

INDEPENDENT AUDITOR'S REPORT

To the shareholders of TERAPIA SA
Address: 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, 2024, 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: 1.040.137.646 lei
 - Net result of the year (profit): 299.677.486 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, 2024, 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 2024, 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, 8th 2024

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 2024

TABLE OF CONTENTS

Balance Sheet	3-6
Profit and loss account.....	7-9
Cashflow.....	10
Statement of Changes in Equity.....	11-12
Notes to the Financial Statements.....	13-53

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Balance Sheet as at 31 March 2024
(in accordance with OMF 1802/2014)

-RON-

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2023	The end of the year 31.03.2024
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	134,114,451	104,262,530
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	134,114,451	104,262,530
II. TANGIBLE ASSETS			
1. Freehold land and buildings (account 211+212-2811-2812-2911-2912)	08	161,118,340	189,874,480
2. Plant and machinery (account 213+223--2813-2913)	09	30,053,382	25,284,156
3. Other plant, machinery and fixtures (account 214+224-2814-2914)	10	2,124,378	2,837,650
4. Real estate investments (account 215-2815-2915)	11		-
5. Tangible fixed assets in progress (account 231-2931)	12	806,033	21,162,860
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	395,185	1,462,872
TOTAL: (row 08 to 16)	17	194,497,318	240,622,018
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	39,557	72,560
TOTAL: (row 18 to 23)	24	39,557	72,560
TOTAL NON-CURRENT ASSETS (row 07+17+24)	25	328,651,326	344,957,108
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	30,073,681	28,673,595
2. Work in progress (account 331+332+341+/-348-393-3941-3952)	27	8,020,685	3,948,628

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2023	The end of the year 31.03.2024
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	89,874,858	121,784,972
4. Advance payments for the acquisition of inventories (account 4091)	29	625,349	1,077,697
TOTAL (row 26 to 29)	30	128,594,573	155,484,892
II. RECEIVABLES			
1. Trade receivables (account 2675+2676+2678+2679-2966-2968+4092+411+413 +418-491)	31	415,116,597	487,146,366
2. Receivables from non-consolidated associated companies (account 451-495)	32	49,875,825	73,243,510
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	14,160,773	18,456,398
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	479,153,051	578,846,274
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	154,686,000	234,352,760
TOTAL (row 37 to 38)	39	154,686,000	234,352,760
IV. PETTY CASH AND BANK ACCOUNT BALANCES (account 5112+512+531+532+541+542)			
CURRENT ASSETS - TOTAL (row 30+36+39+40)	41	768,979,464	981,718,804
C. ACCRUED EXPENSES (account 471) (row 43+44)			
Amounts taken over a period of up to 1 year	43	1,360,531	1,067,329
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	129	45,005
4. Trade debts – suppliers (account 401+404+408)	48	84,466,489	106,640,220
5. Bills of exchange payable (account 403+405)	49		
6. Amounts due to non-consolidated associated companies (account 1661+1685+2691+451)	50	77,284,971	75,149,849
7. Amounts due to other equity investments (account 1663+1686+2692+453)	51		
8. Other liabilities, including tax and social security contributions liabilities (account 1623+1626+167+1687+2695+421+423+424+426+427+4281+431+436+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+4661+467+473+509+5186+5193+5194+5195+5196+5197)	52	73,247,316	85,781,399

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2023	The end of the year 31.03.2024
A	B	2	3
TOTAL: (row 45 to 52)	53	234,998,761	267,616,473
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41+43-53-70-73-76)	54	534,572,422	714,277,700
F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 25+44+54)	55	863,223,748	1,059,234,808
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+2695+421+423+424+426+427+4281+431+436+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+4661+467+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	3,151,559	5,337,907
2. Accrued taxes payable (account 1516)	66	8,639,899	9,103,205
3. Other accrued liabilities and provisions (account 1511+1512+1513+1514+1518)	67	230,690	230,690
TOTAL ACCRUED LIABILITIES & PROVISIONS (row 65 to 67)	68	12,022,148	14,671,802
I. DEFERRED INCOME			
1. Investment subsidies (account 475) (row 70+71)	69	5,133,139	5,317,320
Amounts to be retaken in a period under a year (account 475)	70	768,812	891,960
Amounts to be retaken in a period over a year (account 475)	71	4,364,327	4,425,360
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		
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	5,133,139	5,317,320
J. CAPITAL AND RESERVES			
I. CAPITAL			
1. Subscribed and paid in capital (account 1012)	80	24,993,398	24,993,398

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Element name	Row no,	Balance as of	
		The beginning of the year 01.04.2023	The end of the year 31.03.2024
A	B	2	3
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	133,104,610	164,790,099
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	38,118,381	38,118,381
TOTAL (row 88 to 90)	91	46,736,321	46,736,321
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)	95	384,784,921	504,350,288
	96		
VI. PROFIT / (LOSS) FOR THE YEAR (account 121)	97	257,627,969	299,677,486
	98		
Profit appropriation (account 129)	99		
TOTAL EQUITY (row 85+86+87+91-92+93-94+95-96+97-98-99)	100	846,837,273	1,040,137,646
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	846,837,273	1,040,137,646

ADMINISTRATOR,
Dragoş Eugen Damian

ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Profit and loss account for the year ended 31 March 2024
(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	1,115,250,585	1,271,280,392
- of which, the net turnover of the predominant activity actually carried out	01a	1,090,635,014	1,243,799,489
Sales of produced goods (account 701+702+703+704+705+706+708)	02	617,080,883	732,009,604
Sales of goods purchased for resale (account 707)	03	826,084,744	930,464,756
Trade discounts granted (account 709)	04	327,915,042	391,193,968
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	07		
Balance D	08	986,295	978,873
3.Own production capitalized (account 721+722)	09		
4.Income from revaluation of tangible assets (account 755)	10	64,316	111,307
5.Real estate investments production income (account 725)	11		
6.Income from subsidies (account 7412+7413+7414+7415+7416+7417+7419)	12	-	-
7.Other operating income (account 751+758+7815)	13	1,860,176	3,617,515
- out of which income from negative goodwill	14		
- out of which income from investment subsidies	15	768,725	801,839
TOTAL OPERATING REVENUES (row 01+07-08+09+10+11+12+13)	16	1,116,188,782	1,274,030,341
8.a) Expenses related to raw materials and consumables (account 601+602)	17	79,880,784	89,360,210
Other material expenses (account 603+604+606+608)	18	5,494,571	4,950,759
b) Other utilities expenses (electricity, heating and water) (account 605-7413)	19	13,504,881	11,400,834
- of which, expenditure on energy consumption (ct. 6051)	19a	9,909,575	8,052,583
- of which, expenditure on natural gas consumption (ct. 6051)	19b	3,181,968	2,934,776
Expenses regarding goods for resale (account 607)	20	320,193,369	322,090,058
Trade discounts received (account 609)	21	74,560	680,305
9.Personnel expenses (row 23+24)	22	118,447,087	150,798,295
a) Salaries (account 641+642+643+644)	23	115,815,567	147,692,316
b) Expenses related to social security contributions (account 645)	24	2,631,520	3,105,979
10.a) Value adjustment related to tangible and intangible assets (rd.26-27)	25	44,577,435	43,049,945
a.1) Operating expenses regarding depreciation of fixed assets (acc. 6811)	26a	44,577,435	42,931,259
a.2) Expenses (account 6813+6817+ from 6818)	26		118,686
a.3) Revenues (account 7813)	27		
b) Value adjustment for current assets (row 29-30)	28	758,848	5,046,831
b.1) Expenses (account 654+6814)	29	8,310,339	15,240,376
b.2) Revenues (account 754+7814)	30	7,551,491	10,193,545
11.Other operating expenses (row 32+33+33d+33f+33h+33j+34+35+36+37)	31	256,275,337	307,785,325
11.1. Third party services expenses (account 611+613+614+615+621+622+623+624+625+626+627+628)	32	162,454,137	195,365,443
11.2. Expenses with royalties, administrativ locations and rents (ct. 612), of which:	33	7,956,962	9,388,763
-expenses with royalties (account 6121)	33a	6,670	-

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

INDICES	Row no.	Financial year	
		Previous	Current
A	B	1	2
-expenses with administrativ locations (account 6122)	33b		
-expenses with rents (account 6123)	33c	7,950,292	9,388,763
11.3. Expenses related to intellectual property rights (acc. 616), of which:	33d	262,505	134,105
-expenses in the relationship with affiliated entities	33e		
11.4. Management expenses (account 617), of which:	33f		
-expenses in the relationship with affiliated entities	33g		
11.5. Consulting expenses (account 618), of which:	33h	339,731	178,426
-expenses in the relationship with affiliated entities	33i		
11.6 Other taxes, duties and similar expenses (account 635+6586)	33j	63,997,652	73,492,754
11.7 Compensations, gifts and assets disposed (account 652)	34	924,988	923,549
11.8 Expenses from revaluation of tangible assets (account 655)	35	34,536	53,346
11.9 Expenses related to calamities and other similar events (account 6587)	36		
11.10 Other expenses (account 651+6581+6582+6583+6588)	37	20,304,826	28,248,939
Expenses related to refinancing interests of entities cancelled from the General Register and which still have leasing contracts in progress (ac. 666)	38		
12.Adjustments related to provisions (rd.40-41)	39	(9,284,353)	2,649,654
Expenses (account 6812)	40	1,621,605	3,188,227
Revenues (account 7812)	41	10,905,958	538,573
TOTAL OPERATING EXPENSES (row 17 to 20-21+22+25+25+31+39)	42	829,773,399	936,451,606
OPERATING PROFIT OR LOSS:			
Profit(row 16-42)	43	286,415,383	337,578,735
Loss(row 42-16)	44		
13.Revenues from investments (account 7611+7612+7613)	45		
- from which, income earned from affiliated entities	46		
14.Interest income (account 766)	47	12,762,466	9,861,318
- from which, income from associates	48		
15.Revenues from subsidies for interest due (account 7418)	49		
16.Other financial income (account 762+764+765+767+768)	50	30,585,652	42,625,088
- from which, income from other financial assets	51		
TOTAL FINANCIAL REVENUES (ROW 45+47+49+50)	52	43,348,118	52,486,406
17. Value adjustments regarding financial assets and current asset investments (row 54-55)	53		
- expenses (account 686)	54		
- income (account 786)	55		
18.Interest expense (account 666)	56		
- from which, expenses related to associated companies	57		
19.Other financial expenses (account 663+664+665+667+668)	58	36,894,168	46,905,396
TOTAL FINANCIAL EXPENSES (row 53+56+58)	59	36,894,168	46,905,396
FINANCIAL PROFIT OR LOSS			
Profit (row 52-59)	60	6,453,950	5,581,010
Loss (row 59-52)	61		
TOTAL REVENUES (row 16+52)	62	1,159,536,900	1,326,516,747
TOTAL EXPENSES (row 42+59)	63	866,667,567	983,357,002
PROFIT OR LOSS BEFORE TAX			
Profit (row 62-63)	64	292,869,333	343,159,745
Loss (row 63-62)	65		
20.INCOME TAX (account 691)	66	35,241,364	43,482,259

S.C. TERAPIA S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

INDICES	Row no.	Financial year	
		Previous	Current
A	B	1	2
21.Expenses with icome tax resulting from settlement within the fiscal group in the field of income tax (account 694)	66a		
22.Income with icome tax resulting from settlement within the fiscal group in the field of income tax (account 794)	66b		
23.Taxes specific to certain activities (695)	67		
24.Other tax expenses not included above (account 698)	68		
NET PROFIT OR LOSS FOR THE YEAR			
Profit (row 64-65-66-67-68-66a+66b)	69	257,627,969	299,677,486
Loss (row 65+66+67+68-64+66a-66b)	70		

ADMINISTRATOR,

Dragoş Eugen Damian

ECONOMIC DIRECTOR,

Bogdan Lucian Crăciunaş

S.C. TERAPIA S.A.
CASHFLOW STATEMENT
for the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Cash flow Statement
for the year ended 31 March 2024

	12 month period ended at 31.03.2023	12 month period ended at 31.03.2024
OPERATING ACTIVITIES		
Net profit before taxation and extraordinary items	292,869,333	343,159,745
Adjustments for:		
Loss / profit on disposal of fixed assets	(894)	982,795
Impairment, depreciation and amortization	44,577,435	42,931,259
Movement in provisions for fixed assets	(53,740)	60,725
Movements in provisions	(9,260,392)	2,649,554
Net loss/profit from interest	(12,762,466)	(9,861,318)
Movements in provision for current assets	758,848	5,046,831
Income from subsidies and unclaimed dividends	(768,725)	(801,839)
Operating profit before changes in working capital	315,359,399	384,167,752
Decrease/(Increase) in trade and other receivables	(116,363,874)	(99,428,857)
Decrease/(Increase) in inventories	(31,726,585)	(31,941,173)
(Decrease) / Increase in trade and other liabilities	69,771,658	31,299,695
Interest paid	-	-
Corporate income tax paid	(33,307,067)	(43,052,874)
Cash generated from operating activities	203,733,531	241,044,544
INVESTMENT ACTIVITIES		
Payments for the acquisition of tangible and intangibles assets	(123,185,654)	(25,785,901)
Proceeds from the disposal of fixed assets	30,253	110,280
Payments for the acquisition of short-term financial investments	(21,046,000)	(79,666,760)
Proceeds from sales of short-term financial investments	-	-
Interest received	11,182,759	7,300,783
Cash generated from investing activities	(133,018,642)	(98,041,598)
FINANCING ACTIVITIES		
Loan repayment	-	-
Dividends paid	(89,856,265)	(136,513,908)
Loans received	-	-
Cash generated from financing activities	(89,856,265)	(136,513,908)
Increase / (decrease) in cash and cash equivalent	(19,141,376)	6,489,038
Cash and cash equivalent at 1 April	25,687,216	6,545,840
Cash and cash equivalents at 31 March	6,545,840	13,034,878

ADMINISTRATOR,
Dragoş Eugen Damian

ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

S.C. TERAPIA S.A.
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Statement of Changes in Equity
for the year ended 31 March 2024

Elements of shareholders' equity	Balance as at 01.04.2023	Increase		Decrease		Balance as at 31.03.2024
		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	133,104,610	33,585,918		1,990,429	1,900,427	164,790,099
Legal reserve	8,617,940					8,617,940
Other reserves	38,118,381					38,118,381
Retained earnings representing undistributed accumulated profit or accumulated losses	Cr Balance	320,932,739	257,627,969	257,627,969	139,963,029	438,597,680
	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	62,033,649	1,900,427	1,900,427		63,934,076
	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	257,627,969	299,677,486		257,627,969	299,677,486
	Dr Balance					
Profit distribution	0					0
Other losses related to equity instruments	Cr Balance					
	Dr Balance	782,785				782,785
TOTAL	846,837,273	592,791,800	259,528,396	399,491,427	259,528,396	1,040,137,646

Equity amounting to RON 1,040,137,646 at 31.03.2024, has increased compared with 2023 financia year with the amount of RON 193,300,373. This evolution is due to:

- the net profit of the year amounting to RON 299,677,482;
- decrease as a result of the distribution of dividends in the amount of RON 139,963,029 lei
- increase of the revaluation reserve with the amount of RON 33,585,918, as a result of the revaluation of tangible assets on 31.03.2024

S.C. TERAPIA S.A.
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

Statement of Changes in Equity
for the year ended 31 March 2023

Elements of shareholders' equity	Balance as at 01.04.2022	Increase		Decrease		Balance as at 31.03.2023
		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	135,918,517	-	-	2,813,907	2,813,908	133,104,610
Legal reserve	8,617,940					8,617,940
Other reserves	39,086,199			967,818	967,818	38,118,381
Retained earnings representing undistributed accumulated profit or accumulated losses	Cr Balance	227,475,690	185,932,622	185,932,622	92,475,573	320,932,739
	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	59,219,741	2,813,908	2,813,908		62,033,649
	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	185,932,622	257,627,969		185,932,622	257,627,969
	Dr Balance					
Profit distribution	967,818	(967,818)	(967,818)	-	-	-
Other losses related to equity instruments	Cr Balance					
	Dr Balance	782,785				782,785
TOTAL	681,684,876	446,374,500	188,746,531	281,222,103	188,746,531	846,837,273

Equity amounting to RON 846,837,273 at 31.03.2023, has increased compared with 2022 financia year with the amount of RON 165,152,397. This evolution is due to:

- the net profit of the year amounting to RON 257,627,969;
- decrease as a result of the distribution of dividends in the amount of RON 92,475,573 lei

ADMINISTRATOR,
Dragoş Eugen Damian

ECONOMIC DIRECTOR,
Bogdan Lucian Crăciunaş

Notes to the financial statements as of 31.03.2024

These financial statements were prepared by SC Terapia SA (the “Company”) for the year ended the 31 March 2024. 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 01.04.2023 - 31.03.2024.

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 manufacturing 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 2024:

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

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

Members of the Board of Directors as of 31 March 2024:

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

The audit fees for 2024 amount to RON 262,677, from which RON 102,166 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;
 - 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;

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

- 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 31.03.2024, 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 31.03.2024, the exchange rates for conversion of balances expressed in foreign currency were 1 USD = 4.6078 RON, 1 EUR = 4.9695 RON, 1 GBP = 5.8126 RON, 1 CHF = 5.1124 RON, 1 PLN = 1.1560 RON și 1 RUB = 0.0498 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.

Intangible assets comprise:

- set up costs;
- development costs;
- concessions, patents, licenses, trademarks, similar rights and assets, except for those created inside the entity;

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

- 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 has depreciated over a period of 117 months according to the evaluation report made by an independent valuer.

Also, the company holds all the intellectual property right for the “Uractiv” brand, purchased from a third party, which is depreciated over a period of 120 months according to the estimates made by the company’s management and the accounting policy of the company.

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.

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

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

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 (leaser) 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.

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.

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 3: Non-current assets

Assets elements	Gross book value			
	Balance at 01.04.2023	Increases, including the increases due to revaluation	Disposals, transfers and other discounts	Balance of 31.03.2024
0	1	2	3	4
I, Intangible assets				
Licenses, trademarks and other intangibles	361,206,961	555,334	905,374	360,856,921
Other intangible assets	5,314,639	940,339	-	6,254,978
Total intangible assets	366,521,600	1,495,673	905,374	367,111,899
II, Tangible fixed assets				
Land and land improvements	126,909,632	26,330,261	-	153,239,893
Buildings	41,716,609	5,403,405	10,485,426	36,634,588
Machinery and equipment	51,953,849	4,546,386	29,607,057	26,893,178
Other tangible fixed assets	2,923,996	1,080,726	1,152,662	2,852,061
Tangible fixed assets in progress	806,033	24,206,061	3,849,234	21,162,860
Advances for the acquisition of tangible assets	395,185	1,067,687	-	1,462,872
Total fixed tangible fixed assets	224,705,304	62,634,525	45,094,379	242,245,450
III, Financial non-current assets	39,557	33,003	-	72,560
TOTAL – Non-current assets	591,266,461	64,163,202	45,999,753	609,429,909

Classification of non-current assets	Value adjustments (depreciation and adjustments for depreciation or loss of value)			
	Balance at 01.04.2023	Adjustments during the year	Decreases or disposals	Balance at 31.03.2024
0	1	2	3	4
I, Intangible assets				
Licenses, trademarks and other intangibles	227,143,293	30,244,383	-	257,387,676
Other intangible assets	5,263,856	197,837	-	5,461,693
Total intangible assets	232,407,149	30,442,220	-	262,849,369
II, Tangible fixed assets				
Land and improvements on land				
Buildings	7,507,901	2,977,526	10,485,426	0
Machinery and equipment	21,900,467	9,320,270	29,611,715	1,609,022
Other tangible fixed assets	799,618	367,933	1,153,141	14,410
Tangible fixed assets in progress	-	-	-	-
Total Tangible fixed assets	30,207,986	12,665,728	41,250,282	1,623,432
III, Financial non-current assets				
TOTAL – Non-current assets	262,615,135	43,107,949	41,250,282	264,472,802

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 3: Non-current assets (continued)

The net book value of the non-current assets as of 31 March 2024 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 31.03.2024 by an independent valuer. Below we present the result of the revaluation by asset category.

Current num	Group	Description	Gross Value at 31.03.2024 (Lei)	Net value at 31.03.2024 (Lei)	Fair value at 31.03.2024 (Lei)	Net increase in value due to revaluation
1	211	Lands	127,017,501	126,909,632	153,239,892	26,330,260
2	212	Construction	75,662,339	31,231,183	36,634,588	5,403,405
1	2131	Technological equipment	186,206,790	16,582,430	17,998,778	1,416,347
2	2132	Measuring, control and regulation devices	35,262,222	6,932,449	7,161,601	229,153
3	2133	Means of transport	4,136,907	795,754	949,158	153,404
4	214	Furniture, office equipment	7,082,265	1,818,776	1,818,776	0
TOTAL			435,368,023	184,270,223	217,802,793	33,532,570

The movements in value adjustments for fixed assets for period 01.04.2023-31.03.2024, are presented below.

Crt. No.	Name of the value adjustments	Balance at	Movements during the year		Balance at
		01.04.2023	Increase	Reversal	31.03.2024
0	1	2	3	4	5=2+3-4
1	Impairment for tangible fixed assets	1,562,708	172,032	111,307	1,623,432
TOTAL		1.562.708	172,032	111,307	1,623,432

The tangible assets category comprises land in surface of 177,147 sqm with a net book value as at 31 March 2024 of RON 153,239,892.

Furthermore, the assets owned by the company as at 31 March 2024 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 2024 at a net book value of RON 3,506,391.

NOTE 3: Non-current assets (continued)

Financial assets, amounting to RON 72,560 comprise mainly guarantees granted to Ministry of the Environment for closing and following-up after closing the residual products warehouses and a bank guarantee for the Regional Customs Directorate of Cluj for free circulation release based on a customs declaration submitted in accordance with Article 182 of Regulation (EU) no. 952/2013 of the European Parliament and of the Council of 9 October 2013 establishing the Customs Code of the Union.

The last revision of useful economic lives of tangible and intangible fixed assets was made at 31 March 2024, during the annual inventory of assets.

On 31.03.2024, 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 2024 is RON 145,379,699 lei.

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

buildings	1,313,090
technological equipment	120,042,367
measurement, control, regulation devices and installations	20,742,016
vehicles	89,142
others	3,193,084
TOTAL	145,379,699

NOTE 4: Capital investments

During the year the investments in tangible and intangible assets amounted to RON 26,769,442.

Investments performed during the reporting period of 2023-2024 are for the main activities of the company as follows:

- Constructions 69.59 %
- Production machinery and equipment 19.66 %
- Quality assurance and control 7.30 %
- Product licenses 2.69 %
- Information technology and software 0.53 %
- Others 0.23 %

NOTE 5: Inventories

The inventories have increased as compared to the beginning of the financial year mainly due to the increase of the goods purchases for resale as a result of the development of the company's business. The evolution of stocks is one controlled by management and has no negative impact on the future activity of the company, their level on 31.03.2024 being correlated with the requirements of the production and sales activity that will take place in April - May 2024.

On March 31, 2024, the Company owned goods and finished products, in amount of RON 44,697,243 stored in logistics facilities in two locations in Romania and two in Lithuania.

The structure of stocks on 31.03.2024 is presented below:

NOTE 5: Inventories (continued)

Stock description	31 March 2023	31 March 2024
Raw materials and consumables	34,648,446	31,134,508
Work in progress	8,034,029	4,420,429
Finished products	19,971,501	22,580,206
Goods purchased for resale	72,607,842	108,615,499
Advance payment for the purchases of inventories	625,349	1,077,697
Provisions against the carrying value of inventories	(7,292,593)	(12,343,447)
Total inventories	128,594,573	155,484,892

NOTE 6: Receivables and payables

Receivables	Balance at 31 March 2023	Balance at 31 March 2024	Maturity term	
			Under 1 year	Over 1 year
1. Trade receivables	415,401,573	487,428,526	487,146,366	282,160,37
2. Receivables from affiliated companies	49,875,825	73,243,510	73,229,372	14,138,34
3. Other receivables	14,160,773	18,456,398	18,456,398	
4. Provisions for receivables	(284,976)	(282,160)		(282,160)
TOTAL	479,153,195	578,846,274	578,832,135	14,138,34

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:

- DR. Max SRL
- Alliance Healthcare Romania S.R.L
- Fildas Trading SRL Pitesti
- Centrala Farmaceutyczna CEFARM S.A.
- Dona. Logistica S.A. Chitila
- Farmexim S.A. Bucuresti
- AO "Ranbaxy" Russia
- Europharm Holding SA Brasov
- Ropharma Logistic S.A.
- LLC Ranbaxy Pharmaceuticals Ukrain

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 6: Receivables and payables (continued)

Payables	Balance at 31 March 2023	Balance at 31 March 2024	Repayment term		
			Under 1 year	1 – 5 years	Over 5 years
1. Suppliers - other	84,280,862	99,167,862	99,167,862		
2. Suppliers - intercompany	77,284,971	75,149,849	75,149,849		
3. Fixed assets suppliers	185,627	7,472,358	7,472,358		
4. Advances received from customers	129	45,005	45,005		
5. Payables to employees	18,507,258	23,776,393	23,776,393		
6. Social security and unemployment fund	2,920,758	4,086,875	4,086,875		
7. Taxes and duties payable	24,159,442	26,739,810	26,739,810		
8. Dividends payable	27,234,834	30,683,848	30,683,848		
9. Other liabilities	424,880	494,474	494,474		
10. Payables to banks		0	0		
TOTAL	234,998,761	267,616,472	267,616,472		

As at 31 March 2024, the suppliers' liabilities comprise the liabilities for the services supplied amounting to RON 13,782,680 for which the Company did not receive invoices until 31 March 2024.

NOTE 7: Cash and cash equivalents

Description	-RON-	
	31 March 2023	31 March 2024
Petty cash and other values	2,563	8,693
Cash at bank	6,299,976	12,712,836
Guarantees received from warehouse keepers	243,301	313,349
Total cash and cash equivalents	6,545,840	13,034,878

The Company has as at 31 March 2024 restricted cash balances amounting to RON 313,349 representing guarantees received from warehouse keepers;

As of 31 March 2024 **the short-term financial investments** are containing term deposits in amount of RON 234,352,760.

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 5,122,637 for goods for resale. Management considers that there is an increased risk for these goods of not being sold.

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 8: Allowances and provisions against the value of assets (continued)

The movement during the period 01.04.2023-31.03.2024 in the value of provisions is presented in the following table:

Crt. No.	Name of the value adjustments	Balance at 31 March 2023	Movements during the year		Balance at 31 March 2024
			Increase	Reversal	
0	1	2	3	4	5=2+3-4
1	Allowances for inventories	7,292,593	15,238,825	10,187,971	12,343,447
2	Allowances for doubtful trade receivables' balances	284,976	2,759	5,575	282,160
TOTAL		6.818.722	15,241,584	10,193,546	12,625,607

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 2023 – 31 March 2024 with the group companies, as well as the related balances as of 31 March 2024 are presented below.

Transactions

Purchases of goods and services	Purchase type	31.03.2023	31.03.2024
Ranbaxy Poland Sp Zoo	services	36,847,607	43,471,604
Sun Pharmaceutical Industries Ltd	goods	232,606,007	212,171,743
Sun Pharma(Netherlands) B.V.	services -insurance	652,545	825,150
Sun Pharmaceutical Industries Europe BV	services	3,536,329	3,543,618
Alkaloida Chemical Company Zrt.	Goods		324,334
Sun Pharma Holdings USA Inc	goods	45,209	-
Taro pharmaceutical Canada inc	goods	-	1,664
Total		273,687,697	260,338,113

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 9: Related parties (continued)

Sales of goods and services	Sales type	31.03.2023	31.03.2024
AO Ranbaxy Rusia	goods	94,260,525	69,993,841
Ranbaxy UK Limited	goods	2,376,850	784,361
Ranbaxy Pharmacie Generique	goods	3,416,098	1,927,529
Ranbaxy Poland	goods	17,075	48,889
Ranbaxy Italia Spa	goods	1,439,056	950,577
Sun Pharma Laboratorios S.L.U	goods	102,816	113,743
LLC Ranbaxy Pharmaceuticals Ukrain	goods	17,995,310	20,680,616
Sun Pharmaceutical Industries Europe BV	goods	141,032	160,704
	services	11,848,002	12,967,562
Sun Pharmaceutical Industries Ltd.	services	11,897,179	8,035,904
	recharges	1,313,918	13,619,722
Sun Pharmaceuticals Germany Gmbh	goods	1,533,321	840,876
Ohm Laboratories Inc	services	148,219	1,008,858
Alkaloida Chemical Company Zrt.	recharges	10,387	-
Sun Pharma Advanced Research Compan	services	-	580,408
Total		146,499,788	131,713,590

Balances

Payables	31.03.2023	31.03.2024
Ranbaxy Poland Sp Zoo	9,908,689	20,009,792
Sun Pharmaceutical Industries Ltd.	66,537,433	54,711,961
Aditya Acquisition Company Ltd.	282,779	-
Sun Pharmaceutical Industries Europe BV	511,870	428,096
Sun Pharma Holdings USA Inc	44,200	-
Total	77,284,971	75,149,849

Receivables	31.03.2023	31.03.2024
AO Ranbaxy Russia	42,953,112	47,376,040
Ranbaxy Pharmacie Generique France	1,487,614	496,672
Ranbaxy Italy SPA	271,191	768,961
Sun Pharmaceutical Industries Ltd.	3,133,916	18,261,577
Sun Pharmaceutical Industries Europe	2,029,992	1,819,658
Ohm Laboratories Inc	-	-
Sun Pharma Advanced Research Compan	-	589,374
Alkaloida Chemical Company Zrt.	-	290,492
LLC "Ranbaxy Pharmaceuticals Ukrain	-	3,478,874
Sun Pharmaceuticals Germany GmbH	-	161,862
Total	49,875,825	73,243,510

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 9: Related parties (continued)

Collections	31.03.2023	31.03.2024
AO Ranbaxy Russia	48,377,264	75,057,818
Ranbaxy UK Limited	2,376,850	784,361
Ranbaxy Pharmacie Generique France	2,405,893	2,909,424
LLC Ranbaxy Pharmaceuticals Ukraine	17,995,310	17,202,912
Ranbaxy Italy Spa	1,738,344	451,600
Sun Pharma Laboratorios S.L.U	102,816	113,743
Sun Pharmaceutical Industries Europe	11,571,089	13,333,069
Sun Pharmaceutical Industries Ltd.	13,153,094	7,295,266
Sun Pharmaceuticals Germany GmbH	1,543,304	846,957
RANBAXY (Poland) Sp. z o.o.	17,075	48,889
Alkaloida Chemical Company Zrt.	10,387	-
Ohm Laboratories Inc	1,233,859	-
Total	100,525,285	118,044,038

Payments	31,03,2023	31,03,2024
Ranbaxy Poland Sp Zoo	38,545,933	33,519,750
Sun Pharmaceutical Industries Europe	3,374,124	3,627,043
Sun Pharmaceutical Industries Ltd.	176,911,912	224,506,300
Alkaloida Chemical Company Zrt.	5,267	324,334
Sun Pharma(Netherlands)B.V	652,545	825,150
Aditya Acquisition Company Ltd.		268,698
SUN PHARMA USA		45,209
Total	219,489,781	263,119,484

NOTE 10: Provisions

Classification of provisions		Balance at 31 March 2023	Transfers		Balance at 31 March 2024
			To account	From account	
	0	1	2	3	4
1	Provisions for retirement benefits	3.151.559	2.186.348		5,337,907
2	Provisions for taxes	8.639.899	1.001.879	538.573	9,103,205
3	Other provisions for expenses	230.690			230,690
	Total	12.022.148	3,188,227	538,573	14,671,802

The Provisions for retirement benefits increased with RON 2,186,348 due to the increase of salaries and the number of employees.

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 and taxable 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 9,103,205 as at 31 March 2024.

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 31.03.2024 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 31.03.2024	Period in which it will be amortised (months)
Government subsidies	Buidings	892,500	102,257	33
European Union subsidies	Buildings	4,970,466	3,506,501	254
	Plant and machinery	5,546,348	739,513	16
	Laboratory equipments	217,611	14,410	16
	Installations and machines	983,519	952,784	93
Total		16,610,444	5,315,465	

NOTE 12: Investments and sources of financing

As of 31 March 2024, 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	31.03.2023	31.03.2024
1.Profit of the year	257,627,969	299,677,486
2.Profit distributed to reserves from tax facilities		
3.Profit not distributed (1-2)	257,627,969	299,677,486

At the time of the preparation of the financial statements, no decision has been taken regarding the appropriation of the profit amounting to RON 298,678,438.

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 2025.

NOTE 14: Turnover

	31.03.2023	31.03.2024
Net turnover out of which:	1,115,250,585	1,271,280,392
- domestic sales	808,536,335	963,582,015
- export sales	306,714,250	307,698,377

NOTE 14: Turnover (continued)

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

	31.03.2023	31.03.2024
Romania	808,536,335	963,582,015
Russia	94,283,688	69,993,841
Poland	112,660,684	135,152,241
India	12,592,841	22,236,034
Ukraine	17,995,310	20,680,137
Other countries	69,181,727	59,636,124
Total	1,115,250,585	1,271,280,392

Net turnover comprises the amounts from sale of goods and rendering of services during the period 01.04.2023-31.03.2024.

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

The net turnover was RON 1,271,280,932. As compared to the previous year, the net turnover has registered a growth of 13.99% in the context of the macroeconomic framework presented below.

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

During 2024 the company has developed and optimized marketing and selling activities together with new products launching.

NOTE 15: Operating result analysis

Indicator	Previous year as at 31.03.2023	Current year as at 31.03.2024
1	2	3
A. Net turnover	1,115,250,585	1,271,280,392
B. Cost of goods sold and services rendered (3+4+5+6)	454,444,169	484,418,478
3. Main activity expenses	70,620,564	78,120,699
4. Cost of goods purchased	308,929,438	321,884,627
5. Costs of sundry activities	12,212,329	9,393,602
6. Indirect production expenses	62,681,838	75,019,550
C. Gross profit (1 – 2)	660,806,416	786,861,913
8. Research expenses	10,138,433	11,264,529
9. Selling expenses	226,956,140	256,716,494
10. General and administration expenses	139,250,173	185,030,837
11. Other operating income	1,953,713	3,728,683
D. Operating profit (7 – 8 – 9 – 10 + 11)	286,415,383	337,578,736

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

NOTE 15: Operating result analysis (continued)

The cost of the goods sold also includes the adjustment regarding the transfer prices, in the sense of increasing costs, in the amount of 9,032,121 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.

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:	31.03.2023	31.03.2024
Workers	232	225
Technical, economic and administrative personnel	591	653
Total	823	878

Number of employees on:	31.03.2023	31.03.2024
Workers	251	236
Technical, economic and administrative personnel	619	683
Total	870	919

Payroll expenses	31 March 2023	31 March 2024
Gross salaries during the year	111,235,788	141,385,291
Lunch ticket expenses	3,218,085	5,284,830
Benefits in nature expenses	1,361,694	1,022,195
Insurance contribution for work	2,492,522	3,091,267
Preliminary salaries taxes	138,998	14,712
TOTAL	118,447,087	150,798,295

NOTE 17: Leasing contracts

The company has no financial leasing contracts at 31.03.2024.

The Company has 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	230
SC Porsche Mobility SRL	Contract no. 9112934 / 17.06.2014	Vehicles	46
LeasePlan Romania SRL	Contract no. 100664/2 / 25.05.2018	Vehicles	55
ETA automatizari industriale SRL	Contract no.194/18.06.2013	GPS	241
SC ROXER GRUP SA	Contract nr. 3536 / 01.08.2021	Echipamente xerox	18
SC GRENKE RENTING SRL	Contract nr.145-3157/25.09.2019	Laptopuri	196

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 43,482,259. The legal tax rate in force is 16%. The effective tax rate for the period is 12.67 %, less than standard rate due to tax facilities that the Company has benefited from. The Company had an accounting gross profit of RON 343,159,745 for the year ended 31 March 2024, a taxable profit of RON 368,462,467 and tax deductions in the amount of RON 15,471,746.

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

Crt, no,	Indicators	Row	12 month period ended at 31.03.2023	12 month period ended at 31.03.2024
			Value	Value
1	Accounting profit before tax	01	292,869,333	343,159,745
2	Deductions out of which:	02	40,365,990	38,954,896
	- deductible tax depreciation and amortization		40,365,990	38,954,896
	- deductibility regarding research expenses			
	-deductible provisions			
3	Non-taxable income out of which:	03	18,568,349	10,909,208
	- other non-taxable income		18,568,349	10,909,208
4	Non-deductible expenses out of which:	04	70,804,632	75,166,825
	- fines, taxes and penalties due to the Romanian Authorities		1,000	-
	- protocol and sponsorship expenses in excess of the allowable level		6,681,211	7,978,877
	- non-deductible provisions		9,966,481	18,601,842
	-accounting depreciation		44,577,435	42,931,259
	- other non-deductible expenses		5,368,060	5,654,847
5	Taxable profit (row 01 + row 02 – row 03-row 04 + row 05- row 06)	05	300,528,182	368,462,466
6	Total corporate income tax out of which:	06	48,084,509	58,953,995
	- corporate income tax at the rate of 16 %		48,084,509	58,953,995
7	Corporate income tax reductions calculated in accordance with applicable regulations	07	13,088,179	15,471,736
8	Corporate income tax due (row 08 – row 10)	08	34,996,330	43,482,259
9	Income tax related to previous years' rectifications	09	245,034	-
10	Income tax due (row 10- row 11)	10	35,241,364	43,482,259
11	Net accounting profit (row 01 - row 12)	11	257,627,969	299,677,486
12	Tax payments made in advance, tax credit used, additional payment used	12	37,080,412	45,914,646
13	Income tax payable/ to be recovered	13	(1,839,048)	(2,432,387)

At March 31, 2024, the company have an unused fiscal credit in the amount of RON 16,789.

NOTE 18: Other information (continued)

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.

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 2024.

The amount paid for consultancy services during the period 01.04.2023-31.03.2024 amounts to RON 178,426 and relates to the following: - management consultancy fees, amounting to RON 18,000;

- other consultancy services fees, amounting to RON 160,426.

The financial activity generated a gain of RON 5,581,010 as shown below:

- loss from exchange rate differences in the amount of RON 4,280,308, mainly due to the depreciation of the national currency against the foreign currencies;
- income interest in amount of RON 9,861,318 generated from bank deposits.

S.C. TERAPIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024
(all amounts are expressed in RON, unless specified otherwise)

NOTE 19: Analysis of main financial ratios

FINANCIAL RATIOS	VALUE	VALUE
	12 month period ended at 31.03.2023	12 month period ended at 31.03.2024
1. LIQUIDITY RATIOS		
A. CURRENT LIQUIDITY RATIO – <i>index</i> - (current assets/current liabilities)	3.27	3.66
B. ACID TEST RATIO - <i>index</i> - (current assets - inventories/current debts)	2.73	3.08
2.RISK RATIOS		
A.DEGREE OF INDEBTEDNESS RATIO (borrowed capital/employed capital)*100 (borrowed capital/equity)*100		
B. INTEREST COVERAGE RATIO (profit before interest and corporate income tax / interest expense) – RON	-	-
3. ACTIVITY RATIOS		
A. STOCK TURNOVER - number of rotations (cost of sales / average inventory balances)	3.96	3.41
B. STOCK DAYS – days- (average inventory balances / sales cost x 365)	92.11	107.02
C. DEBTORS’ DAYS–days- (average trade debtors’ balances / turnover)*365	133.23	147.20
D. RECEIVABLES TURNOVER - number of rotations (turnover / non-current assets)	3.39	3.69
E. TOTAL ASSETS TURNOVER - number of rotations (turnover / total assets)	1.01	0.96
4. PROFITABILITY RATIOS		
A. RETURN ON CAPITAL EMPLOYED % (profit before interest and corporate income tax / (equity +loan long term portion)	34.58	33.02
B. GROSS PROFIT MARGIN % (gross profit / turnover x 100)	59.52	61.90
5. PROFITABILITY PER SHARE		
A. EARNING PER SHARE - RON/ <i>share</i> (net distributable profit / weighted average number of ordinary shares)	1.03	1.20
Net distributable profit	257,627,969	299,677,486
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. This 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 2024 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 31.03.2024 represents the orders launched to the suppliers and not honored until the date of the financial statements. Capital commitments are in amount of RON 11,183,730 out of which RON 6,990,846 are related to expansion and improvement of constructions, RON 1,960,092 are related to production equipment, RON 1,542,581 are related to product licenses purchase, RON 232,857 are related to laboratory equipment and installations and RON 457,354 related to IT equipment.

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, USD, 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 2024 can be analysed as follows:

	RON	USD	EUR	Other currencies	Total
Current assets					
Trade receivables	489,599,562	1,128,227	30,513,542	39,148,544	560,389,875
Other receivables	17,457,350				17,457,350
Short-term investments	215,000,000	19,352,760			234,352,760
Cash and cash equivalents	10,221,215	31,984	82,349	2,699,331	13,034,878
Total current assets	732,278,126	20,512,971	30,595,891	41,847,875	825,234,863
Current liabilities					
Loans and interest					
Trade payables	64,788,213	2,819,093	74,434,807	39,747,955	181,790,069
Other payables	85,781,399		45,005		85,826,404
Total current liabilities	150,569,612	2,819,093	74,479,812	39,747,955	267,616,473

ii) Interest rate risk

The company has implemented a cash management policy to closely monitor unused funds and available credit facilities. Thus, the vast majority of interest-bearing assets as of March 31, 2024 include short-term financial investments. These assets have a variable interest rate. The credit line 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 31.03.2024, the company has covered the risk of non-payment for 99.9% 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.

NOTE 21: Risk management (continued)

Over 72% of the company's net turnover represents sales to the top 10 domestic clients of the company, these being the main distributors on the Romanian market.

NOTE 22: Fundamental errors

During the period 01.04.2023-31.03.2024, 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