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INDEPENDENT AUDITOR'S REPORT

To the shareholders of TERAPIA SA
Adress: 124, FABRICII STR., CLUJ NAPOCA, ROMANIA, CUI 15357398

Opinion

1. We have audited the financial statements of TERAPIA SA ("the Company"), which comprise the balance sheet as at March 31, 2022, and the profit and loss statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
2. The afore mentioned financial statements refer to:
 - Net assets/Total equity and reserves: 681.684.876 lei
 - Net result of the year (profit): 185.932.622 lei
3. In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 1802/2014, with subsequent amendments ("OMFP 1802/2014").

Basis for opinion

4. We conducted our audit in accordance with the International Standards on Auditing (ISA) and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics for the Professional Accountants issued by the International Ethics Standards Board for Accountants, in accordance with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other aspects

5. This report of the independent auditor is addressed exclusively to the Shareholders of the Company as a whole. Our audit was conducted in order to be able to report to the shareholders of the Company those aspects that we must report in a financial audit report, and not for other purposes. To extent permitted by law, we do not accept and assume no responsibility except to the Company and its shareholders, as a whole, for our audit, for this report or for the opinion formed.



Other Information - Administrator's Report

6. The administrators are responsible for preparation and presentation of other information. The other information comprises the Administrator's Report but does not include the financial statements and our auditor's report thereon.

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

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

With regards to the Administrator's Report, we have read and report whether it was prepared, in all material respects, in accordance with the OMFP 1802/2014, articles 489-492.

Based exclusively on the activities that should be done during the audit of the financial statements, in our opinion:

- a) Information presented in the Administrators' Report for the financial period for which the financial statements have been prepared, is in accordance, in all material respects, with financial statements;
- b) The Administrators' Report has been prepared, in all material respects, in accordance with OMFP 1802/2014, articles 489-492.

Besides this, based on our knowledge and understanding of the Company and its environment gained during the audit of financial statements for the year ended at 31 March 2022, we shall report whether we identified any information included into Administrators' Report that is material misstated. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for the Financial Statements

7. Management is responsible for the preparation of the financial statements in accordance with OMFP 1802/2014, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company's or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process



Auditors' Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 decision of users taken on the basis of these financial statements.
11. As part of an audit in accordance with the audit standards adopted by the Romanian Chamber of Financial Auditors, which are based on International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

On behalf of:

BDO Auditors & Accountants SRL

Authorized by the Authority for Public Supervision of Statutory Audit Activity (ASPAAS)
Under FA1003

Dan Apostol, Partner

Authorized by the Authority for Public Supervision of Statutory Audit Activity (ASPAAS)
Under AF1671

Cluj Napoca, Romania
May, 6th 2022

For stamp and signature please refer to the Romanian original version



S.C. TERAPIA S.A.

FINANCIAL STATEMENTS

Prepared in accordance with
the Order of the Ministry of Public Finance no. 1802/2014
with subsequent amendments

31 MARCH 2022

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S.C. TERAPIA S.A.
BALANCE SHEET
For the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Balance Sheet as at 31 March 2022
(in accordance with OMF 1802/2014)

-RON-

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2021	The end of the year 31.03.2022
A	B	2	3
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Set-up costs (account 201-2801)	01		
2. Development costs (account 203-2803-2903)	02		
3. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (account 205+208-2805-2808-2905-2908)	03	68,011,327	44,308,188
4. Goodwill (account 2071-2807)	04		
5. Intangible assets for exploration and evaluation of mineral resources (account 206-2806-2906)	05		
6. Advance payments (account 4094)	06		
TOTAL: (row 01 to 06)	07	68,011,327	44,308,188
II. TANGIBLE ASSETS			
1. Freehold land and buildings (account 211+212-2811-2812-2911-2912)	08	167,910,398	164,167,667
2. Plant and machinery (account 213+223--2813-2913)	09	39,786,416	35,265,365
3. Other plant, machinery and fixtures (account 214+224-2814-2914)	10	2,496,303	2,431,136
4. Real estate investments (account 215-2815-2915)	11		
5. Tangible fixed assets in progress (account 231-2931)	12	2,242,899	3,475,740
6. Real estate investments in progress (account 235-2935)	13		
7. Tangible assets for exploration and evaluation of mineral resources (account 216-2816-2916)	14		
8. Productive biological assets (account 217+227-2817-2917)	15		
4. Advance payments (account 4093)	16	388,705	328,472
TOTAL: (row 08 to 16)	17	212,824,721	205,668,380
III. LONG-TERM FINANCIAL INVESTMENTS			
1. Investments in subsidiaries (account 261-2961)	18		
2. Loans to subsidiaries (account 2671+2672-2964)	19		
3. Investments in associates and jointly controlled entities (account 262+263-2962)	20		
4. Loans granted to entities related to the company on the grounds of investments in associates and jointly controlled (account 2673 + 2674 - 2965)	21		
5. Investments owned as assets (account 265+266-2963)	22		
6. Other loans (account 2675+2676+2677+2678+2679-2966-2968)	23	36,197	39,554
TOTAL: (row 18 to 23)	24	36,197	39,554
TOTAL NON-CURRENT ASSETS (row 07+17+24)	25	280,872,245	250,016,122
B. CURRENT ASSETS			
I. INVENTORIES			
1. Raw materials and consumables (account 301+321+302+322+303+323+/-308+351+358+381+328+/-388-391-392-3951-3958-398)	26	24,665,137	27,899,128
2. Work in progress (account 331+332+341+/-348-393-3941-3952)	27	3,976,848	2,776,314

S.C. TERAPIA S.A.
BALANCE SHEET
For the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2021	The end of the year 31.03.2022
A	B	2	3
3. Finished goods and merchandise (account 345+346+/-348+354+356+357 +361+326+/-368+371+327+/-378-3945-3946-3953-3954-3956-3957-396-397-4428)	28	74,428,040	67,101,617
4. Advance payments for the acquisition of inventories (account 4091)	29	1,567,208	814,162
TOTAL (row 26 to 29)	30	104,637,233	98,591,221
II. RECEIVABLES			
1. Trade receivables (account 2675+2676+2678+2679-2966-2968+4092+411+413 +418-491)	31	272,407,250	335,549,273
2. Receivables from non-consolidated associated companies (account 451-495)	32	32,874,414	13,651,278
3. Receivables from other equity investments (account 453-495)	33		
4. Other receivables (account 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187)	34	10,301,124	12,533,363
5. Subscribed and not paid in share capital (account 456-495)	35		
Receivables representing dividends distributed during the financial year (account 463)	35a		
TOTAL (row 31 to 35)	36	315,582,788	361,733,914
III. SHORT TERM INVESTMENTS			
1. Investments in subsidiaries (account 501-591)	37		
2. Other short term investments (account 505+506+508-595-596-598+5113+5114)	38	45,000,000	133,640,000
TOTAL (row 37 to 38)	39	45,000,000	133,640,000
IV. PETTY CASH AND BANK ACCOUNT BALANCES			
(account 5112+512+531+532+541+542)	40	17,635,202	25,687,216
CURRENT ASSETS - TOTAL (row 30+36+39+40)	41	482,855,223	619,652,351
C. ACCRUED EXPENSES (account 471) (row 43+44)			
Amounts taken over a period of up to 1 year	43	1,188,717	1,451,557
Amounts taken over a period of more than 1 year	44		
D. LIABILITIES: AMOUNTS DUE WITHIN ONE YEAR			
1. Debenture loans (account 161+1681-169)	45		
2. Amounts owed to credit institutions (account 1621+1622+1624+1625+1627+1682+5191+5192+ 5198)	46		
3. Advance payments received for orders (account 419)	47	4,793	249,958
4. Trade debts – suppliers (account 401+404+408)	48	50,466,590	51,688,980
5. Bills of exchange payable (account 403+405)	49		
6. Amounts due to non-consolidated associated companies (account 1661+1685+2691+451)	50	24,545,515	48,010,718
7. Amounts due to other equity investments (account 1663+1686+2692+453)	51		

S.C. TERAPIA S.A.
BALANCE SHEET
For the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2021	The end of the year 31.03.2022
A	B	2	3
8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2693+421+ 423+424+426+427+4281+431+437+4381+441+4423+ 4428+444+446+447+4481+455+456+457+4581+ 462+473+509+5186+5193+5194+5195+5196+5197)	52	60,115,466	62,303,693
TOTAL: (row 45 to 52)	53	135,132,364	162,253,349
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41+43-53-70-73-76)	54	348,143,284	458,082,267
F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 25+44+54)	55	629,015,529	708,098,389
G. LIABILITIES: AMOUNTS DUE AFTER ONE YEAR			
1. Debenture loans (account 161+1681-169)	56		
2. Amounts payable to credit institutions (account 1621+1622+1624+1625+1627+1682+5191+5192+5198)	57		
3. Advance payments received for orders (account 419)	58		
4. Trade debts – suppliers (account 401+404+408)	59		
5. Bills of exchange payable (account 403+405)	60		
6. Amounts due to non-consolidated associated companies (account 1661+1685+2691+451)	61		
7. Amounts due to other equity investments (account 1663+1686+2692+453)	62		
8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2693+421+ 423+424+426+427+4281+431+437+4381+441+4423+ 4428+444+446+447+4481+455+456+457+4581+ 462+473+509+5186+5193+5194+5195+5196+5197)	63		
TOTAL: (row 56 to 63)	64		
H. ACCRUED LIABILITIES			
1. Accrued for employee benefits (account 1515+1517)	65	3,415,385	2,256,686
2. Accrued taxes payable (account 1516)	66	10,133,115	9,383,183
3. Other accrued liabilities and provisions (account 1511+1512+1513+1514+1518)	67	13,841,915	9,642,671
TOTAL ACCRUED LIABILITIES & PROVISIONS (row 65 to 67)	68	27,390,415	21,282,540
I. DEFERRED INCOME			
1. Investment subsidies (account 475) (row 70+71)	69	6,667,557	5,899,265
Amounts to be retaken in a period under a year (account 475)	70	768,292	768,292
Amounts to be retaken in a period over a year (account 475)	71	5,899,265	5,130,973
2. Deferred income (account 472) - total (row 73+74) of which:	72		
Amounts to be retaken in a period under a year (account 472)	73		

S.C. TERAPIA S.A.
BALANCE SHEET
For the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Element name	Row no,	Balance as of		
		The beginning of the year 01.04.2021	The end of the year 31.03.2022	
A	B	2	3	
Amounts to be retaken in a period over a year (account 472)	74			
3. Deferred income related to assets received from customers transfer (ct.478) (row 76+77)	75			
Amounts to be retaken in a period under a year (account 478)	76			
Amounts to be retaken in a period over a year (account 478)	77			
Negative goodwill (account 2075)	78			
TOTAL (row 69+72+75+78)	79	6,667,557	5,899,265	
J. CAPITAL AND RESERVES				
I. CAPITAL				
1. Subscribed and paid in capital (account 1012)	80	24,993,398	24,993,398	
2. Subscribed and not paid in capital (account 1011)	81			
3. Patrimony (autonomous companies) (account 1015)	82			
4. Patrimony of national research and development institutes (account 1018)	83			
5. Other equity (account 1031)	84			
TOTAL (row 80 to 84)	85	24,993,398	24,993,398	
II. PREMIUMS RELATED TO CAPITAL (account 104)	86	372,839	372,839	
III. REVALUATION RESERVE (account 105)	87	139,928,192	135,918,517	
IV. OTHER RESERVES				
1. Legal reserve (account 1061)	88	8,617,940	8,617,940	
2. Statutory or contractual capital reserve (account 1063)	89			
3. Other reserves (account 1068)	90	39,329,916	39,086,199	
TOTAL (row 88 to 90)	91	47,947,856	47,804,139	
Own shares (account 109)	92			
Gains on own equity instruments (account 141)	93			
Losses on own equity instruments (account 149)	94	782,785	782,785	
V. PROFIT / (LOSS) BROUGHT FORWARD (account 117)	Balance C	95	213,305,119	288,513,964
	Balance D	96		
VI. PROFIT / (LOSS) FOR THE YEAR (account 121)	Balance C	97	173,098,449	185,932,622
	Balance D	98		
Profit appropriation (account 129)	99	3,137,220	967,818	
TOTAL EQUITY (row 85+86+87+91-92+93-94+95-96+97-98-99)	100	595,725,849	681,684,876	
Public patrimony (account 1016)	101			
Private patrimony (account 1017)	102			
TOTAL CAPITAL (row 100+101+102) (row 25+41+42-53-64-68-79)	103	595,725,849	681,684,876	

ADMINISTRATOR,
Dragoş Eugen Damian

ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

S.C. TERAPIA S.A.
BALANCE SHEET
For the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Profit and loss account for the year ended 31 March 2022
(in accordance to OMF 1802/2014)

INDICES	Row no,	Financial year	
		Previous	Current
A	B	1	2
1.Net turnover (row 02 +03-04+ 05+06)	01	785,457,005	865,503,812
- of which, the net turnover of the predominant activity actually carried out	01a	765,996,477	844,442,380
Sales of produced goods (account 701+702+703+704+705+706+708)	02	502,790,873	540,813,826
Sales of goods purchased for resale (account 707)	03	491,805,068	597,239,042
Trade discounts granted (account 709)	04	209,138,936	272,549,056
Interest income of entities cancelled from the General Register and which have leasing contracts in progress (account 766)	05		
Subsidies related to the net turnover (account 7411)	06		
2.Inventories variation (account 711)	Balance C	9,496,353	
	Balance D		3,033,784
3.Own production capitalized (account 721+722)	09		
4.Income from revaluation of tangible assets (account 755)	10	539,439	10,736
5.Real estate investments production income (account 725)	11		
6.Income from subsidies (account 7412+7413+7414+7415+7416+7417+7419)	12	83,792	1,369
7.Other operating income (account 751+758+7815)	13	2,914,492	1,469,346
- out of which income from negative goodwill	14		
- out of which income from investment subsidies	15	782,173	768,292
TOTAL OPERATING REVENUES (row 01+07-08+09+10+11+12+13)	16	798,491,081	863,951,479
8.a) Expenses related to raw materials and consumables (account 601+602)	17	77,427,957	69,981,091
Other material expenses (account 603+604+606+608)	18	4,610,158	6,488,107
b) Other utilities expenses (electricity, heating and water) (account 605-7413)	19	4,597,607	6,594,634
- of which, expenditure on energy consumption (ct. 6051)	19a	4,118,104	6,112,520
Expenses regarding goods for resale (account 607)	20	198,204,991	241,577,206
Trade discounts received (account 609)	21	160,261	14,371,275
9.Personnel expenses (row 23+24)	22	95,393,378	102,932,560
a) Salaries (account 641+642+643+644)	23	93,349,905	100,720,812
b) Expenses related to social security contributions (account 645)	24	2,043,473	2,211,748
10.a) Value adjustment related to tangible and intangible assets (rd.26-27)	25	36,846,460	39,437,293
a.1) Expenses (account 6811+6813+6817)	26	36,846,460	39,460,161
a.2) Revenues (account 7813)	27		22,868
b) Value adjustment for current assets (row 29-30)	28	2,057,699	(1,795,922)
b.1) Expenses (account 654+6814)	29	8,146,760	8,963,487
b.2) Revenues (account 754+7814)	30	6,089,061	10,759,409
11.Other operating expenses (row 32 la 38)	31	179,052,736	213,624,699
11.1. Third party services expenses (account 611+612+613+614+621+623+624+625+627+628)	32	130,892,030	140,566,039
11.2 Other taxes, duties and similar expenses (account 635+6586)	33	38,542,672	55,051,294
11.3 Compensations, gifts and assets disposed (account 652)	34	828,777	764,930

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

INDICES	Row no,	Financial year	
		Previous	Current
A	B	1	2
11.4 Expenses from revaluation of tangible assets (account 655)	35	139,815	66,698
11.5 expenses related to calamities and other similar events	36		
11.6 Other expenses (account 651+6581+6582+6583+6588)	37	8,649,442	17,175,738
Expenses related to refinancing interests of entities cancelled from the General Register and which still have leasing contracts in progress (account 666)	38		
Adjustments related to provisions (rd.40-41)	39	2,650,183	(6,107,875)
Expenses (account 6812)	40	3,756,490	
Revenues (account 7812)	41	1,106,307	6,107,875
TOTAL OPERATING EXPENSES (row 17 to 20-21+22+25+25+31+39)	42	600,680,908	658,360,518
OPERATING PROFIT OR LOSS:			
Profit(row 16-42)	43	197,810,173	205,590,961
Loss(row 42-16)	44		
12.Revenues from investments (account 7611+7612+7613)	45		
- from which, income earned from affiliated entities	46		
13.Interest income (account 766)	47	299,312	2,518,456
- from which, income from associates	48		
14.Revenues from subsidies for interest due (account 7418)	49		
15.Other financial income (account 762+764+765+767+768)	50	17,561,167	17,632,321
- from which, income from other financial assets	51	-	-
TOTAL FINANCIAL REVENUES (ROW 45+47+49+50)	52	17,860,479	20,150,777
16. Value adjustments regarding financial assets and current asset investments (row 54-55)	53		
- expenses (account 686)	54		
- income (account 786)	55		
17.Interest expense (account 666)	56	362,089	9
- from which, expenses related to associated companies	57		
Other financial expenses (account 663+664+665+667+668)	58	15,701,887	14,501,411
TOTAL FINANCIAL EXPENSES (row 53+56+58)	59	16,063,976	14,501,420
FINANCIAL PROFIT OR LOSS			
Profit (row 52-59)	60	1,796,503	5,649,358
Loss (row 59-52)	61		
TOTAL REVENUES (row 16+52)	62	816,351,560	884,102,256
TOTAL EXPENSES (row 42+59)	63	616,744,884	672,861,938
18.PROFIT OR LOSS BEFORE TAX			
Profit (row 62-63)	64	199,606,676	211,240,318
Loss (row 63-62)	65		
19.INCOME TAX (account 691)	66	26,508,227	25,307,696
Taxes specific to certain activities (695)	67		
20.Other tax expenses not included above (account 698)	68		
21.NET PROFIT OR LOSS FOR THE YEAR			
Profit (row 64-65-66-67)	69	173,098,449	185,932,622
Loss (row 65+66+67-64)	70		

ADMINISTRATOR,
Dragoş Eugen Damian

ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

S.C. TERAPIA S.A.
CASHFLOW STATEMENT
for the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Cash flow Statement
for the year ended 31 March 2022

	12 month period ended at 31.03.2021	12 month period ended at 31.03.2022
OPERATING ACTIVITIES		
Net profit before taxation and extraordinary items	199,606,676	211,240,318
Adjustments for:		
Loss / profit on disposal of fixed assets	84,669	33,251
Impairment, depreciation and amortization	36,823,591	39,436,201
Movement in provisions for fixed assets	(376,755)	79,922
Movements in provisions	2,650,183	(6,107,875)
Net loss/profit from interest	62,777	(2,518,447)
Movements in provision for current assets	2,057,699	(1,795,922)
Income from subsidies and unclaimed dividends	(782,173)	(768,292)
Income from short-term financial investments		
The effect of foreign exchange rate changes on short-term financial investments		
(Profit)/loss from exchange rates on loans received from group companies	(1,508,698)	
Operating profit before changes in working capital	238,617,969	239,599,156
Decrease/(Increase) in trade and other receivables	6,108,506	(45,105,845)
Decrease/(Increase) in inventories	(21,293,624)	6,530,457
(Decrease) / Increase in trade and other liabilities	(77,155,364)	30,139,728
Interest paid	(528,069)	
Corporate income tax paid	(18,609,744)	(9)
Cash generated from operating activities	127,139,674	(30,939,318)
INVESTMENT ACTIVITIES		
Payments for the acquisition of tangible and intangibles assets	(5,820,417)	(8,689,896)
Proceeds from the disposal of fixed assets	1,260	
Payments for the acquisition of short-term financial investments	(45,000,000)	(88,640,000)
Proceeds from sales of short-term financial investments	4,394,252	
Interest received	296,812	2,462,895
Cash generated from investing activities	(46,128,093)	(94,867,001)
FINANCING ACTIVITIES		
Loan repayment	(64,481,000)	
Dividends paid	(1,448,353)	(97,305,155)
Loans received		
Cash generated from financing activities	(65,929,353)	(97,305,155)
		8,052,014
Increase / (decrease) in cash and cash equivalent	15,082,228	
Cash and cash equivalent at 1 April	2,552,974	17,635,202
Cash and cash equivalents at 31 March	17,635,202	25,687,216

ADMINISTRATOR,
Dragoş Eugen Damian

ECOMOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

S.C. TERAPIA S.A.
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Statement of Changes in Equity
for the year ended 31 March 2022

Elements of shareholders' equity	Balance as at 01.04.2021	Increase		Decrease		Balance as at 31.03.2022
		TOTAL, out of which	From transfer	TOTAL, out of which	From transfer	
0	1	2	3	4	5	6
Share capital	24,993,398					24,993,398
Share premium	372,839					372,839
Revaluation reserve	139,928,192			4,009,675	4,009,675	135,918,517
Legal reserve	8,617,940					8,617,940
Other reserves	39,329,917	(243,718)	(243,718)			39,086,198
Retained earnings representing undistributed accumulated profit or accumulated losses	Cr Balance	156,276,519	171,172,762	171,172,762	99,973,592	227,475,688
	Dr Balance					
Effect of first time adoption of IFRS, except for IAS 29	Cr Balance	5,935,237				5,935,237
	Dr Balance					
Retained result from correction of accounting errors	Cr Balance	664,609				664,609
	Dr Balance					
Retained result representing the revaluation reserve surplus	Cr Balance	55,210,067	4,009,675	4,009,675		59,219,741
	Dr Balance					
Retained result from the application of accounting regulations according to the forth Directive of the European Commission	Cr Balance					
	Dr Balance	4,781,313				4,781,313
Profit or loss for the year	Cr Balance	173,098,449	185,932,623		173,098,449	185,932,623
	Dr Balance					
Profit distribution	3,137,220	(243,718)	(243,718)	1,925,684	1,925,684	967,818
Other losses related to equity instruments	Cr Balance					
	Dr Balance	782,785				782,785
TOTAL	595,725,849	361,115,059	175,182,439	275,156,032	175,182,439	681,684,876

Equity amounting to RON 681,684,876 at 31.03.2022, has increased compared with 2021 financia year with the amount of RON 85,959,027. This evolution is due to:

- the net profit of the year amounting to RON 185,932,623;
- decrease as a result of the distribution of dividends in the amount of RON 99,973,592 lei

S.C. TERAPIA S.A.
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2022
(all amounts are expressed in RON, unless specified otherwise)

Statement of Changes in Equity
for the year ended 31 March 2021

Elements of shareholders' equity	Balance as at 01.04.2020	Increase		Decrease		Balance as at 31.03.2021
		TOTAL, out of which	From transfer	TOTAL, out of which	From transfer	
0	1	2	3	4	5	6
Share capital	24,993,398					24,993,398
Share premium	372,838					372,839
Revaluation reserve	110,108,062	31,343,546		1,523,416	1,523,417	139,928,192
Legal reserve	8,617,940					8,617,940
Other reserves	36,192,698	3,137,220	3,137,220			39,329,917
Retained earnings representing undistributed accumulated profit or accumulated losses	Cr Balance	12,222,953	144,053,567	144,053,567		156,276,519
	Dr Balance					
Effect of first time adoption of IFRS, except for IAS 29	Cr Balance	5,935,237				5,935,237
	Dr Balance					
Retained result from correction of accounting errors	Cr Balance	664,608				664,609
	Dr Balance					
Retained result representing the revaluation reserve surplus	Cr Balance	53,686,650	1,523,417	1,523,417		55,210,067
	Dr Balance					
Retained result from the application of accounting regulations according to the fourth Directive of the European Commission	Cr Balance					
	Dr Balance	4,781,313				4,781,313
Profit or loss for the year	Cr Balance	144,471,423	173,098,449		144,471,423	173,098,449
	Dr Balance					
Profit distribution	417,856	3,137,220	3,137,220	417,856	417,856	3,137,220
Other losses related to equity instruments	Cr Balance					
	Dr Balance	782,784				782,785
TOTAL	391,283,854	350,018,979	145,576,984	145,576,983	145,576,984	595,725,849

Equity amounting to RON 595,725,849 has increased during the year 2020 with the amount of RON 204,441,995. This evolution is due to:

- the net profit of the year amounting to RON 173,098,449;
- the increase of the revaluation reserve by the amount of RON 31,343,546 as result of the revaluation of fixed assets, at 31.03.2021.

ADMINISTRATOR,
Dragoş Eugen Damian

ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

Notes to the financial statements as of 31.03.2022

These financial statements were prepared by SC Terapia SA (the "Company") for the year ended the 31 March 2022. These financial statements were prepared in accordance with the Law on Accounting no. 82/1991 republished, the Order of the Ministry of Public Finance no. 1802/2014 for approving the accounting regulations regarding the individual and consolidated annual financial statements („OMFP 1802/2014”).

For conformity, the references to the Order 1802/2014 have to be understood as comprising its subsequent amendments introduced by normative regulations of the Ministry of Public Finance.

SC Terapia SA opted for a financial year different than the calendar year, the financial year starts on 1 April and ends on 31 March.

These financial statements of SC Terapia SA are prepared for a financial year different than the calendar year and refer to the period 01.04.2021 - 31.03.2022.

NOTE 1: General information

General information regarding the Company:

SC Terapia SA is a Romanian Company, part of the Sun Pharmaceutical Industries Limited since 25 March 2015, engaged in the production of pharmaceutical products.

The Company's headquarters are located at 124 Fabricii Street, Cluj- Napoca, Romania.

The Company has the following branches:

- Cluj Napoca, B.dul Muncii no. 10 – business offices;
- Bucharest, Splaiul Unirii , no, 313 – manufacturing site – without operating activity;
- Pata Rat no. FN, county Cluj – residual products warehouse;
- Bucharest, B.dul Dimitrie Pompeiu no, 9 – 9A –business offices;
- Other offices in: Iasi, Brasov, Timisoara, Constanta, Craiova, Galați.

The main shareholder is Sun Pharma (Netherlands) B.V., a limited liability company, organized under Dutch laws, with headquarters at Polarisavenue 87, 2132JH HOOFFDORP, Amsterdam, Netherlands, and is registered with the Trade Registry in Amsterdam under registration number 33254757.

Sun Pharma (Netherlands) B.V. is part of Sun Pharmaceutical Industries Limited since 25 March 2015.

The first consolidation is analysed at the level of Sun Pharma (Netherlands) B.V. which owns the majority of the share capital of Terapia SA.

The next level of consolidation is at Sun Pharmaceutical Industries Limited (Parent Company) Mumbai.

NOTE 1: General information (continued)

Management structure as of 31 March 2022:

At the end of the year, the Company's Management consisted of the following individuals:

Position	Name
General Manager	Damian Dragoş-Eugen
Financial Manager	Arora Hemant
Human Resources Manager	Kaupert Erika
Economic Manager	Crăciunaş Bogdan - Lucian
Operations Manager	Chiorean Adrian Alexandru
Commercial Manager	Ungureanu Bogdan Alin

Members of the Board of Directors as of 31 March 2022:

Position	Name
President	Damian Dragoş-Eugen
Member	Savla Prashant Lakhamshi
Member	Sethuraman Viswanathan

The audit fees for 2022 amount to RON 192,305, from which RON 55, 371 are due for Statutory Financial Audit.

NOTE 2: Accounting principles, policies and methods

A. ACCOUNTING PRINCIPLES

The elements included in the annual financial statements are evaluated in compliance with the following general accounting principles, according to the accrual basis of accounting. These principles are outlined below:

1. The going concern principle – this principle assumes that the Company will continue its normal operations, without initiating a dissolution procedure or significantly reducing its activity.
2. The consistency principle – this principle assumes that the Company applies consistently the same rules and standards regarding assessment, recording into accounting and presentation of assets, liabilities and results, ensuring the comparability over time of the accounting information presented.
3. The prudence principle – this principle that assumes that the Company in its assessment of the various accounting estimates made must follow a conservative approach and especially:
 - Only the realized profit up to the balance sheet date may be reflected in its results;

NOTE 2: Accounting principles, policies and methods (continued)

- All known debts during the current financial year or during a preceding financial year must be taken into account, even if these become evident only between the balance sheet date and the financial statements issuance date;
 - All foreseeable duties and potential losses that appeared during the current financial year or during a preceding financial year must be taken into account, even if these become evident only between the balance sheet date and the financial statements issuance date;
 - All value adjustments caused by impairment must be taken into account, irrespective of whether the result for the financial year is a loss or a profit.
4. The accrual accounting principle. Revenues and expenses related to the financial year are recognized, regardless of the date of collection or payment of these revenues or expenses.
 5. The separate assessment principle of the assets and liabilities. According to this principle, separable assets or liabilities must be assessed separately.
 6. The intangibility principle. The opening balance sheet for every financial year must correspond to the closing balance sheet of the previous financial year.
 7. The non-compensation principle. Any compensation between individual assets and liabilities or between revenues and expenses is prohibited, possible compensations between receivables and payables of the entity towards the same entity may be effected, observing the relevant provisions of the laws, only after recording in the accounting records the entire value of the related revenues and expenses.
 8. Accounting and presentation of balance sheet and income statement items taking into account the economic substance of the transaction or of the commitment. This requires that economic transactions to be accounted for in accordance with economic reality, putting out rights and obligations/liabilities, and risks associated with these operations.
 9. The principle of valuation at acquisition cost or production cost. The items in the financial statements usually are assessed at acquisition cost or production cost. The accounting regulations provide situations where this principle can not be respected.
 10. The materiality principle. Any element that has a significant value must be separately presented in the financial statements.

The financial statements were prepared and presented in accordance with the above mentioned principles.

B. SIGNIFICANT ACCOUNTING POLICIES

Reference currency

The financial statements are presented in RON.

Rounding of the amounts presented was made to plus or minus 1 RON based on two decimals.

NOTE 2: Accounting principles, policies and methods (continued)

Basis of preparation

These standalone financial statements of the Terapia SA were prepared in accordance with the Order of the Ministry of Public Finance no. 1802/2014, modified and completed and in accordance with the Accounting Law 82/1991 (republished).

According to the requirements of OMF 1802/2014, these financial statements were prepared in accordance with the applicable requirements of the Romanian laws and regulations.

The source accounting records, on which these financial statements are based, are maintained in RON using the historic cost basis, except where specifically mentioned in the accounting policies on a fair value basis.

The company opted for a financial year different than the calendar year, the financial year begins on April 1 and ends on March 31. The Company prepared these financial statements for 12 months ended at 31.03.2022, using the trial balance which is in compliance with the regulations outlined above.

These financial statements comprise of:

- Balance sheet;
- Profit and loss account;
- Statement of changes in equity;
- Cash flow statement ;
- Explanatory notes.

Translation of amounts denominated in foreign currency

Transactions denominated in foreign currency made by the Company are registered in RON at the rate of exchange in force at the date of the transaction.

Exchange rate differences resulting from these transactions and from the translation of assets and liabilities denominated in foreign currency are presented in the profit and loss account. These balances are translated into RON at the rate of exchange in force at the balance sheet date, as published by the National Bank of Romania.

As of 31.03.2022, the exchange rates for conversion of balances expressed in foreign currency were 1 USD = 4.1969 RON, 1 EUR = 4.9251 RON, 1 GBP = 5.7864 RON, 1 CHF = 4.4513 RON, 1 PLN = 1.0562 RON și 1 RUB = 0.0555 RON.

Comparative statements

For each element of the balance sheet, profit and loss account and the related explanatory notes to the financial statements, where considered necessary, the values of the corresponding elements for the previous financial year are presented.

If the values for the prior period are not comparable with the ones of the current year, this aspect is presented and explained in the explanatory notes.

NOTE 2: Accounting principles, policies and methods (continued)

Tangible fixed assets

Tangible fixed assets are initially recorded at their acquisition cost, production cost, contribution value or fair value, as the case may be, depending of the way of entrance into the company.

The Group recognizes as tangible fixed assets those assets which are intended for use on a continuing basis and which have an entry value established by law.

Tangible fixed assets are presented in the balance sheet at cost less accumulated depreciation and impairment, if applicable.

Revaluations are made with sufficient regularity such that the book value does not differ from the fair value at the balance sheet date.

Tangible fixed assets that are disposed in the year are eliminated from the balance sheet together with the corresponding accumulated depreciation.

Gains or losses resulting from the disposal of a tangible fixed asset are determined as the difference between the disposal proceeds and their unamortized value, including the disposal costs, and are presented in the profit and loss account under revenues or expenses, as applicable.

Subsequent expenses corresponding to a tangible fixed asset are generally recognized as an expense in the period in which they are incurred.

Significant improvements (modernizations) are capitalized if they extend the useful life of the asset, or significantly increase the estimated economic benefits to be derived from the use of these assets in the future.

Repairs and minor improvements are recognized in the profit and loss account as incurred.

Land and buildings owned by the company are presented at fair value which is equal with the market value. The accounting of land is held on two categories: land and land improvement.

Tangible assets in progress represent investments in progress carried out under the own administration or by contract. They are valued at the production costs or the acquisition cost, as the case may be.

The tangible assets in progress are included under the category of assets completed after taking over, commissioning or putting into operation thereof, as the case may be.

Depreciation

The depreciation of tangible fixed assets is calculated using the straight-line method, starting from the month following their commissioning, so that the cost or the value of the assets may be expensed over their entire estimated useful lives.

NOTE 2: Accounting principles, policies and methods (continued)

The useful lives established for different tangible fixed assets categories are presented in the following table:

Category	Years
Buildings	10-50
Technological equipment	3-20
Measurement, control, regulation devices and installations	3-15
Vehicles	3-15
Furniture, office equipment, other tangible fixed assets	3-10

The depreciation period and the remaining useful lives of the tangible fixed assets are reviewed periodically in order to ensure that they are consistent with the estimated flow of the economic benefit resulting from their usage.

Land is not depreciated, Land improvements depreciate on a period of 10 years from the date of the reception.

Revaluation

Revaluation of tangible fixed assets is carried using their fair market value, as of the balance sheet date, by qualified valuation experts.

Revaluation is carried out on a regular basis, so that the accounting value of tangible fixed assets will not differ substantially from that which would be determined using their fair value as of the balance sheet date.

At the revaluation of a tangible asset, the accumulated depreciation at the revaluation date is eliminated from the asset gross book value and the net value, assessed further to the correction by the value adjustments, is recomputed at the asset revaluated value.

Intangible assets

Intangible assets are recognized when the realization of future economic benefits by the Company is probable and the asset's cost may be accurately assessed.

Intangible assets are initially recorded at their acquisition or production cost. Following initial recognition, intangible assets are presented in the balance sheet at their original cost, less accumulated amortization and impairment, if applicable.

An intangible asset reported initially as an expense will not be recognized afterwards as a part of the cost of an intangible asset.

Subsequent expenses corresponding to an intangible fixed asset and also the writing off or the demise of the intangible assets follow the rules of tangible assets.

NOTE 2: Accounting principles, policies and methods (continued)

Intangible assets comprise:

- set up costs;
- development costs;
- concessions, patents, licenses, trademarks, similar rights and assets, except for those created inside the entity;
- goodwill;
- other intangible assets;
- pre-payments.

The intangible assets of the Company include manufacturing patents (product dossiers) and software.

New software is capitalized at its acquisition cost, provided that the software component is not included with the cost of the respective hardware.

Intangible assets depreciation

Intangible assets are depreciated on a linear basis on the useful life time specified for each category of intangible assets. The useful life time is established for each category of intangible assets. The period and the depreciation method are reviewed at the end of each financial year.

The software is depreciated on a linear basis on the useful life time estimated, but no more than 3 years.

The fabrication licenses are depreciated on a linear basis on a period between one and five years depending on the value of the intangible asset, starting from the date of obtaining marketing authorization, as follows:

- 1 year for licenses worth up to \$ 10,000 per product;
- 2 years for licenses worth between \$ 10,001 and \$ 20,000 per product;
- 3 years for licenses worth between 20,001\$ and 30,000\$ per product;
- 4 years for licenses worth between 30,001\$ and 50,000\$ per product;
- 5 years for licenses with values exceeding \$ 50,001 per product.

The Company holds a Ketanov IP, purchased from a group company, which is depreciated over a period of 117 months according to the evaluation report made by an independent valuer.

The set up costs are depreciated on a maximum period of 5 years.

The development costs are depreciated on the contract period or on the utilization period, as the case may be.

The concessions are depreciated on the usage period established by the contract.

When the goodwill is treated as an asset – in the terms established by the applicable accounting regulations - we have to consider the following constraints:

- a) goodwill is depreciated on a period of maximum five years;
- b) nonetheless, in exceptional cases, when the life of the goodwill can not be estimated reliably, the entity can depreciate the goodwill in a systematic way over a period of up to 10 years.

NOTE 2: Accounting principles, policies and methods (continued)

Licenses and goodwill are tested for impairment at the end of each year.

Financial investments

The financial assets comprise the shares in affiliated companies, the loans granted to affiliated companies, the participating interests, the loans granted to companies with which the company in cause is connected in virtue of participating interests, other investments held as assets, other loans.

Warranties, deposits and any security filled by the entity to the third-parties are recognized to other receivables.

At balance sheet date, the company recognizes in financial assets, the other receivables with maturity less than 12 months, the difference is recognized in receivables.

The financial assets which are recognized as assets shall be evaluated at the acquisition cost or the value assessed by the contract of acquiring thereof.

Financial assets shall be disclosed in the balance sheet at the entry value, less the cumulated adjustments for the loss in value.

CURRENT ASSETS

Acknowledgment and valuation of current assets

An asset is classified as a current asset under the following conditions:

- a) is acquired or produced for own use or for sale in the normal operating cycle of the entity;
- b) is held, mainly, for the purpose of trading;
- c) is expected to be realized in a period of 12 months from the balance sheet date;
- d) is represented by non-restricted cash or cash equivalents.

Current assets must be valued at their acquisition cost or production cost, as the case may be, and respecting the paragraph below.

The adjustments in the value of current assets are made for the purpose of their presentation at the smallest market value or, under special circumstances, at another minimum value which can be assigned at the balance sheet date.

Inventories

At the entry in the company, the stocks are valued at the acquisition cost. The cost of stocks must include all costs related to the acquisition and processing, as well as other costs incurred to bring the stocks under the current shape and at the location where they are. Below are each category of stocks with their specifics.

Raw materials and consumables are valued at acquisition cost.

NOTE 2: Accounting principles, policies and methods (continued)

The finished goods are registered during the month at standard cost. At the end of the reporting period it is being calculated the effective cost of production. The differences between the standard cost and the effective cost of the finished goods are registered in differences accounts so the finished goods are registered in the trial balance and the balance sheet at the effective cost.

The selling or the consumptions of the finished goods is done at the effective cost, using WAC (Weighted average cost) method. The differences for the articles that go out are established as the difference between the value of the products out at standard cost and the value of the products out at effective cost.

The semi-finished goods are registered during the month at standard cost. At the end of the reporting period the effective cost of semi-finished goods is being calculated; the procedure is similar with the one for finished goods.

Work in progress refers to the orders begun and unfinished at the end of the month. Work in progress is registered during the month at standard cost. At the end of the reporting period is calculated the effective production cost of each stage of manufacturing of each order that compose the work in progress. At the end of the month, the work in progress is recorded at effective production cost, similar to finished goods and semi-finished goods.

The standard cost consists of indirect costs on the product from the previous period, based on information obtained after the allocations of cost and current consumption of raw materials and packaging materials as manufacturing recipes.

The production cost of the finished goods and semi-finished goods contains:

- direct production costs (raw materials and consumables, according to the manufacturing recipes);
- indirect production costs which refer to any expenses that compete indirectly to obtain the finished goods, namely: salaries and related taxes, depreciation, maintenance and repair services, utilities, and other services provided by third parties.

The merchandise represents goods that are purchased with the purpose of being sold and are registered at acquisition cost.

Also, other assets can be presented in the inventories if they meet the requirements for recognition established by the accounting regulations.

At the selling or the consumption, the inventories are valued in accounting using the method “weighted average cost” (WAC).

At the balance sheet date the inventories are valued at net realizable value. For this purpose, when it is the case, in accounting are reflected the adjustments for depreciation of value.

The value of inventory write-offs is calculated as follows:

1. Expired & Near Expiry Stock

All those inventory items which are expired as on valuation date and which will expire in next 180 days will be provided at 100% of Stock Value.

NOTE 2: Accounting principles, policies and methods (continued)

2. Discarded & Rejected Stock

All those inventory items which are identified as discarded / rejected expired as on valuation date will be provided at 100% of Stock Value.

3. Non – Moving Stock

All those inventory items which are not consumed / sold during 365 days preceding the date of valuation will be identified based on Specific Identification Method and will be provided at 100% of Stock Value.

When the company's management considers that there exists a supplementary risk related to inventories, risk which is not covered by the adjustments mentioned above, a supplementary value adjustment will be recognised.

For finished goods and goods for resale a supplementary value adjustment is recognised, if it is needed, so that these inventories to be recognized at net realizable value.

As for purchased goods in foreign currency, that are accompanied by an invoice or a transfer document, for which the invoice will come afterwards, the exchange rate used for accounting registration is the one from the date of the reception of the goods.

The inventories are evidenced in synthetic accounts, on inventory categories. The analytic evidence is organized on a quantity-value base, on each article, on inventory categories and administrations.

Short term investments

Short term investments include the titles owned to affiliate entities and other short term investments (bond purchased for realizing profit on a short term shares), short term bank deposits.

On initial recognition, the short term investments are valued at the acquisition cost (purchasing cost, or the value established in contracts).

Foreign currency short term bank deposits are booked at creation at the exchange rate communicated by the National Bank of Romania at the date of creation.

The liquidation of the foreign currency short term bank deposits is made at the exchange rate communicated by the National Bank of Romania at the liquidation date.

Upon exit from the entity the short term investments are valued using WAC.

If necessary, at the balance sheet date can be recorded in accounting adjustments for losses in value.

Cash and cash equivalents

The bank accounts include: assets to be received such as checks and trade bills deposited with the banks, local and foreign currency liquidities, entity's check books, overdraft facilities granted in the bank current accounts and utilized at the end of the reporting period, as well as the interests related to liquid assets and bank credits in the current accounts.

NOTE 2: Accounting principles, policies and methods (continued)

The accounting of cash existing in the banks/entity's cashier desk as well as of its movement resulted from the receipts and payments made in cash, are kept separately in RON and foreign currency.

The current bank accounts are developed in the analytic on each individual bank.

The operations referring to the foreign currency amounts received and payments shall be recorded in accounting books at the rate of exchange of the day in which the operations have been made, as communicated by the National Bank of Romania.

At the end of each month, the exchange rate differences resulting from the valuation of liquid assets in foreign currency and other treasury values, such as state bonds in foreign currency, letters of credit and short term deposits in foreign currency, communicated in the last banking day of each month by the National Bank of Romania, are recorded in the accounting books as financial revenues or expenses from currency exchange differences, as applicable.

Third parties

The accounting system of third parties ensures the records of the debts and the receivables of the entity in its relation with the suppliers, the clients, the personnel, the social security, the state budget, the affiliated companies, the shareholders/partners, various debtors and creditors.

The operations regarding purchases or deliveries of commodities and products, works performed or services supplied, as well as other operations performed are recorded in the accounting books of suppliers and customers.

The accounting of settlements with the personnel comprises salary rights, raises, additional amounts, prizes from salary fund, indemnities for holidays as well as those for temporary work incapacity and other rights in cash and/or in kind owed by the entity to the personnel in consideration for the work supplied and which is to be borne, according to regulations in force, from the salary fund.

The accounting of settlements regarding social contributions comprises liabilities for the social security contribution, health insurance contribution and unemployment contribution.

The settlements with the state budget and special funds comprise: tax on profit/income, value added tax, income tax, subsidies to be received and other similar taxes, fees and payments.

The profit/income tax payable must be recognized as a debt within the unpaid amount. If the amount paid exceeds the amount due, then the surplus must be recognized as debenture.

The Company computes profit tax for the individuals financial statements prepared in accordance with the law in force, and in compliance with tax legislation in force.

The value added tax owed to the state budget shall be determined as the balance between the value of the chargeable tax related to the goods delivered or services performed (input VAT) and the value of the deductible tax for purchases of goods and services (output VAT).

NOTE 2: Accounting principles, policies and methods (continued)

Other taxes, fees, and payments owed to the state budget or to local budgets comprise: tax on buildings, tax on lands, dividends tax, tax on transportation means and other taxes and fees. These taxes are separated in the analytical accounting by types of taxes, fees and other payments owed to the state budget or to local budgets.

The excise taxes and special funds included in prices or tariffs are recorded in the appropriate debts accounts without passing through income and expenses accounts.

The accounting of settlements within the group companies and with the shareholders/partners includes the operations that are reciprocally recorded in books during the same administration period both in the debtor entity's accounting and in that of the creditor entity, as well as the settlements between the shareholders/partners and the entity in respect of the share capital, the dividends owed there to, other settlements with the shareholders/partners, and also the participants' accounts in respect of the joint transactions in the case of the partnership associations.

Dividends distributed to shareholders, proposed or stated after the balance sheet date, as well as other similar distributions performed from the profit, need not be recognized as a liability upon the balance sheet date.

The entity's debts/debentures to other third parties, other than to the own personnel, clients and suppliers are recorded in books under the various debtors accounts.

Taxes payable are recorded for the period for which they are due.

During the annual inventory, for the depreciation of the receivables balances (customers, sundry debtors, related parties), the Company records adjustments.

The policy for receivables value adjustments is presented below:

- For customer in litigation will be recorded provision of 100%, at the level of outstanding balance;
- For debts older than 365 days from the invoice date will be recorded a provision of 100%;
- For domestic customers, others than those mentioned above in paragraphs 1 and 2 there will be recorded a provision based on risk analysis that the company is exposed by dividing the company litigations occurred in the last financial years to the average customer balance for the same financial years.

The percentage result applying the litigations to the average customer balance is applied to year end domestic customer balance resulting the provision corresponding the current financial year.

During the year, it will follow the same procedure keeping the percentage results from dividing the litigations to year end average customer balance applied to respective month customer balance.

If there are signs that this percentage will not reflect market conditions, this percentage will be reanalysed.

- Specific provision in relation to the customer balances for which, at the balance sheet date, there are objective indications that will become insolvent or bankrupt.

NOTE 2: Accounting principles, policies and methods (continued)

In order to compute the provision/adjustment according to the information presented above, the promissory notes are not considered.

If a company within the group presents documents attesting the transfer of money which represents the value of a receivable, the company will present in its records the amounts under settlement and will settle the receivable.

The receivables and payables in foreign currency, as a result of the transactions incurred by the company are recorded in accounting both in RON and in foreign currency. A foreign currency transaction has to be initially recorded at the exchange rate communicated by the National Bank of Romania from the date of the transaction.

The foreign currency exchange differences as compared to the date of the settlement of receivables and debts in foreign currencies at rates of exchange different from those initially recorded in books during the month or as compared to those at which they were disclosed in the previous month must be recognized as revenues or expenses during the period when they are derived or incurred.

When the receivables or the debts in foreign currency are settled during the same month as that when they occurred, the entire foreign exchange difference shall be recognized in that month. When the receivable or the debt in foreign currency is settled during a later month, the foreign exchange difference which occurs until the settlement shall be assessed taking into account the change of the exchange rate occurred during each of such month.

At the end of each month, the receivables and the debts in foreign currency are revalued at the exchange rate communicated by the National Bank of Romania from the last banking day of that month. The exchange rate differences encountered are recorded as exchange rate revenues or expenses, as the case may be.

The above provisions are applicable to the receivables and debts in local currency whose settlement is made according to the exchange rate of a foreign currency. In this case, the exchange rate differences encountered are recognized in accounting under other financial revenues or other financial expenses, as the case may be.

The accounting books of third parties are kept by categories, in distinct accounts and the analytical accounts for each individual or legal person, grouped by documents and due dates.

Accounting of commitments and of other off-balance items

The rights and liabilities, as well as certain goods that cannot be included in the entity's assets and liabilities are recorded in books under accounts off the balance sheet called order accounts and record accounts.

This category includes commitments (endorsements, bails, guarantees) granted or received in relation to third parties, tangible assets taken on hire, material values received for processing or repair in keep or custody, debtors removed from assets and further pursued, royalties, administrations, rental fees and other similar debts, discounted trade bills not due yet, as well as other securities.

A distinct category of off-balance items are the contingent assets and debts.

NOTE 2: Accounting principles, policies and methods (continued)

A contingent asset is a potential asset which appears as a result of events before the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a) a potential liability as a result of past events occurred before the balance sheet date and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity, or
- b) a present obligation as a result of past events occurred before the balance sheet date but which is not recognized because :
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of obligation cannot be measured with sufficient reliability.

The contingent assets and liabilities are not shown in the balance sheet, Information is disclosed in the notes to the financial statements.

Short term debts: amounts which must be paid during a period up to one year

A debt must be classified as a short term debt, also referred to as current debt, when:

- a) it is expected to be settled during the normal operating cycle of the entity;
- b) it is chargeable within 12 months as of the balance sheet date.

Long term debts: amounts which must be paid during a period exceeding one year

The accounting of loans and debts similar to loans is kept under the following categories: loans from bonds and repayment premiums thereof, long and short term bank loans, amounts due to affiliated companies and to those to which participating interests are held, other similar loans and debts, as well as interest related thereof.

Provisions

A provision is a liability of uncertain exigibility or value.

A provision is recognized when the Group has a current (legal or constructive) obligation resulting from a past event, when it is likely that an outflow of resources carrying economic benefits may result from the settlement of these obligations, and when the value of the payment can be measured reliably.

Provisions are reviewed at the end of each year and adjusted in order to reflect an accurate estimation of the losses that might occur, estimation made taking into consideration all the information known at the moment when the financial statements are prepared.

NOTE 2: Accounting principles, policies and methods (continued)

Provisions are set for items such as:

- a) litigations, fines or penalties, damages, compensations and other uncertain debts;
- b) expenses in connection to the service activity during the guarantee period and other expenses regarding the guarantee granted to the clients;
- c) tangible assets decommissioning and other similar actions related to it;
- d) restructuring activities;
- e) retirement pensions and other similar liabilities;
- f) taxes;
- g) completion of the employment contract;
- h) premiums to be granted to staff depending on the profits made, according to legal or contractual provisions;
- i) provisions related to concession agreements;
- j) provisions for pecuniary interest contracts;
- k) other provisions.

The accounting of provisions is kept depending on the types of provisions, according to their nature, purpose and the scope for which they were established.

The Company sets provisions for litigations, completion of the employment contract, environment expenses and for other taxes.

The Company records the provisions for taxes in relation to amounts representing future fiscal consequences of items that currently generate taxable temporary differences between their accounting base and tax base.

When the provision is no longer necessary for the purpose for which it was established, it is reversed as income.

Subsidies

Subsidies comprise subsidies related to assets and subsidies related to revenues.

The following shall be disclosed separately under subsidies:

- government subsidies;
- non-reimbursable loans like subsidies;
- other amounts received as subsidies.

Subsidies related to assets have the effect of purchase / acquisition / construction of fixed assets.

Subsidies related to income comprise all the subsidies other than those for assets.

A government subsidy may take the form of the transfer of a non-monetary asset, and in this case the subsidy and the asset shall be recorded in books at the fair value.

Inventory excess of tangible and intangible assets and the donations are also recorded in accounting under the subsidy accounts.

NOTE 2: Accounting principles, policies and methods (continued)

The subsidies shall be systematically recognized as revenues of the periods corresponding to related expenses which these subsidies are to off-set.

The accounting of subsidies is kept under applicable accounting regulations and considering contractual provisions when appropriate.

The subsidies are not recorded in books directly under the capital and reserves accounts.

Equity

Equity represents the residual interest of shareholders in the entity's assets after deducting all liabilities.

The subscribed and paid in share capital is separately recorded in the accounting books, based on the incorporation articles of the legal person and the justifying documents as regards the capital payments.

Share premiums (issuance, merger, contribution, conversion) are the excess of the issuance value less the par value of the shares or social parts.

The accounting of reserves is kept by reserve categories as follows: legal reserves, statutory reserves or contractual reserves and other reserves.

In accordance with the Romanian legislation, companies must allocate an amount equal to at least 5% of the profit before taxation to legal reserves, until the value of the legal reserves reaches 20% of the value of capital. Once the legal reserves reach this level, the Group may allocate additional funds to the legal reserves, depending on its own requirements.

Statutory or contractual reserves are formed on annual basis from the entity's net profit, according to the provisions in its incorporation articles.

Other reserves not provided for by law or by statute may be formed optionally, based on the net profit, to cover the accounting losses or for other purposes, according to the decision of the general shareholders or partners meeting, by observing the legal provisions.

Revaluation reserves

Pluses or minuses resulted from the revaluation of non-current assets are recognized in revaluation reserve.

The revaluation reserves decrease can be made only in the limit of the existing credit balance.

The revaluation reserve must be reduced to the extent that the amounts transferred there to be no longer necessary for the implementation of the valuation method used.

The revaluation reserves of non-current assets have a non-distributable character.

NOTE 2: Accounting principles, policies and methods (continued)

The revaluation surplus included in revaluation reserve is capitalized through direct transfer in retained earnings, as long as the surplus is achieved.

The gain is considered realized as long as it is used by the entity and depreciated.

Transfer between reserves is realized on a quarterly basis and at the end of the financial year.

The value of the transferred reserve is equal with the difference between depreciation of the asset computed at the gross revaluated value and the depreciation computed at the initial cost of the asset.

Profit and loss

Profit and loss is established on a cumulative basis from the beginning of the financial period, as the difference between income and expenditure of the period. The final result of the financial period is established at the end of the exercise and represents the final balance of the profit and loss account.

The distribution of the profit is registered in accounting based on destination after the approval of the financial statements.

The profit distribution is made in accordance with the decision of general meeting of the shareholders according to the Romanian law.

The amounts representing reserves created from the profit of the current financial year are shown under the account "Profit appropriation", according to legal provisions.

The profit which is not distributed is transferred to retained earnings.

The retained result from changes in accounting policies and the retained result from correction of accounting errors are separately highlighted in the retained earnings.

The accounting loss reported is covered from the profit of the financial exercise and the reported one, from reserves, and equity, in accordance with the general meeting of the shareholders, according to the Romanian law.

Revenues

Revenues are increases of economic benefits registered during an accounting period as inputs or increases of assets or decreases of liabilities, which materializes as a growth of shared capitals, other than the shareholders contribution.

Revenues are recognized in the profit and loss account when it is likely that the Company will derive the benefits associated with the underlying transactions, and a reliable estimate of the value of these benefits can be made.

The accounting of revenues is kept depending on the types of revenues, according to their nature, as follows:

- a) operating revenues;
- b) financial revenues.

NOTE 2: Accounting principles, policies and methods (continued)

Operating revenue comprise:

- a) revenues from the sale of products and commodities, work performed and services supplied;
- b) revenues from stocks variation;
- c) revenues from the production of assets;
- d) revenues from operating subsidies;
- e) other revenues from the current activity.

Revenues from the sale of goods are recorded in accounting books at the moment of handing over the goods to the purchaser, of the delivery of the goods based on invoice or in other conditions as provided for in the contract, which certify the transfer of the ownership right on such goods, to the clients.

Revenues from the sale of goods are recognized at the moment when the following conditions are met:

- a) the entity has transferred the material risks and benefits deriving from the ownership of goods to the purchaser;
- b) the entity does not administrate the sold goods and does not have control over them;
- c) revenues and expenses respectively derived or incurred by the transaction may be quantified,
- d) it is probable that the economic benefits will be generated for the entity and;
- e) the costs of the transaction can be valued in a credible manner.

The other categories of revenue are recognized if they meet the requirements for recognition established by the accounting regulations.

Financial revenues comprise:

- a) revenues from financial assets;
- b) revenues from short term investments;
- c) revenues from financial investments ceded;
- d) revenues from foreign exchange differences;
- e) revenues from interest;
- f) revenues from discounts received further to financial reductions;
- g) other financial revenues.

The financial discounts are given for a non-commercial scope, usually for stimulating the client to pay early or to stimulate him to use a certain payment form, it is not committed to a certain product but to a payment value and to a payment frequency.

The financial discounts received are registered as financial revenues for the period.

Expenses

Expenses are decreases of economic benefits registered during an accounting period as outputs or decreases of value of assets or increases of liabilities, which materializes as a decrease of shared capitals, other than the shareholders withdrawals.

The accounting of expenses is kept on types of expenses, according to their nature, as follows:

- a) operating expenses;
- b) financial expenses.

NOTE 2: Accounting principles, policies and methods (continued)

Operating expenses includes:

- a) expenses for raw materials and consumables; the acquisition cost of consumed inventory objects; acquisition costs of not stocked materials, directly passed as expenses; the equivalent of the energy and water consumed; the value of biological assets such as inventories; the cost of goods sold and of packages;
- b) expenses for works and services supplied by third parties, royalties and rental; insurance premiums; studies and research; expenses for other services performed by third parties (collaborators); commissions and fees; protocol, advertising and publicity expenses; transport of goods and personnel; travels, official trips and transfers; postage expenses and telecommunication duties, banking services and others;
- c) personnel expenses (salaries, social security, meal tickets and other personnel expenses which are borne by the entity);
- d) other operating expenses (expenses related to environmental protection, losses from debentures and various debtors; compensations, fines and penalties; donations and other similar expenses; expenses regarding ceded assets and other capital expenses etc.),

Financial expenses, which comprise:

- a) losses from debentures in connection to participations;
- b) expenses regarding financial expenses;
- c) unfavourable foreign currency differences;
- d) interest regarding the current financial year;
- e) discounts granted to clients;
- f) losses for debentures of financial nature and others.

Financial discounts granted to the customers are booked in accounting as financial expenses of the period.

Turnover

The profit and loss account comprises: the net turnover, incomes and expenses of the financial year grouped by their nature, as well as the result of the period (profit or loss).

For purposes of these regulations, the net turnover is computed by summing up the income resulted from deliveries of goods, performance of services and other operating income, less trade rebates granted to the clients and value added tax and other taxes related directly to the turnover.

Trade rebates are granted to customers for specific product during a specific period of time and have the purpose to increase the sales of that product for that period of time. This kind of trade rebates will generate a decreasing of trade incomes and also of the net turnover.

Retirement, post retirement and termination benefits

- Short-term employee benefits

Short-term employee benefits comprise salaries and contributions to social security funds. They are recognized as expenses in the period in which they are paid.

NOTE 2: Accounting principles, policies and methods (continued)

Both the Company and the employees have the obligation to contribute to the National Retirement Fund. The Company has no obligation of paying other future benefits. The only obligation in this respect is the payment of the contributions to the National Retirement Fund by the due date.

- Retirement benefits

Upon retirement the employees receive a bonus equal with to a gross average salary in compliance with the provisions of the collective labour agreement, The Company did record provisions for these obligations.

- Benefits upon closing of individual labour agreements

The Company has an obligation to compensate employees in case it terminates their individual labour agreements, as a result of making the respective employees redundant. The magnitude of the related termination benefits payable depends on the position held and the number of years of employment with the Group. Termination benefits obligations are recorded when the related reorganization plan is adopted by the management of the Group or when the expenses are made if there is no reorganization plan in force, according to the Collective labour Agreement.

Leasing contracts

The leasing contract is an agreement, through which the leaser gives to the lessee, in exchange of a payment or a serial of payments, the right to use a good for a period of time.

Financial leasing

The financial leasing is the leasing operation which transfers the most important part of the risks and advantages of a property right over an asset.

A leasing contract can be known as a financial leasing if it fulfils at least one of the following conditions:

- a) the leasing transfers to the lessee the property right over the good until the leasing contract is finished;
- b) the lessee has the option to buy the good at a price estimated to be small enough comparing to the market value at the date when the option becomes realizable, so that, at the beginning of the leasing contract there exists in a reasonable way the certitude that the option will be realized;
- c) the leasing contract duration covers for the most part the economic life time of the good, even if the property right is not transferred;
- d) the total value of the leasing rates, less the accessories costs, is greater or equal to the acquisition value of the good, represented by price paid by the leaser for the good, respectively the acquisition price;
- e) the goods that represent the object of the leasing contract have a special nature, so that only the leaser can utilize them without any major modifications.

The leasing payments are separated between the interest and the diminution of the leasing debt to obtain a constant interest rate that applies to the final balance of the debt. The interest expense is registered directly into the profit and loss.

NOTE 2: Accounting principles, policies and methods (continued)

The acquisition of mobile and immobile goods, in the case of financial leasing, are treated as investments, being depreciated on a consequent base with the normal depreciation policy used for similar goods.

Operational leasing

The operational leasing is the leasing operation that is not included in the financial leasing category.

The payments for an operational leasing contract are recognized as expenses in the profit and loss account, linear during the leasing contract.

Leaseback

A selling transaction of a long term asset and a rental transaction of the same asset in leasing (leaseback) are registered as follows (taking into account the leasing contract):

- a) if the transaction of selling and renting the same asset has as a result a financial leasing, the transaction represents a way through which the leaser gives to the lessee a financing, in this case the asset is considered a guarantee. The financing beneficiary (lessee) will not insert in accounting the selling operation of the fixed asset, because the conditions to recognize income are not met. The fixed asset will remain recorded at the value before the leasing operation, with the corresponding depreciation regime;
- b) if the sell and lease operation of the same fixed asset has as result an operational leasing, the selling party accounts a selling transaction, including the recording of the fixed asset as being taken out of accounting, along with all the amounts that have been cashed or have to be cashed.

Related parties

Parties are considered to be related if one of the parties has the ability to control, partially control or to exercise significant influence over the other party due to the following aspects:

- a) owns the majority of the voting rights of the shareholders or associates in other entity, named subsidiary;
- b) it is a shareholder or associate of an entity and the majority of the members of the administration, management and supervising authorities of the entity (subsidiary) which have been named in these functions during the financial year, during the previous financial year and by the time the annual consolidated financial statements were prepared were named only as a result of exercising its voting rights;
- c) it is a shareholder or associate of a subsidiary and owns by itself the control over the majority of voting rights of the shareholders or associates of that subsidiary, as a result of an agreement concluded with other shareholders or associates;
- d) it is a shareholder or associate of a subsidiary and has the right to exercise a dominant influence over that subsidiary, based on a contract concluded with the entity or on a clause in the constutive deed or statute, if the regulation applicable to the subsidiary allows such contracts or clauses;
- e) Parent Company has the power to exercise or effectively exercises a significant influence or control over a subsidiary;
- f) it is shareholder or associate of a subsidiary and has the right to appoint or revoke the majority of the members of the administration, management and supervising bodies of that subsidiary;
- g) Parent Company and the subsidiary are managed on a unified basis by the Parent Company.

NOTE 2: Accounting principles, policies and methods (continued)

The subsidiary represents an entity under the control of other entity, named Parent Company.

A transaction with related parties is a transfer of resources, services or obligations between related parties without being of importance if a price is charged.

Borrowing costs

Borrowing costs that are directly attributable to the assets with long manufacture cycle are included in the production costs as far as they are related to the production period.

Borrowing costs include the interest on capital borrowed to finance the acquisition, the construction or the production of assets with long manufacture cycle.

Events occurring after the balance sheet date

The events subsequent to the balance sheet date are those events, either favourable or unfavourable, which take place between the balance sheet date and the date on which the statements on the annual accounts are to be approved under the law.

The events which occur after the balance sheet date may supply additional information. If the additional information leads to the need to record certain incomes or expenses in books, then such records must be made, in order to give a true and fair view. This information shall also be disclosed in the notes on accounts.

Correction of accounting errors

The accounting errors may relate either to current period or to previous periods.

Previous period errors are omissions and misstatements in the financial statements.

Correction of errors is made at the date of their acknowledgement.

Correction of the errors of the current period is made in the profit and loss account.

Correction of the significant errors of the previous period is made in retained earnings.

Minor errors related to previous periods are also corrected in retained earnings. Still, they can be corrected in the profit and loss account if the errors are immaterial.

Immaterial errors are those that do not influence the information presented in the financial statements. It is considered that an error is material if it influences the economic decisions taken by the users of the financial statements. The analysis of the nature of an error is made considering the individual or cumulated value of the elements.

In case of correcting the errors which generate a carried forward accounting loss, such loss must be covered before performing any profit distribution.

The correction of errors from previous financial statements must not lead to changes in those financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2: Accounting principles, policies and methods (continued)

In case of correcting errors from previous financial statements, these corrections must not adjust the comparative information presented in the financial statements.

Estimates

Because of the uncertainties inherent in carrying out the activities, some elements of the annual financial statements can not be measured with precision but just estimated.

The estimation process involves judgments based on the latest credible information at their disposal.

NOTE 3: Non-current assets

Assets elements	Gross book value			
	Balance at 01.04.2021	Increases, including the increases due to revaluation	Disposals, transfers and other discounts	Balance of 31.03.2022
0	1	2	3	4
I, Intangible assets				
Licenses, trademarks and other intangibles	239,846,586	932,578		240,779,164
Other intangible assets	5,265,447	71,939		5,337,386
Total intangible assets	245,112,033	1,004,517		246,116,550
II, Tangible fixed assets				
Land and land improvements	126,909,632			126.909.632
Buildings	41,000,766			41.000.766
Machinery and equipment	41,308,052	6,127,155	10,383	47,424,824
Other tangible fixed assets	2,511,192	338,787		2,849,979
Tangible fixed assets in progress	2,265,767	7,699,876	6,465,943	3,499,700
Advances for the acquisition of tangible assets	388,705	(60,233)		328,472
Total fixed tangible fixed assets	214,384,114	14,105,585	6,476,326	222,013,373
III, Financial non-current assets	36,197	24,808,575	24,805,218	39,554
TOTAL – Non-current assets	459,532,344	39,918,677	31,281,544	468,169,477

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NOTE 3: Non-current assets (continued)

Classification of non-current assets	Value adjustments (depreciation and adjustments for depreciation or loss of value)			
	Balance at 01.04.2021	Adjustments during the year	Decreases or disposals	Balance at 31.03.2022
0	1	2	3	4
I, Intangible assets				
Licenses, trademarks and other intangibles	171,998,341	24,617,529		196,615,870
Other intangible assets	5,102,365	90,127		5,192,492
Total intangible assets	177,100,706	24,707,656		201,808,362
II, Tangible fixed assets				
Land and improvements on land				
Buildings		3,742,731		3,742,731
Machinery and equipment	1,521,636	10,656,152	18,329	12,159,459
Other tangible fixed assets	14,889	403,954		418,843
Tangible fixed assets in progress	22,868	23,960	22,868	23,960
Total Tangible fixed assets	1,559,393	14,826,797	41,197	16,344,993
III, Financial non-current assets				
TOTAL – Non-current assets	178,660,099	39,534,453	41,197	218,153,355

The net book value of the non-current assets as of 31 March 2022 represents the fair value, in accordance with the provisions of the Order of the Minister of Public Finance no. 1802/20149, for approving the accounting regulations regarding the individual and consolidated annual financial statements, and the Order of the Minister of Public Finance 2861/2009 for the approval of the Regulations regarding the organization and performance of the inventory of assets, liabilities and equity.

The last revaluation was made at 31.03.2021 by an independent valuer.

The movements in value adjustments for fixed assets for period 01.04.2021-31.03.2022, are presented below.

Crt. No.	Name of the value adjustments	Balance at	Movements during the year		Balance at
		01.04.2021	Increase	Reversal	31.03.2022
0	1	2	3	4	5=2+3-4
1	Impairment for tangible fixed assets	1,559,394	90,658	33,604	1,616,447
TOTAL		1,559,394	90,658	33,604	1,616,447

The tangible assets category comprises land in surface of 177,147 sqm with a net book value as at 31 March 2022 of RON 126,909,631.

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NOTE 3: Non-current assets (continued)

Furthermore, the assets owned by the company as at 31 March 2022 comprise assets which are not currently used due to the ceasing of production activity at Bucharest site. These assets have been valued at 31 March 2022 at a net book value of RON 1,739,372.

Financial assets, amounting to RON 39,554 comprise mainly guarantees granted to Ministry of the Environment for closing and following-up after closing the residual products warehouses.

The last revision of useful economic lives of tangible and intangible fixed assets was made at 31 March 2022, during the annual inventory of assets.

On 31.03.2022, the Company has assets in use assets fully depreciated. The main component in this amount referring to the plant and machinery.

The book value of the fully depreciated tangible fixed assets which are still in use as at 31 March 2022 is RON 83,833,277 lei.

The split on categories of fully depreciated tangible fixed assets still in use is presented below:

buildings	1,103,156
technological equipment	55,592,256
measurement, control, regulation devices and installations	19,906,161
vehicles	4,683,134
others	2,548,570
TOTAL	83,833,277

NOTE 4: Capital investments

During the year the investments in tangible and intangible assets amounted to RON 7,639,643.

Investments performed during the reporting period of 2021-2022 are for the main activities of the company as follows:

- production machinery and equipment 79.96 %
- quality assurance and control 10.22 %
- information technology and software 9.76 %
- others 0.06 %

NOTE 5: Inventories

Stock description	31 March 2021	31 March 2022
Raw materials and consumables	25,839,244	30,340,473
Work in progress	5,019,639	2,818,808
Finished products	27,278,414	26,273,045
Goods purchased for resale	50,986,533	43,914,094
Advance payment for the purchases of inventories	1,567,208	814,162
Provisions against the carrying value of inventories	(6,053,805)	(5,569,361)
Total inventories	104,637,233	98,591,221

The inventories have decreased as compared to the beginning of the financial year mainly due to the reduction of the current production stock and merchandise. The evolution of stocks is one controlled by management and has no negative impact on the future activity of the company, their level on 31.03.2022 being correlated with the requirements of the production and sales activity that will take place in April - May 2022.

NOTE 6: Receivables and payables

Receivables	Balance at 31 March 2021	Balance at 31 March 2022	Maturity term	
			Under 1 year	Over 1 year
1. Trade receivables	275,019,717	336,798,635	335,559,014	1,239,621
2. Receivables from affiliated	32,874,414	13,651,278	13,538,620	112,658
3. Other receivables	10,301,124	12,533,363	12,533,363	
4. Provisions for receivables	(2,612,467)	(1,249,362)		
TOTAL	315,582,788	361,733,914	361,630,997	102,917

Trade receivables relate mainly to the sale of finished goods and of goods for resale.

The liquidity term is established considering the due date of the invoices as it is established in the contracts concluded with our partners. These terms do not overlap with the ageing intervals used in computation of value adjustments for receivables.

The Company's main customers are:

- Alliance Healthcare Romania SRL
- Mediplus Exim SRL
- Fildas Trading SRL
- Centrala Farmaceutyczna Cefarm SA
- Farmexim SA
- Pharmafarm SA,
- Dona. Logistica SA
- AO "Ranbaxy" Russia
- Ropharma Logistic SA
- Europharm Holding Sa Brasov

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NOTE 6: Receivables and payables (continued)

Payables	Balance at 31 March 2021	Balance at 31 March 2022	Repayment term		
			Under 1 year	1 – 5 years	Over 5 years
1. Suppliers - other	50,305,098	51,006,387	51,006,387		
2. Suppliers - intercompany	24,545,515	48,010,718	48,010,718		
3. Fixed assets suppliers	161,492	682,593	682,593		
4. Advances received from customers	4,793	249,958	249,958		
5. Payables to employees	14,841,436	15,872,504	15,872,504		
6. Social security and unemployment fund	2,902,512	2,887,195	2,887,195		
7. Taxes and duties payable	19,875,911	18,385,004	18,385,004		
8. Dividends payable	22,111,464	24,779,903	24,779,903		
9. Other liabilities	358,041	379,087	379,087		
10. Payables to banks	26,102	-	-		
TOTAL	135,132,364	162,253,349	162,253,349		

As at 31 March 2022, the suppliers' liabilities comprise the liabilities for the services supplied amounting to RON 9,159,942 for which the Company did not receive invoices until 31 March 2022.

NOTE 7: Cash and cash equivalents

Description	-RON-	
	31 March 2021	31 March 2022
Petty cash and other values	4,117	2,567
Cash at bank	17,436,194	25,466,730
Guarantees received from warehouse keepers	194,891	217,919
Total cash and cash equivalents	17,635,202	25,687,216

The Company has as at 31 March 2022 restricted cash balances amounting to RON 217,919 representing guarantees received from warehouse keepers;

As of 31 March 2021 the short-term financial investments are containing term deposits in amount of RON 133,640,000.

NOTE 8: Allowances and provisions against the value of assets

Allowances and provisions were made in relation to the impairment of assets, risks and potential losses resulting from the Company's operational activities, in accordance with the prudence principle.

Provisions for receivables and inventories

For clients and inventories, the company recorded allowances and impairment provisions according to the accounting policies presented on Note 2.

In respect of inventories, besides the provisions recorded according to the accounting policy, the Company has presented in the financial statements supplementary allowances amounting to RON 785,747 for goods for resale and RON 8,188 for finished goods. Management considers that there is an increased risk for these goods of not being sold.

The movement during the period 01.04.2021-31.03.2022 in the value of provisions is presented in the following table:

Crt. No.	Name of the value adjustments	Balance at 31 March 2021	Movements during the year		Balance at 31 March 2022
			Increase	Reversal	
0	1	2	3	4	5=2+3-4
1	Allowances for inventories	6,053,805	7,006,593	7,491,037	5,569,361
2	Allowances for doubtful trade receivables' balances	2,612,467	1,905,266	3,268,372	1,249,361
TOTAL		8,666,272	8,911,859	10,759,409	6,818,722

The decrease in Allowance for doubtful trade receivables' balance is due to the write-off of doubtful trade receivables in amount of RON 33,917.

NOTE 9: Related parties

Transactions and balances with related parties

Transactions with related parties are carried out on an arm's length basis.

The value of the transactions that the Company entered into during 1 April 2021 – 31 March 2022 with the Group companies, as well as the related balances as of 31 March 2022 are presented below.

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NOTE 9: Related parties(continued)

Transactions

Purchases of goods and services	Purchase type	31.03.2021	31.03.2022
Ranbaxy Poland Sp Zoo	services	32,867,111	34,569,023
Sun Pharmaceutical Industries Ltd	goods	146,988,919	157,678,880
	insurance	368,632	
Sun Pharma(Netherlands) B.V.	services - insurance	585,664	556,073
	interest expense	254,661	
Sun Pharmaceutical Industries Europe BV	services	2,191,850	3,310,087
	recharges	1,530,059	
Alkaloida Chemical Company Zrt.	goods	1,389,672	11,162
	services	7,788	
Total		186,184,356	196,125,225

Sales of goods and services	Sales type	31.03.2021	31.03.2022
AO Ranbaxy Rusia	goods	50,139,732	33,678,807
Ranbaxy UK Limited	goods	1,673,214	1,766,625
Ranbaxy Pharmacie Generique	goods	4,112,859	3,207,426
Ranbaxy Poland	goods	12,025	11,889
Ranbaxy Italia Spa	goods	240,001	805,833
Sun Pharma Laboratorios S.L.U	goods	202,289	272,093
LLC Ranbaxy Pharmaceuticals Ukrain	goods	17,669,775	19,273,342
Sun Pharmaceutical Industries Europe BV	goods	476,449	131,298
	services	10,640,242	11,488,716
Sun Pharmaceutical Industries Ltd.	services	8,809,534	8,449,999
	recharges	911,540	761,574
Sun Pharmaceuticals Germany Gmbh	goods	852,822	1,770,716
Ohm Laboratories Inc	servicii		1,085,639
Total		95,740,482	82,703,957

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NOTE 9: Related parties(continued)

Balances

Payables	31.03.2021	31.03.2022
Ranbaxy Poland Sp Zoo	11,121,498	11,391,927
Sun Pharmaceutical Industries Ltd.	12,963,535	32,147,704
Aditya Acquisition Company Ltd.	281,408,00	282,637
Sun Pharmaceutical Industries Europe BV	171,228	349,468
Alkaloida Chemical Company Zrt.	7,846	5,270
LLC Ranbaxy Pharmaceuticals Ukrain		3,833,712
Total	24,545,515	48,010,718

Receivables	31.03.2021	31.03.2022
AO Ranbaxy Russia	27,128,825	6,830,679
Ranbaxy UK Limited	237,232	
Ranbaxy Pharmacie Generique France	952,325	468,908
Ranbaxy Italy SPA	211,390	568,048
Sun Pharmaceutical Industries Ltd.	2,874,165	3,078,667
Sun Pharmaceutical Industries Europe	1,394,458	1,607,244
Sun Pharmaceuticals Germany GmbH	76,019	
Ohm Laboratories Inc		1,097,732
Total	32,874,414	13,651,278

Collections	31.03.2021	31.03.2022
AO Ranbaxy Russia	59,589,567	54,430,620
Ranbaxy UK Limited	1,542,831	2,001,906
Ranbaxy Pharmacie Generique France	3,615,847	3,683,088
Sun Laboratories FZE	218,086	
LLC Ranbaxy Pharmaceuticals Ukraine	17,669,775	19,273,343
Ranbaxy Italy Spa	118,340	446,850
Sun Pharma Laboratorios S.L.U	292,410	272,093
Sun Pharmaceutical Industries Europe	11,757,780	11,398,776
Sun Pharmaceutical Industries Ltd.	9,336,207	8,992,218
Sun Pharmaceuticals Germany GmbH	865,493	1,856,239
RANBAXY (Poland) Sp. z o.o.	12,025	11,889
Total	105,018,361	102,367,022

Payments	31.03.2021	31.03.2022
Ranbaxy Poland Sp Zoo	29,490,735	34,393,499
Sun Pharmaceutical Industries Europe	3,984,922	3,129,733
Sun Pharmaceutical Industries Ltd.	216,777,804	138,342,533
Alkaloida Chemical Company Zrt.	1,389,673	13,682
Sun Pharma(Netherlands)B.V	742,954	556,073
Taro pharmaceutical Canada inc		2,390
Total	252,386,088	176,437,910

NOTE 10: Provisions

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Classification of provisions	Balance at 31 March 2021	Transfers		Balance at 31 March 2022
		To account	From account	
0	1	2	3	4
1 Provisions for retirement benefits	3,415,385		1,158,699	2,256,686
2 Provisions for taxes	10,133,115		749,932	9,383,183
3 Other provisions for expenses	13,841,915		4,199,244	9,642,671
Total	24,740,232		6,107,875	21,282,540

The Provisions for retirement benefits decreased with RON 1,158,699 due to the increase of personnel turnover and increase of salaries.

Other provisions for expenses are provisions for the tax owed to the Health Ministry amounting to RON 9,612,671 and provision for environment amounting to RON 30,000, according to law in force.

The provision for taxes was built up according to the regulations in force (O.M.F.P 1802/2014) and is calculated based on the gross distributable reserves recognized in equity and the difference between the accounting net book value and the fiscal net book value of fixed assets. The provision amounts to RON 9,383,183 as at 31 March 2021.

NOTE 11: Investment subsidies

The company has benefited in previous period by grants for fixed assets from the government and from the European Union.

The grants are recognized as income in the same time with the depreciation of fixed assets in connection with which they were received.

On 31.03.2022 information on subsidies recognized in the balance sheet are:

Type of subsidies	Type of asset for which they were received	The initial value of the subsidy	The value in the balance sheet at 31.03.2022	Period in which it will be amortised (months)
Government subsidies	Buidings	892,500	176,631	57
	IT equipments	26,313	-	0
European Union subsidies	Buildings	4,970,466	3,837,824	278
	Plant and machinery	5,663,254	1,848,783	40
	Laboratory equipments	217,611	36,027	40
Total		11,770,144	5,899,265	

NOTE 12: Investments and sources of financing

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As of 31 March 2022, share capital amounted to RON 24,993,398, and was divided into 249,933,981 fully paid shares with a nominal value of RON 0.1. Subscribed capital is fully paid.

NOTE 13: Profit appropriation

Profit appropriation	31.03.2021	31.03.2022
1.Net profit to be distributed:	173,098,449	185,932,622
2.Profit distributed to reserves from tax facilities	3,137,220	967,818
3.Profit not distributed (1-2)	169,961,229	184,964,804

From the net profit amounted to RON 185,932,622 the amount of RON 967,818 was allocated to reserves representing the profit reinvested in the financial year 2022 for which the company benefited from tax facilities.

At the time of the preparation of the financial statements, no decision has been taken regarding the appropriation of the profit amounting to RON 184,964,804.

In accordance with the legal provisions, following the approval of the net profit distribution by the General Shareholders Assembly, it will be reported in the financial statements for the year 2023.

NOTE 14: Turnover

	31.03.2021	31.03.2022
Net turnover out of which:	785,457,005	865,503,812
- domestic sales	575,018,815	659,246,050
- export sales	210,438,190	206,257,762

The total net turnover was derived from sales made in the following countries:

	31.03.2022
Romania	659,246,050
Russia	33,655,645
Poland	94,921,292
India	8,449,999
Ukraine	19,273,343
Other countries	49,957,484
Total	865,503,812

Net turnover comprises the amounts from sale of goods and rendering of services during the period 01.04.2021-31.03.2022.

Net turnover represents the sales less the discounts granted to the clients.

NOTE 14: Turnover (continued)

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The net turnover was RON 865,503,812. As compared to the previous year, the net turnover has registered a growth of 10.19% in the context of the macroeconomic framework presented below.

Terapia operates in the market through the most important medicine distributors.

During 2022 the company has developed and optimized marketing and selling activities together with new products launching.

During 2022, Terapia also initiated the activity of online marketing of nutritional supplements and medical devices through EMAG marketplace.

NOTE 15: Operating result analysis

Indicator	Previous year as at 31.03.2021	Current year as at 31.03.2022
1	2	3
A. Net turnover	785,457,005	865,503,812
B. Cost of goods sold and services rendered (3+4+5+6)	319,152,910	358,725,314
3. Main activity expenses	65,373,151	63,801,023
4. Cost of goods purchased	198,044,730	226,779,271
5. Costs of sundry activities	4,553,612	8,289,726
6. Indirect production expenses	51,181,417	59,855,294
C. Gross profit (1 – 2)	466,304,095	506,778,498
8. Research expenses	11,027,668	8,672,692
9. Selling expenses	159,199,602	186,440,694
10. General and administration expenses	101,805,634	107,555,602
11. Other operating income	3,538,982	1,481,451
D. Operating profit (7 – 8 – 9 – 10 + 11)	197,810,173	205,590,961

The Company includes under cost of goods sold the direct and indirect manufacturing costs as well as the utilities related to the manufactured production.

The cost of the goods sold also includes the adjustment regarding the transfer prices in the amount of 13,914,216 lei, an adjustment made in connection with the goods supplied from Sun Pharmaceutical Industries Ltd India. The adjustment was necessary to comply with the principles of transfer pricing.

In order to compute the cost of goods sold, manufacturing costs are adjusted by taking into account the movements in stock during the year.

Research expenses, selling and marketing expenses and general administration expenses are not included in the manufacturing cost

Selling expenses also include the movement in value adjustments of trade receivables.

The general administration expenses include the movement in the value adjustment of the stocks and other provisions.

The operating result increased in the current financial year compared to the previous year, mainly due to the increase in turnover but also to the adjustment regarding the transfer prices received.

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NOTE 16: Information regarding the employees, the administrators and the directors

No advance payments or credits were granted to the administrators of the Company.

Average number of employees for the period ended on:	31.03.2021	31.03.2022
Workers	232	229
Technical, economic and administrative personnel	633	621
Total	865	850

Number of employees on:	31.03.2021	31.03.2022
Workers	231	231
Technical, economic and administrative personnel	628	628
Total	859	859

Payroll expenses	31 March 2021	31 March 2022
Gross salaries during the year	90,044,377	97,344,175
Lunch ticket expenses	2,530,243	2,417,865
Benefits in nature expenses	775,285	958,772
Insurance contribution for work	2,006,982	2,191,017
Preliminary salaries taxes	36,491	20,731
TOTAL	95,393,378	102,932,560

NOTE 17: Leasing contracts

The company has no financial leasing contracts at 31.03.2021.

The Company leased through a concession agreement land over a 25-year period, starting from year 1998. Concession royalties payable for the reporting period amount to RON 15,558. The concession royalties paid during the year 2022 are based on the amount payable for year 2021 adjusted with the annual inflation rate.

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NOTE 17: Leasing contracts (continued)

The Company has also other operational leasing contracts with the following companies:

Company	Contract	The object of contract	No, of used goods
SC ARVAL SRL	Contract no. 11241 / 29.05.2012	Vehicles	210
SC Porsche Mobility SRL	Contract no. 9112934 / 17.06.2014	Vehicles	18
LeasePlan Romania SRL	Contract no. 100664/2 / 25.05.2018	Vehicles	49
ETA automatizari industriale SRL	Contract no.194/18.06.2013	GPS	76
Vodafone Romania SA	4622463/11.10.2016	GPS	146
SC ROXER GRUP SA	Contract nr. 3536 / 01.08.2021	Echipamente xerox	17
SC GRENKE RENTING SRL	Contract nr.145-3157/25.09.2019	Laptopuri	196
SC GRENKE RENTING SRL	Contract nr. 5_02421_02.09.2020	Sietem termodetectie	2

Accounting of leases comply with applicable accounting rules and accounting policies of the company.

NOTE 18: Other information

Information regarding the corporate income tax

The corporate income tax payable by the Company for the current year amounts to RON 25,307,696. The legal tax rate in force is 16%. The effective tax rate for the period is 12 %, less than standard rate due to tax facilities that the Company has benefited from. The Company had an accounting gross profit of RON 211,240,316 for the year ended 31 March 2020 and a taxable profit of RON 219,903,720 and tax deductions in the amount of RON 10,070,745.

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NOTE 18: Other information (continued)

The reconciliation between the accounting profit and the taxable profit is presented below:

Crt, no,	Indicators	Row	12 month	12 month
			period ended at 31.03.2021	period ended at 31.03.2022
			Value	Value
1	Accounting profit before tax	01	199,606,678	211,240,316
2	Deductions out of which:	02	36,293,894	35,112,665
	- deductible tax depreciation and amortization		34,800,441	35,112,665
	- deductibility regarding research expenses		1,471,096	
	-deductible provisions		22,357	
3	Non-taxable income out of which:	03	9,233,599	16,902,533
	- other non-taxable income		9,233,599	16,902,533
4	Non-deductible expenses out of which:	04	58,524,846	60,678,602
	- fines, taxes and penalties due to the Romanian Authorities		13,960	500
	- protocol and sponsorship expenses in excess of the allowable level		5,927,773	6,861,851
	- non-deductible provisions		11,845,402	9,002,517
	-accounting depreciation		36,824,591	39,631,814
	- other non-deductible expenses		3,914,120	5,181,921
5	Taxable profit (row 01 + row 02 – row 03-row 04 + row 05- row 06)	05	212,604,031	219,903,720
6	Total corporate income tax out of which:	06	34,020,349	35,184,595
	- corporate income tax at the rate of 16 %		34,016,645	35,184,595
7	Corporate income tax reductions calculated in accordance with applicable regulations	07	7,508,416	10,070,745
8	Corporate income tax due (row 08 – row 10)	08	26,508,229	25,113,850
9	Income tax related to previous years' rectifications	09		193,946
10	Income tax due (row 10- row 11)	10	26,508,229	25,307,796
11	Net accounting profit (row 01 - row 12)	11	173,098,449	185,932,520
12	Tax payments made in advance for the period	12	22,744,701	22,533,324
13	Income tax payable/ to be recovered	13	3,763,528	(2,774,472)

At March 31, 2022, the company does not have an unused fiscal credit.

Other information

As of the balance sheet date, the Company has from Unicredit Bank Romania :

- a credit facility with amounting to EUR 5,500,000 used as security for the issuance of letters of guarantee and for acreditivs;
- a facility of 4,000,000 EUR as a guarantee for Forex contracts;
- an over draft in amount of USD 20,000,000 for financing general needs.

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NOTE 18: Other information (continued)

The un-utilized credit facilities represent off balance sheet items and, consequently, are not reflected in the balance sheet of the Company as at 31 March 2022.

The amount paid for consultancy services during the period 01.04.2021-31.03.2022 amounts to RON 239,318 and relates to the following: - management consultancy fees, amounting to RON 46,428;

- other consultancy services fees, amounting to RON 192,890.

The financial activity generated a gain of RON 5,649,365 as shown below:

- gain from exchange rate differences in the amount of RON 3,130,909, mainly due to the appreciation of the national currency against the foreign currencies;
- income interest in amount of RON 2,518,456 generated from bank deposits.

NOTE 19: Analysis of main financial ratios

FINANCIAL RATIOS	VALUE	VALUE
	12 month period ended at 31.03.2021	12 month period ended at 31.03.2022
1. LIQUIDITY RATIOS		
A. CURRENT LIQUIDITY RATIO – <i>index</i> - (current assets/current liabilities)	3.56	3.81
B. ACID TEST RATIO - <i>index</i> - (current assets - inventories/current debts)	2.79	3.21
B. INTEREST COVERAGE RATIO (profit before interest and corporate income tax / interest expense) – RON	552.26	23,471,147.44
3. ACTIVITY RATIOS		
A. STOCK TURNOVER - number of rotations (cost of sales / average inventory balances)	3.25	3.53
B. STOCK DAYS – days- (average inventory balances / sales cost x 365)	112.47	103.39
C. DEBTORS' DAYS–days- (average trade debtors' balances / turnover)*365	143.14	138.00
D. RECEIVABLES TURNOVER - number of rotations (turnover / non-current assets)	2.80	3.46
E. TOTAL ASSETS TURNOVER - number of rotations (turnover / total assets)	1.03	0.99
4. PROFITABILITY RATIOS		
A. RETURN ON CAPITAL EMPLOYED % (profit before interest and corporate income tax / (equity +loan long term portion)	33.57	30.99
B. GROSS PROFIT MARGIN % (gross profit / turnover x 100)	60.70	58.55
5. PROFITABILITY PER SHARE		
A. EARNING PER SHARE - RON/share (net distributable profit / weighted average number of ordinary shares)	0.69	0.74
Net distributable profit	173,098,449	185,932,622
Weighted average number of ordinary shares used in the calculations	249,933,980	249,933,980

NOTE 20: Contingent liabilities

The Romanian Government has agencies authorized to perform controls of the companies which develop their activity in Romania. These controls are similar in nature with the tax controls performed by the tax authorities from the majority of the countries of European Union but can be extended not only to tax aspects but also to other legal aspects and regulations in the domains in which those agencies perform. It is probable that the Company will make the object of regular controls as new laws and regulations are issued.

The Company considers that all fiscal liabilities for the reporting period were recorded and presented in the financial statements.

Also, the Company has as at 31 March 2022 letters of guarantee amounting to RON 475,875 issued for the following:

- Italian-Romanian Industrial Development Enterprise - IRIDE SA the amount of 433,385 lei
- Italian-Romanian Industrial Development Enterprise - IRIDE SA the amount of 9,990 lei
- MINISTERUL APELOR SI PROTECTIEI MEDIULUI the amount of 32,500 lei

Capital commitments as at 31.03.2022 represents the orders launched to the suppliers and not honored until the date of the financial statements. Capital commitments are in amount of RON 4,615,128 out of which RON 2,557,887 are related to plant and machinery, RON 189,508 are related to measuring and control equipments 1,867,733 RON are related to product licenses purchase.

The Emergency Order no. 104/2009 published in the Official Monitor no. 669/07.10.2009 for the amendment and completion of Law no. 95/2006 regarding the Health reform established that the owners of market authorizations, for drugs issued on prescription, who collect money from marketing on the Romanian market of those drugs, should pay a quarterly contribution for financing of some health expenses.

The norms and instructions of the Ministry of Health and of the National House of Health Insurance for implementing the provisions of the Emergency Ordinance no. 104/2009 represent an insufficient framework for establishing the payment obligations related to the quarterly contribution for financing of health expenses.

The provisions of Law no. 95/2006 regarding healthcare reform established by the Emergency Ordinance no. 104/2009 have been revoked by the Emergency Ordinance no. 77/2011 published in the Official Gazette no. 680/26.09.2011.

Considering the regulations mentioned above there exists the risk that subsequent obligations might be established for the Company regarding this tax (claw back) for period 01.10.2009 – 30.09.2011 and accordingly the Company has booked a provision for risks and expenses.

Since the fourth quarter of 2011, based on the Emergency Ordinance 77/2011, the tax payment obligations regarding claw back were calculated by the company based on information received from the National Health Insurance House. The company contested the information received for each quarter.

For the reported period, the fee calculated and paid at maturity by the company was RON 53,629,845. The company contested the information received for each quarter of the reporting period due to errors found in the basis for calculating the fee received from the National Health Insurance House. No legal actions were initiated in the reporting period. Responses received or in pending are in the evaluation and management discretion.

NOTE 21: Risk management

The following is a summary of the nature of activities and management policies with respect to risk management:

i) Foreign currency risk and inflation

The Company is exposed to currency risk through sales and purchases transactions that are denominated in currencies other than RON. The exchange rate risk is mainly related to transactions in EUR, in RUB and PLN.

In respect of monetary assets and liabilities held in currencies other than RON the Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates and where necessary, uses forward operations.

The value of monetary current assets and current liabilities held in local and foreign currencies at 31 March 2022 can be analysed as follows:

	RON	USD	EUR	Other currencies	Total
Current assets					
Trade receivables	326,314,953	2,079,926	17,754,967	3,050,705	349,200,551
Other receivables	12,533,363				12,533,363
Short-term investments	133,640,000				133,640,000
Cash and cash equivalents	7,640,806	130,658	3,086,830	14,828,922	25,687,216
Total current assets	480,129,122	2,210,584	20,841,796	17,879,627	521,061,129
Current liabilities					
Loans and interest					
Trade payables	34,946,586	2,938,680	30,581,424	31,233,008	99,699,697
Other payables	62,553,651				62,553,651
Total current liabilities	97,500,237	2,938,680	30,581,424	31,233,008	162,253,348

ii) Interest rate risk

The company has implemented a cash management policy to closely monitor unused funds and available lines of credit. Thus, the vast majority of interest-bearing assets as of March 31, 2022 include short-term financial investments. These assets have a variable interest rate. Credit lines and short-term loans also have a variable interest rate.

iii) Credit risk

Management closely monitors its exposure to credit risk on a regular basis.

The company used to cover the commercial risk an insurance policy of the commercial receivables and letters of bank guarantee issued by the clients in favor of the Company. As at 31.03.2022, the company has covered the risk of non-payment for 99% of the balance of receivables on the domestic market.

The main clients of the Company are the large distributors of medicines operating on the Romanian market.

Over 86.45% of the company's turnover represents sales to the top 10 distributors on the Romanian market.

NOTE 22: Fundamental errors

During the period 01.04.2021-31.03.2022, the Company did not record any adjustments in the accounting records related to fundamental errors discovered in prior years' financial statements.

**ADMINISTRATOR,
Dragoş Eugen Damian**

**ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş**