cash flows from financing activities	(7 015 499)	(6 222 073)
Net increase in cash and cash equivalents	69 673 682	103 349 850
Dividend paid to non-controlling interest	(2 104 650)	(1 866 622)

7. Trade and other receivables

Financial instruments:				
Trade receivables	110 080 503	144 989 250	54 326 864	44 985 406
Trade receivables - related parties	94 282 708	85 897 867	91 158 831	46 119 980
Allowances for returns	(16 338)	(164 990)	-	(12 807)
Loss allowance	(10 386 674)	(10 772 604)	(867 944)	(108 595)
Trade receivables at amortised cost	193 960 199	219 949 523	144 617 751	90 983 984
Other receivables	956 718	956 718	956 718	956 718
Non-financial instruments:				
Employee costs in advance	912	4 500	-	-
Prepayments	2 976 205	3 051 074	2 976 205	3 051 074
Total trade and other receivables	**197 894 034**	**223 961 815**	**148 550 674**	**94 991 776**

Split between non-current and current portions

Current assets	197 894 034	223 961 815	148 550 674	94 991 776

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	194 916 917	220 906 241	145 574 469	91 940 702
Non-financial instruments	2 977 117	3 055 574	2 976 205	3 051 074
	197 894 034	**223 961 815**	**148 550 674**	**94 991 776**

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

7. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The expected credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance is determined as follows:

Group	2026	2026	2025	2025
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 0.3% (2025: 0%)	78 877 118	(232 238)	96 321 574	-
Less than 30 days past due: 0.5% (2025: 0%)	3 264 385	(15 608)	-	-
31 - 60 days past due: 2.1% (2025: 0%)	10 570 999	(220 437)	14 231 142	-
61 - 90 days past due: 2.9% (2025: 0%)	1 221 265	(34 862)	3 076 475	-
91 - 120 days past due: 7.5% (2025: 0%)	284 373	(21 347)	28 454	-
More than 120 days past due: 62% (2025: 48%)	15 862 363	(9 862 182)	22 357 001	(10 772 604)
Total	**110 080 503**	**(10 386 674)**	**136 014 646**	**(10 772 604)**

Notes to the Consolidated Financial Statements

7. Trade and other receivables (continued)

Company	**2026**	**2026**	**2025**	**2025**
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 0.1% (2025: 0%)	48 498 162	(50 096)	37 481 737	-
Less than 30 days past due: 0.5% (2025: 0%)	3 163 747	(14 380)	-	-
31 - 60 days past due: 1% (2025: 0%)	144 062	(1 441)	(3 062 509)	-
61 - 90 days past due: 2% (2025: 0%)	724 704	(14 494)	554 141	-
91 - 120 days past due:8% (2025: 0%0	265 662	(19 925)	9 110	-
More than 120 days past due: 50% (2025: 10%)	1 530 527	(767 608)	1 038 342	(108 595)
Total	**54 326 864**	**(867 944)**	**36 020 821**	**(108 595)**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(10 772 604)	(11 144 960)	(108 595)	(1 718 453)
Expected credit loss	385 930	372 356	(759 349)	1 609 858
Closing balance	**(10 386 674)**	**(10 772 604)**	**(867 944)**	**(108 595)**

8. Deferred tax

Deferred tax liability

Right of use asset	(625 851)	(1 308 596)	(625 851)	(1 308 596)

Deferred tax asset

Property, plant and equipment	485 579	901 796	-	-
Provision for leave pay	1 059 189	1 220 454	1 028 157	1 058 710
Provision for bonus	4 552 878	2 372 696	4 175 183	2 059 249
Expected credit loss	2 195 682	1 896 915	197 404	19 122
Assessed loss	998 891	8 476 813	998 891	8 476 813
Lease liability	732 817	1 420 622	732 818	1 420 622
Deferred tax balance from temporary differences	10 025 036	16 289 296	7 132 453	13 034 516

The estimated tax loss available for set off against future taxable income is R3 699 596 (2025: R31 395 603).

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(625 851)	(1 308 596)	(625 851)	(1 308 596)
Deferred tax asset	10 025 036	16 289 296	7 132 453	13 034 516
Total net deferred tax asset	**9 399 185**	**14 980 700**	**6 506 602**	**11 725 920**

Notes to the Consolidated Financial Statements

	Group		Company	
	2026 R	2025 R	2026 R	2025 R

8. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	14 980 700	16 958 856	11 725 920	13 841 364
Movement in property, plant and equipment	(416 220)	(416 217)	-	-
Movement in assessed loss	(7 477 917)	(1 249 492)	(7 477 921)	(1 249 492)
Movement in right of use asset	682 745	682 746	682 746	682 746
Movement in lease liability	(687 805)	(581 715)	(687 805)	(581 715)
Movement in leave pay provision	(161 265)	(248 018)	(30 553)	(247 969)
Movement in bonus provision	2 180 182	(422 045)	2 115 934	(435 539)
Movement in expected credit loss	228 031	(65 567)	178 281	(283 475)
Prior year adjustment	70 734	322 152	-	-
	9 399 185	**14 980 700**	**6 506 602**	**11 725 920**

9. Inventories

Finished goods	15 296 940	39 847 502	14 430 848	15 848 549
	15 296 940	39 847 502	14 430 848	15 848 549
Inventories (write-downs)	(711 590)	(3 240 592)	(514 441)	(845 241)
	14 585 350	**36 606 910**	**13 916 407**	**15 003 308**

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	247 437 345	217 781 684	29 951 208	69 969 330

Securities and facilities:

Securities	350 000	-	350 000	-
Trading guarantees	570 000	-	570 000	-
Overdraft	135 240 000	-	135 240 000	-
Sonke guarantees	5 000 000	-	-	-

11. Share capital

Authorised

1 000 000 Ordinary shares	1 000 000	1 000 000	1 000 000	1 000 000

Issued

Ordinary	361 917	361 917	361 917	361 917
Share premium	17 150 006	17 150 006	17 150 006	17 150 006
	17 511 923	**17 511 923**	**17 511 923**	**17 511 923**

Notes to the Consolidated Financial Statements

		Group		Company	
		2026 R	2025 R	2026 R	2025 R
12. Trade and other payables					
Financial instruments:					
Trade payables		19 364 584	29 856 482	6 068 022	25 127 223
Trade payables - related parties		15 629 254	72 470 452	747 046	2 392 885
Other payables		27 575 947	14 664 853	27 575 947	14 664 853
Non-financial instruments:					
Payroll accruals		5 311 699	3 505 654	5 251 954	3 437 893
Marketing and sales accruals		5 101 404	15 918 758	-	10 624 184
VAT		5 866 737	7 183 680	5 582 467	4 240 693
		78 849 625	**143 599 879**	**45 225 436**	**60 487 731**
Financial instrument and non-financial instrument components of trade and other payables					
At amortised cost		62 569 784	116 991 787	34 391 012	39 792 076
Non-financial instruments		16 279 840	26 608 092	10 834 421	18 302 770
		78 849 624	**143 599 879**	**45 225 433**	**58 094 846**
13. Revenue					
Revenue from contracts with customers					
Sale of goods		601 333 710	606 406 742	232 613 079	186 557 164
Chargebacks, reimbursements and others		(112 319 664)	(85 160 558)	(103 201 528)	(77 113 135)
		489 014 046	**521 246 184**	**129 411 551**	**109 444 029**
Disaggregation of revenue from contracts with customers					
The group disaggregates revenue from customers as follows:					
Sale of goods					
Sale of goods		489 014 046	521 246 184	129 411 551	109 444 029
Timing of revenue recognition					
At a point in time					
Sale of goods		489 014 046	521 246 184	129 411 551	109 444 029
14. Cost of sales					
Sale of goods		338 324 521	385 372 844	32 200 148	28 026 087
15. Other operating gains					
Gains on disposals, scrappings and settlements					
Property, plant and equipment	3	49 669	207 662	49 669	207 662

Notes to the Consolidated Financial Statements

	Group		Company	
	2026 R	2025 R	2026 R	2025 R

16. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Remuneration, other than to employees				
Consulting and professional services	1 175 288	2 128 307	1 008 663	2 099 843
Employee costs				
Salaries, wages, bonuses and other benefits	20 297 024	13 641 259	9 063 081	2 597 524
Depreciation and amortisation				
Depreciation of property, plant and equipment	644 657	810 223	644 657	810 223
Depreciation of right-of-use assets	2 528 688	2 528 689	2 528 688	2 528 689
Amortisation of intangible assets	184 267	184 267	184 267	184 267
Total depreciation and amortisation	**3 357 612**	**3 523 179**	**3 357 612**	**3 523 179**
Other				
Royalty expense	4 127 343	7 260 818	-	-
Distribution costs	10 857 139	10 366 416	6 271 610	4 646 947

17. Investment income

Dividend income				
Group entities:				
Subsidiaries - Local	-	-	4 910 849	4 355 451
Interest income				
Investments in financial assets:				
Bank and other cash	16 417 633	16 981 718	5 298 184	11 116 110
Total investment income	**16 417 633**	**16 981 718**	**10 209 033**	**15 471 561**

18. Finance costs

Other interest paid	360 218	580 311	360 218	580 311

Notes to the Consolidated Financial Statements

	Group		Company	
	2026 R	2025 R	2026 R	2025 R

19. Taxation

Major components of the tax expense (income)

Current				
Local income tax - current period	12 721 184	8 939 890	1 869 483	312 325
Deferred				
Originating and reversing temporary differences	5 581 515	1 978 156	5 219 318	2 115 444
	18 302 699	**10 918 046**	**7 088 801**	**2 427 769**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %	27,00 %	27,00 %
Exempt income	- %	- %	- %	(10,08)%
Capital gains tax	- %	0,86 %	- %	3,89 %
Impace of permanent differences	(22,63)%	- %	(21,02)%	- %
	4,37 %	**27,86 %**	**5,98 %**	**20,81 %**

20. Cash (used in)/generated from operations

Profit before taxation	68 640 993	39 186 540	31 286 705	11 666 716
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	3 586 587	3 523 178	3 586 587	3 523 178
Gains on sale of assets and liabilities	(49 669)	(207 662)	(49 669)	(207 662)
Movement in expected credit loss	(385 930)	(372 356)	759 349	(1 609 858)
Movement in stock provision	(2 529 002)	(1 187 224)	(330 800)	(155 375)
Adjust for items which are presented separately:				
Interest income	(16 417 633)	(16 981 718)	(5 298 184)	(11 116 110)
Dividends received	-	-	(4 910 849)	(4 355 451)
Finance costs	360 218	580 311	360 218	580 311
Changes in working capital:				
(Increase) decrease in inventories	24 550 562	59 119 327	1 417 701	12 761 091
(Increase) decrease in trade and other receivables	26 008 851	118 959 198	(54 318 247)	15 761 125
Increase (decrease) in trade and other payables	(64 305 396)	(148 497 600)	(15 262 296)	(82 587 573)
	39 459 581	**54 121 994**	**(42 759 485)**	**(55 739 608)**

21. Tax paid

Balance at beginning of the year	(4 638 822)	(2 157 832)	206 159	214 871
Current tax recognised in profit or loss	(12 721 184)	(8 939 890)	(1 869 483)	(312 325)
Balance at end of the year	(2 591 322)	4 638 822	(1 638 771)	(206 159)
	(19 951 328)	**(6 458 900)**	**(3 302 095)**	**(303 613)**

	Group		Company	
	2026 R	2025 R	2026 R	2025 R

22. Related parties

Relationships	
Ultimate holding company	Sun Pharmaceuticals Industries Limited
Holding company	Sun Pharma (Netherlands) BV
Subsidiary	Sonke Pharmaceuticals Proprietary Limited
Fellow group company	Ranbaxy Pharmaceuticals Proprietary Limited
Members of key management	A Ajoodha M Brown V Sethuraman

Related party balances

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Amounts included in trade receivables				
Sun Pharmaceuticals Industries Limited	39 552 750	179 987	39 552 750	179 987
Ranbaxy Pharmaceuticals Proprietary Limited	54 729 958	85 717 880	51 161 221	45 720 402
Sonke Pharmaceuticals Proprietary Limited	-	-	444 860	219 571
	94 282 708	**85 897 867**	**91 158 831**	**46 119 960**
Amounts included in trade payables regarding related parties				
Sun Pharmaceuticals Industries Limited	(10 707 217)	(12 740 228)	-	(2 033 011)
Ranbaxy Pharmaceuticals Proprietary Limited	(4 922 037)	(59 730 224)	(747 046)	(359 874)
	(15 629 254)	**(72 470 452)**	**(747 046)**	**(2 392 885)**

Related party transactions

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Purchases from related parties				
Sun Pharmaceutical Industries Limited	-	30 542 754	-	15 556 040
Ranbaxy Pharmaceuticals Proprietary Limited	169 985 551	294 043 409	42 874 106	11 312 040
	169 985 551	**324 586 163**	**42 874 106**	**26 868 080**
Management cross fee charges received regarding related parties				
Ranbaxy Pharmaceuticals Proprietary Limited	(130 749 524)	(115 015 339)	(130 749 524)	(115 015 339)
Royalty fees paid regarding related parties				
Ranbaxy Pharmaceuticals Proprietary Limited	4 127 343	7 260 818	-	-
Dividends received from related parties				
Sonke Pharmaceuticals Proprietary Limited	-	-	4 910 849	4 355 451

*Refer to note 24 for details on key management compensation.
*Refer to note 7 for further details on expected credit losses and defaults

Notes to the Consolidated Financial Statements

	Group		Company	
	2026 R	2025 R	2026 R	2025 R

23. Directors' emoluments

2026

Directors' emoluments	Basic salary	Bonuses and performance related payments	Other allowances	Severance pay	Total
Services as director or prescribed officer					
V Sethuraman	-	-	-	-	-
DM Sewnarain	416 571	-	100 778	1 955 923	2 473 272
A Ajoodha	2 335 279	459 167	184 779	-	2 979 225
M Brown	2 918 833	749 602	218 822	-	3 887 257
	5 670 683	**1 208 769**	**504 379**	**1 955 923**	**9 339 754**

2025

Directors' emoluments	Basic salary	Bonuses and performance related payments	Other allowances	Compensa-tion for loss of office	Total
Services as director or prescribed officer					
DW Brothers	3 727 710	821 500	366 432	4 107 498	9 023 140
DM Sewnarain	1 801 254	375 585	135 094	-	2 311 933
A Ajoodha	1 919 666	326 653	194 255	-	2 440 574
M Brown	2 406 561	528 901	288 752	-	3 224 214
	9 855 191	**2 052 639**	**984 533**	**4 107 498**	**16 999 861**

Notes to the Consolidated Financial Statements

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2026

	Notes	Amortised cost	Total
Trade and other receivables	7	194 916 917	194 916 917
Cash and cash equivalents	10	247 437 345	247 437 345
		442 354 262	**442 354 262**

Group - 2025

	Notes	Amortised cost	Total
Trade and other receivables	7	220 906 241	220 906 241
Cash and cash equivalents	10	223 075 267	223 075 267
		443 981 508	**443 981 508**

Company - 2026

	Notes	Amortised cost	Total
Trade and other receivables	7	145 574 469	145 574 469
Cash and cash equivalents	10	29 951 208	29 951 208
		175 525 677	**175 525 677**

Company - 2025

	Notes	Amortised cost	Total
Trade and other receivables	7	91 940 702	91 940 702
Cash and cash equivalents	10	75 262 913	75 262 913
		167 203 615	**167 203 615**

Notes to the Consolidated Financial Statements

24. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2026

	Notes	Amortised cost	Leases	Total
Trade and other payables	12	62 569 784	-	62 569 784
Lease liabilities	4	-	2 714 138	2 714 138
		62 569 784	**2 714 138**	**65 283 922**

Group - 2025

	Notes	Amortised cost	Leases	Total
Trade and other payables	12	116 991 787	-	116 991 787
Lease liabilities	4	-	5 261 562	5 261 562
		116 991 787	**5 261 562**	**122 253 349**

Company - 2026

	Notes	Amortised cost	Leases	Total
Trade and other payables	12	34 391 012	-	34 391 012
Lease liabilities	4	-	2 714 138	2 714 138
		34 391 012	**2 714 138**	**37 105 150**

Company - 2025

	Notes	Amortised cost	Leases	Total
Trade and other payables	12	39 792 076	-	39 792 076
Lease liabilities	4	-	5 261 562	5 261 562
		39 792 076	**5 261 562**	**45 053 638**

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Notes to the Consolidated Financial Statements

24. Financial instruments and risk management (continued)

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board of directors on its activities.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk is managed on a group basis. For banks and financial institutions, only independent rated parties with a minimum rating of 'A' are accepted.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Management does not expect any significant losses from non-performance by these counterparties.

The company has borrowings that accrues interest to related parties within the group.

Expected credit loss policy:

- Obtain a historical loss % based on the prior period bad debts written off;
- Obtain a forward looking % (based on probability of default % multiplied the average loss given default %) at which debts are expected to default based on the sector the customer belongs to;
- Determine the age bracket at which point a customer is expected to be at risk of default;
- Add the historical loss % and forward looking % and multiply this by the age bracket from where debt is deemed to be a credit risk, in order to obtain the expected credit loss.

The policy is supported by a forward looking view on the recoverability of debtors, taking into account historical trends where we have had no write-off of state debt. Also owing to government debt being tender related, that is contracted with National Department of Health, thus a legally bound relationship exist and will continue to exist as demonstrated in other tender related business. When Tender contracts expire, management takes a forward looking view on recoverability of outstanding debt as per the expired contracts, and this is provided for over and above the conditions noted above. Based on historical events, State continues to pay debt related to expired tender agreements and as such we expect this trend to continue, as we have a mutually beneficial relationship and the entity is still engaged in other active contracts and as such, no separation of trade has occurred.

Due to thorough methodology, management is confident that the current methodology remains appropriate.

The maximum exposure to credit risk is presented in the table below:

Group		**2026**			**2025**		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables	7	208 297 046	(10 386 674)	197 910 372	234 899 409	(10 772 604)	224 126 805
Cash and cash equivalents	10	247 437 345	-	247 437 345	218 738 402	-	218 738 402
		455 734 391	**(10 386 674)**	**445 347 717**	**453 637 811**	**(10 772 604)**	**442 865 207**

Notes to the Consolidated Financial Statements

24. Financial instruments and risk management (continued)

Company

		2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables	7	149 418 618	(867 944)	148 550 674	95 113 178	(108 595)	95 004 583
Cash and cash equivalents	10	29 951 208	-	29 951 208	69 969 330	-	69 969 330
		179 369 826	**(867 944)**	**178 501 882**	**165 082 508**	**(108 595)**	**164 973 913**

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2026

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	63 078 803	63 078 803	62 569 784
Lease liabilities	4	2 833 628	2 833 628	2 714 138
		65 912 431	**65 912 431**	**65 283 922**

Group - 2025

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	2 714 138	2 714 138	2 714 138
Current liabilities					
Trade and other payables	12	116 991 787	-	116 991 787	116 991 787
Lease liabilities	4	2 547 424	-	2 547 424	2 547 424
		119 539 211	**2 714 138**	**122 253 349**	**122 253 349**

Company - 2026

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	34 391 012	34 391 012	34 391 012
Lease liabilities	4	2 833 628	2 833 628	2 714 138
		37 224 640	**37 224 640**	**37 105 150**

Notes to the Consolidated Financial Statements

24. Financial instruments and risk management (continued)

Company - 2025

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	2 714 138	2 714 138	2 714 138
Current liabilities					
Trade and other payables	12	39 792 076	-	39 792 076	39 792 076
Lease liabilities	4	2 547 424	-	2 547 424	2 547 424
		42 339 500	**2 714 138**	**45 053 638**	**45 053 638**

Foreign currency risk

The group is not exposed to foreign currency risk as the group doesn't transact in foreign currency.

Interest rate risk

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

25. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group and company has adequate financial resources to continue in operation for the next twelve months and, accordingly, the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group and company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation which may affect the group and company.

26. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

27. Commitments and contingencies

The group did not have any capital commitments, contingent liabilities, or contingent assets at the reporting date (2025: Nil).