

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**SUMMARY ANNUAL FINANCIAL STATEMENTS**  
**AT**  
**31 MARCH 2024**

*(This copy of the Summary Financial Statements is consistent in all aspects with the Audited Annual Financial Statements which is dated 2 May 2024, except that the prescribed officers' remuneration disclosure has been excluded)*

**PHARMA DYNAMICS PROPRIETARY LIMITED****SUMMARY ANNUAL FINANCIAL STATEMENTS AT 31 MARCH 2024****DIRECTORS**

CF Roos  
 T R Volle\*#  
 S Makharia\*#  
 S Mumtaz\*#

\* Non-executive director

# Foreign resident

<b>NATURE OF BUSINESS</b>	Distributors of generic medicines
<b>INCORPORATION</b>	The Company is incorporated in the Republic of South Africa
<b>HOLDING COMPANY</b>	Nanomi B.V. (incorporated in the Netherlands)
<b>ULTIMATE HOLDING COMPANY</b>	Lupin Ltd (incorporated in India)
<b>REGISTERED OFFICE</b>	1 <sup>st</sup> Floor, Grapevine House Steenberg Office Park Silverwood Close Westlake 7945
<b>POSTAL ADDRESS</b>	P O Box 30958 Tokai 7966
<b>REGISTRATION NUMBER</b>	2001/001124/07
<b>BANKERS</b>	Standard Bank
<b>AUDITORS</b>	Ernst & Young Inc.

The preparation of the summary annual Financial Statements was supervised by P C Engelbrecht.

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**APPROVAL OF SUMMARY ANNUAL FINANCIAL STATEMENTS**

The summary annual Financial Statements set out on pages 4 to 44 were approved by the board of directors on 2 May 2024 and are signed on its behalf by:




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**C F ROOS**

## **Independent Auditor's Report**

To the Shareholder of Pharma Dynamics Proprietary Limited

### **Report on the Summary Financial Statements**

#### ***Opinion***

The summary financial statements of Pharma Dynamics Proprietary Limited, which comprise the summary statement of financial position as at 31 March 2024, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and the related notes, set out on pages 7 to 43 are derived from the audited financial statements of Pharma Dynamics Proprietary Limited for the year ended 31 March 2024.

In our opinion, the accompanying summary financial statements, are consistent, in all material respects with the audited financial statements in accordance with International Financial Reporting Standards.

#### ***Summary financial statements***

The summary financial statements do not contain all the disclosures required for annual financial statements by the Companies Act of South Africa. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

#### ***The audited financial statements and our report thereon***

We expressed an unmodified audit opinion on the audited financial statements for the year ended 31 March 2024 in our report dated 2 May 2024.

#### ***Other information***

The directors are responsible for the other information. The other information comprises the information included in the 44-page document titled "Pharma Dynamics Proprietary Limited Summary Annual Financial Statements at 31 March 2024", which includes the Report of the Directors and Company secretary statement as well as the unaudited schedule of operating expenses. The other information does not include the summary financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### ***Director's responsibility for the summary financial statements***

The company's directors are responsible for the preparation of the summary financial statements in accordance with the requirements of International Financial Reporting Standards.



***Auditor's responsibility***

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

**Ernst & Young Inc.**

Director: Craig John Ellis  
Chartered Accountant (SA)  
Registered Auditor  
2 May 2024

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 R	2023 R
<b>Revenue</b>	2	<u>1 462 781 705</u>	<u>1 383 266 220</u>
<b>Turnover</b>	2	1 441 127 806	1 364 013 130
Cost of sales		<u>(738 255 674)</u>	<u>(664 331 574)</u>
<b>Gross profit</b>		702 872 132	699 681 556
Other income		4 477 214	514 020
Operating costs		<u>(581 939 608)</u>	<u>(544 459 310)</u>
<b>Profit from operations</b>	3	125 409 738	155 736 266
Interest income	2	21 653 899	19 253 090
Interest expense on lease liabilities		<u>(668 595)</u>	<u>(336 195)</u>
<b>Profit before taxation</b>		146 395 042	174 653 161
Taxation	4	<u>(39 307 387)</u>	<u>(47 324 607)</u>
<b>Profit for the year</b>		107 087 655	127 328 554
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>107 087 655</u></u>	<u><u>127 328 554</u></u>

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024**

	Note	2024 R	2023 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	6 405 534	3 489 453
Right of use asset	6	19 588 436	3 841 264
Investments	8	9 650 000	9 650 000
Intangible assets	7	57 574 815	48 417 536
Deferred tax	9	5 442 907	5 709 458
		<u>98 661 692</u>	<u>71 107 711</u>
<b>Current assets</b>			
Inventories	10	500 154 882	491 189 902
Trade and other receivables	11	388 606 245	328 637 209
Tax receivable		1 890 012	7 022 404
Cash and cash equivalents	12	331 564 064	306 683 241
		<u>1 222 215 203</u>	<u>1 133 532 756</u>
		<u>1 320 876 895</u>	<u>1 204 640 467</u>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital	13	100 000	100 000
Retained earnings		1 050 326 596	943 238 941
		<u>1 050 426 596</u>	<u>943 338 941</u>
<b>Non-current liabilities</b>			
Lease liability	14	16 519 701	1 556 100
		<u>16 519 701</u>	<u>1 556 100</u>
<b>Current liabilities</b>			
Trade and other payables	15	237 128 866	248 720 783
Lease liability	14	3 316 511	2 472 569
Derivative financial instruments	17	15 848	339 323
Provisions	16	13 469 373	8 212 751
		<u>253 930 598</u>	<u>259 745 426</u>
		<u>1 320 876 895</u>	<u>1 204 640 467</u>
<b>Total equity and liabilities</b>			

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Ordinary share capital R</b>	<b>Retained earnings R</b>	<b>Total R</b>
<b>Balance at 31 March 2022</b>	100 000	815 910 387	816 010 387
Total comprehensive income for the year	-	<u>127 328 554</u>	<u>127 328 554</u>
<b>Balance at 31 March 2023</b>	100 000	943 238 941	943 338 941
Total comprehensive income for the year	-	<u>107 087 655</u>	<u>107 087 655</u>
<b>Balance at 31 March 2024</b>	<u>100 000</u>	<u>1 050 326 596</u>	<u>1 050 426 596</u>

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 R	2023 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	21.1	163 104 186	194 582 754
Movements in working capital	21.2	<u>(108 916 213)</u>	<u>(119 296 961)</u>
		54 187 973	75 285 793
Interest received		21 438 091	19 993 584
Interest paid		(668 595)	(336 195)
Taxation paid	21.3	<u>(33 908 444)</u>	<u>(53 790 491)</u>
Net cash inflow from operating activities		<u>41 049 025</u>	<u>41 152 691</u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(5 869 083)	(2 151 897)
Proceeds from disposal of intangible assets		3 600 000	685 000
Purchase of intangible assets		(10 263 939)	(11 088 757)
Decrease in short term investments		<u>-</u>	<u>145 000 000</u>
Net cash (outflow)/inflow from investing activities		<u>(12 533 022)</u>	<u>132 444 346</u>
<b>Cash flow from financing activities</b>			
Repayment of lease liability		<u>(3 635 180)</u>	<u>(3 076 800)</u>
Net cash outflow from financing activities		<u>(3 635 180)</u>	<u>(3 076 800)</u>
Net movement in cash and cash equivalents		24 880 823	170 520 237
Cash and cash equivalents at beginning of year		<u>306 683 241</u>	<u>136 163 004</u>
Cash and cash equivalents at end of year	21.4	<u><u>331 564 064</u></u>	<u><u>306 683 241</u></u>



**PHARMA DYNAMICS PROPRIETARY LIMITED****NOTES TO THE SUMMARY FINANCIAL STATEMENTS  
AT 31 MARCH 2024****1 ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of these summary annual Financial Statements are set out below:

**1.1 Statement of compliance**

The summary annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of South Africa.

**Basis of preparation**

The summary annual Financial Statements are prepared on the historical cost basis, except where stated otherwise in the accounting policies below.

The accounting policies below have been applied consistently to all periods presented in the summary annual Financial Statements, except where the Company has adopted IFRS and IFRIC interpretations and amendments that became effective during the period. There were no new or revised IFRSs and interpretations that had a significant impact on the company's 2024 summary annual Financial Statements.

**1.2 Revenue recognition**

The Company recognises revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The following specific recognition criteria must also be met before revenue is recognised:

**Finance income**

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts the future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

**Revenue from the sale of goods**

The Company recognises revenue when it has satisfied a performance obligation by transferring goods to a customer.

**Performance obligations and timing of revenue recognition**

The Company's revenue is derived from the sale of pharmaceuticals to wholesalers and to direct customers. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer that reflects the consideration which the Company expects to be entitled in exchange for those goods. Revenue is recognised at a point in time when control of the goods has transferred to the customer.

The point at which control passes depends on the terms and conditions of the contract and is effective either once physical delivery or receipt of the products at the agreed location has occurred.

**Determining the transaction price**

The majority of the Company's revenue is derived from contracts which define a fixed price per unit sold. In certain contracts the consideration includes a variable element in the form of volume rebates and discounts, clawbacks and returns.

**PHARMA DYNAMICS PROPRIETARY LIMITED****NOTES TO THE SUMMARY FINANCIAL STATEMENTS  
AT 31 MARCH 2024 (Continued)****1 ACCOUNTING POLICIES (Continued)****1.2 Revenue recognition (continued)**

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Historical experience enables the Company to estimate reliably the value of discounts to be granted, rebates to be paid or clawbacks and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when goods are returned.

Certain contracts provide a customer with a right to return the goods within a specified period.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled.

The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a provision for sale returns. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

**Assets and liabilities arising from rights of return***Right of return assets*

Right of return assets represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

*Provision for sale returns*

Provision for sale returns is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer.

The Company updates its estimates of provision for sales returns (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

**Practical expedients applied**

The Company's contracts with customers are short term in nature (less than 12 months).

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of the consideration for the effects of a significant financing component if it expects at contract inception that the period between the transfer of the promised goods to the customer and when the customer pays for the goods will be one year or less.

**PHARMA DYNAMICS PROPRIETARY LIMITED**

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS  
AT 31 MARCH 2024 (Continued)**

**1 ACCOUNTING POLICIES (Continued)**

**1.3 Property, plant and equipment**

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Property, plant and equipment are subsequently stated at cost, less accumulated depreciation and any accumulated impairment in value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation commences when the assets are available for their intended use. Property, plant and equipment are depreciated on the straight-line basis over the expected useful lives of the various classes of assets, after taking into account residual values.

Useful lives of the property, plant and equipment, the depreciation method, depreciation rates, and residual values are reviewed on an annual basis, and adjusted prospectively, if appropriate.

Motor vehicles	20.00%
Furniture and fittings	16.67%
Office equipment	20.00%
Computer equipment	33.33%
Leasehold improvements	20.00%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Improvements to leasehold property are capitalised and depreciated over the period of the relevant lease agreements if there is no reasonable certainty that the lessee will obtain ownership of the asset at the end of the lease term.

**1.4 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against the profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

## PHARMA DYNAMICS PROPRIETARY LIMITED

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2024 (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### 1.4 Intangible assets (continued)

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

The expected useful lives are as follows:

- Trademarks	10 years
- Dossiers purchased / Licence agreements	10 years
- Computer software	5 years
- SAP software	10 years

The useful life of the intangible assets is reviewed annually and if the expected useful life differs from previous estimates the amortisation period is changed accordingly.

##### 1.5 Impairment of non-financial assets

At each reporting date the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, with the impairment loss being recognised in the statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss.

##### 1.6 Leases

The Company is party to lease contracts for:

- Buildings

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## PHARMA DYNAMICS PROPRIETARY LIMITED

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2024 (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### 1.6 Leases (continued)

###### i) Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over lease term. The right-of-use assets are also subject to impairment.

###### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### 1.7 Inventories

Inventory is valued at the lower of cost, determined on the weighted average basis and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Where necessary a provision is made for obsolete, slow moving or defective inventory.

##### 1.8 Financial Instruments

###### Financial Instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

###### i) Financial assets

###### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 1.2 Revenue from contracts with customers.

**PHARMA DYNAMICS PROPRIETARY LIMITED**

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS  
AT 31 MARCH 2024 (Continued)**

**1 ACCOUNTING POLICIES (Continued)**

**1.8 Financial Instruments (continued)**

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

***Financial assets at amortised cost (debt instruments)***

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company’s financial assets at amortised cost includes trade receivables, cash and cash equivalents and short term investments.

***Cash and cash equivalents***

Bank balances and cash in the statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, bank balances and cash consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

***Short term investments***

Short term investments in the statement of financial position comprise short term deposits at banks with an original maturity between three months and twelve months.

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

This category includes derivative instruments and investments.

## PHARMA DYNAMICS PROPRIETARY LIMITED

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2024 (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### 1.8 Financial Instruments (continued)

###### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

###### *Impairment of Financial Assets*

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. ECL has been measured on a collective basis as the various customers segments have similar loss patterns.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### ii) Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

###### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

**PHARMA DYNAMICS PROPRIETARY LIMITED**

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS  
AT 31 MARCH 2024 (Continued)**

**1 ACCOUNTING POLICIES (Continued)**

**1.8 Financial instruments (continued)**

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

*Trade and other payables*

Trade payables are obligations to pay for goods that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities as payment is due within 1 year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

**1.9 Provisions**

Provisions are recognised where there is a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

**1.10 Foreign currency translations**

*Functional and presentation currency*

Items included in the summary Financial Statements are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Company's functional and presentation currency is South African Rands and all amounts, unless otherwise indicated, are stated in South African Rands.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income. Exchange differences on non-monetary items are accounted for based on the classification of the underlying item.



## PHARMA DYNAMICS PROPRIETARY LIMITED

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2024 (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### 1.11 Taxes

###### *Current tax*

Income tax and capital gains tax on the profit or loss for the year comprise current and deferred tax. Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

###### *Deferred tax*

Deferred income tax and deferred capital gains tax are provided for on the comprehensive basis, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates enacted at the statement of financial position date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are not discounted.

Deferred tax relating to items which are charged or credited directly to equity, is also charged or credited directly to equity and is subsequently recognised in the statement of comprehensive income together with the deferred gain or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax liabilities are recognised for all taxable temporary differences.

###### *Value added tax ("VAT")*

Revenues, expenses and assets are recognised excluding VAT except:

- Where VAT incurred on a purchase of assets or services is not recoverable from the South African Revenue Service, the VAT is recognised as a part of the cost of acquisition of the asset or as a part of the expense item as applicable and
- Trade receivables and payables are stated inclusive of VAT.

The net amount of VAT recoverable or payable to the South African Revenue Service is included as a part of other payables or receivables.

###### *Withholdings Tax ("DWT")*

Dividend withholding tax is a tax on shareholders when dividends are paid to them. Dividends is paid over to the governing body by the entity paying the dividend. Due to double tax treaty agreement the Company does not pay dividend tax on dividends paid to it's holding company.

##### 1.12 Equity-Settled Employee Share Scheme

Share options in Lupin Limited are granted to directors and key employees of Pharma Dynamics. The scheme in operation is classified as equity-settled. The equity-settled scheme allows certain employees the option to acquire ordinary shares in Lupin Limited. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at grant date of the equity-settled share-based payment is charged as an employee-share option expense on a straight-line basis over the period that the employee becomes unconditionally entitled to the options, based on management of Lupin Limited's estimate of the shares that will vest and adjusted for the effect of non-market vesting conditions. These share options are not subsequently revalued.

## PHARMA DYNAMICS PROPRIETARY LIMITED

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2024 (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### 1.12 Equity-Settled Employee Share Scheme (continued)

Fair value is determined using the black scholes model where applicable. The fair value takes into account the terms and conditions on which the incentives are granted and the extent to which the employees have rendered services at the reporting date.

##### 1.13 Share-based payment transactions

###### Employees Stock Option Plans (“ESOPs”):

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is represented as a separate component in Other Equity under “Employee Stock Options Outstanding Reserve”. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

###### Cash-settled Transactions:

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

##### 1.14 Significant accounting judgements and estimates

###### *Judgements*

In the process of applying the Company’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the summary Financial Statements.

###### *Depreciation rates*

At the beginning of each financial year management reviews the assets for their expected remaining useful life and residual values and base their depreciation rates for the year on these inputs. Management takes into account factors such as the condition of the asset, manner of recovery and relevant market information when making this assessment.

###### *Amortisation rates*

At the beginning of each financial year management reviews the assets for their expected remaining useful life and residual values and base their amortisation rates for the year on these inputs. Management takes into account factors such as the forecasted sales, the profitability of the asset and relevant market information when making this assessment.

###### *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

###### *Impairment of Intangibles*

Impairment exists when the carrying value of the intangible asset exceeds its recoverable amount, which is the higher of its fair value and its value in use. Value in use is calculated by way of a net present value calculation taking into account current gross margins, medium term budgeted sales based on market data and discount rates. In addition, impairments may be considered as a result of delays in final registration at the South African Health Products Regulatory Authority (SAHPRA).

## PHARMA DYNAMICS PROPRIETARY LIMITED

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2024 (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### 1.14 Significant accounting judgements and estimates (continued)

###### *Incremental Borrowing Rate*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

###### *Bonus provision*

Management base the bonus provision on estimated bonus payouts taking into account whether the Company achieves its financial targets, individual staff performance and is at the directors' final discretion. Bonuses will be paid out once the annual summary Financial Statements have been approved.

###### *Stock obsolescence provision*

Stock items are reviewed on a line by line basis by management and any stock that is due to expire in six months is provided for. Slow moving items expected to realise less than cost have a provision raised or the difference between expected selling price less selling cost and original cost.

###### *Customer returns*

For the sale of goods, the Company recognises revenue net of returns and records a separate liability for expected returns as provisions. The Company estimates the amount of returns based on historical data for specific products.

###### *Expected credit loss (ECL)*

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast to economic conditions may also not be representative of customer's actual default in the future.

##### 1.15 Standards issued but not yet effective

###### *IFRS, Amendments and IFRIC interpretations issued but not yet effective*

The following IFRS and amendments that are relevant to the Company have been issued but are not yet effective for the current financial year. The Company will adopt these no later than their effective dates, to the extent that they are applicable to its activities.

###### *Amendments to IAS 1: Classification of liabilities as Current or Non-current*

Effective for annual periods beginning on or after 1 January 2024, the classification of liabilities as current or non-current; Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. This amendment has no significant impact on the summary Financial Statements of the Company.

###### *Amendments to IAS 21: Lack of exchangeability*

Effective for annual periods beginning on or after 1 January 2025. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. This amendment has no significant impact on the summary Financial Statements of the Company.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>2 REVENUE</b>		
Revenue comprises the following:		
Turnover	1 441 127 806	1 364 013 130
Interest income	21 653 899	19 253 090
	<u>1 462 781 705</u>	<u>1 383 266 220</u>
<b>Revenue from contracts with customers is made up as follows:</b>		
Gross sales	1 462 751 353	1 390 409 810
Sales returns, volume discounts and clawbacks	(21 623 547)	(26 396 680)
	<u>1 441 127 806</u>	<u>1 364 013 130</u>
<b>2.1 Disaggregated Revenue Information</b>		
Set out below is the disaggregation of the Company's revenue from contracts with customers		
<b>Types of Customers</b>		
Wholesalers	1 215 384 024	1 105 380 645
Direct Customers	225 743 782	258 632 485
	<u>1 441 127 806</u>	<u>1 364 013 130</u>
Revenue from direct customers is derived from the sale of goods to pharmacies, hospitals, government enterprises and other local and foreign customers		
<b>Types of goods</b>		
Cardiovascular	619 375 588	597 176 775
Over-the-counter	288 076 541	283 329 826
Central nervous system	289 218 010	244 702 012
Intravenous therapy	126 524 298	131 120 651
Family healthcare	58 497 502	48 413 407
Anti-Tuberculosis	59 435 867	59 270 459
<b>Total revenue from contracts with customers</b>	<u>1 441 127 806</u>	<u>1 364 013 130</u>
<b>2.2 Contract Balances</b>		
Trade Receivables (Note 11)	379 752 201	318 041 784
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.		

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**2 REVENUE (Continued)**

**2.3 Performance Obligations**

Information about the Company's performance obligations is summarised below:

*Sale of goods to customers*

The performance obligations are either satisfied upon delivery of the goods to the customers or once the invoice is raised depending on the terms and conditions of the contract or invoice. Payment is generally due within 30 to 90 days from delivery. Sales to wholesalers are made at the SEP (single exit price), to government at tender price and exports are sold at contract price. Some contracts provide customers with a right of return, volume discounts and clawbacks which results in contract liabilities i.e. deferred revenue (in the case of returns) and variable consideration in respect of volume discounts and clawbacks.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>3 PROFIT FROM OPERATIONS</b>		
Profit from operations is stated after taking the following items into account:		
<b>Expenses</b>		
Amortisation of intangible assets	5 896 199	5 696 102
Impairment of intangible assets	329 927	1 780 168
Auditors remuneration	1 755 655	1 578 309
-current year	1 617 815	1 514 709
-non audit service	137 840	63 600
Depreciation		
-Property, plant and equipment	2 953 002	1 834 975
-Leases	3 695 551	2 875 110
Direct Selling	221 511 916	193 208 318
Distribution	43 955 655	43 187 351
Promotion	33 029 702	33 055 896
Loss on foreign exchange	1 396 991	8 758 696
Employee costs		
Directors emoluments		
-Executive	7 155 683	7 583 937
-Salaries and wages	139 710 254	124 043 351
-Commissions	7 175 513	9 466 027
-Motor vehicle allowances	14 795 555	13 612 040
-Staff recruitment fees	843 735	1 679 794
-Staff training and welfare	3 209 096	3 471 398
-Employee Stock Ownership Plan (ESOP)	1 421 046	951 913

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>4 TAXATION</b>		
<b>Current income tax charge</b>	39 040 836	50 627 777
Current year	39 260 110	50 512 934
Prior year (over)/under provision	(219 274)	114 843
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	266 551	(3 303 170)
	39 307 387	47 324 607
<b>Tax rate reconciliation</b>	<b>%</b>	<b>%</b>
Normal rate of taxation	27.00	27.00
Prior year (over)/under provision	(0.15)	0.07
Non deductible expenses	-	0.03
Effective rate	26.85	27.10

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**5 PROPERTY, PLANT AND EQUIPMENT**

	<b>2024</b>			
	<b>Furniture and fittings R</b>	<b>Office equipment R</b>	<b>Computer equipment R</b>	<b>Total R</b>
Beginning of year assets at cost	504 799	826 303	5 378 662	6 709 764
Accumulated depreciation	(350 787)	(342 801)	(2 526 723)	(3 220 311)
<b>Carrying value</b>	<b>154 012</b>	<b>483 502</b>	<b>2 851 939</b>	<b>3 489 453</b>
Current year movements				
-additions	319 985	648 318	4 900 780	5 869 083
-disposals and retirements	-	-	-	-
cost	(10 050)	(220 229)	(1 882 233)	(2 112 512)
accumulated depreciation	10 050	220 229	1 882 233	2 112 512
-depreciation	(114 914)	(348 674)	(2 489 414)	(2 953 002)
<b>Balance at end of year</b>	<b>359 083</b>	<b>783 146</b>	<b>5 263 305</b>	<b>6 405 534</b>
Made up as follows:				
Balance at end of year				
-assets at cost	814 734	1 254 391	8 397 210	10 466 335
-accumulated depreciation	(455 651)	(471 246)	(3 133 904)	(4 060 801)
<b>Carrying value</b>	<b>359 083</b>	<b>783 145</b>	<b>5 263 306</b>	<b>6 405 534</b>

  

	<b>2023</b>			
	<b>Furniture and fittings R</b>	<b>Office equipment R</b>	<b>Computer equipment R</b>	<b>Total R</b>
Beginning of year assets at cost	954 166	385 666	4 585 462	5 925 294
Accumulated depreciation	(676 297)	(148 967)	(1 927 499)	(2 752 763)
<b>Carrying value</b>	<b>277 869</b>	<b>236 699</b>	<b>2 657 963</b>	<b>3 172 531</b>
Current year movements				
-additions	-	463 973	1 687 924	2 151 897
-disposals and retirements	-	-	-	-
cost	(449 366)	(23 336)	(894 724)	(1 367 426)
accumulated depreciation	449 366	23 336	894 724	1 367 426
-depreciation	(123 857)	(217 170)	(1 493 948)	(1 834 975)
<b>Balance at end of year</b>	<b>154 012</b>	<b>483 502</b>	<b>2 851 939</b>	<b>3 489 453</b>
Made up as follows:				
Balance at end of year				
-assets at cost	504 799	826 303	5 378 662	6 709 764
-accumulated depreciation	(350 787)	(342 801)	(2 526 723)	(3 220 311)
<b>Carrying value</b>	<b>154 012</b>	<b>483 502</b>	<b>2 851 939</b>	<b>3 489 453</b>

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**6 RIGHT OF USE ASSET**

	<b>2024</b>	
	<b>Property R</b>	<b>Total R</b>
<b>Beginning of year</b>		
-assets at cost	9 752 834	9 752 834
-accumulated depreciation	<u>(5 911 570)</u>	<u>(5 911 570)</u>
Carrying value	3 841 264	3 841 264
Current year movements		
-additions	19 442 723	19 442 723
-depreciation	<u>(3 695 551)</u>	<u>(3 695 551)</u>
<b>Balance at end of year</b>	<u><u>19 588 436</u></u>	<u><u>19 588 436</u></u>

	<b>2023</b>	
	<b>Property R</b>	<b>Total R</b>
<b>Beginning of year</b>		
-assets at cost	10 634 921	10 634 921
-accumulated depreciation	<u>(5 987 361)</u>	<u>(5 987 361)</u>
Carrying value	4 647 560	4 647 560
Current year movements		
-additions	2 068 814	2 068 814
-depreciation	<u>(2 875 110)</u>	<u>(2 875 110)</u>
<b>Balance at end of year</b>	<u><u>3 841 264</u></u>	<u><u>3 841 264</u></u>



**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

7 INTANGIBLE ASSETS	2024			2023		
	Cost R	Accumulated amortisation R	Carrying Value R	Cost R	Accumulated amortisation R	Carrying Value R
Purchase Dossiers/Licence Agreements	88 117 367	(35 363 142)	52 754 225	74 144 591	(30 857 800)	43 286 791
-Registered *	73 502 171	(35 363 142)	38 139 029	61 586 823	(30 857 800)	30 729 023
-Pending registration #	14 615 196	-	14 615 196	12 557 768	-	12 557 768
Computer software	10 679 381	(5 858 791)	4 820 590	9 598 679	(4 467 934)	5 130 745
	98 796 748	(41 221 933)	57 574 815	83 743 270	(35 325 734)	48 417 536

\* Dossiers which have been registered with the South African Health Products Regulatory Authority (SAHPRA)

# Dossiers which are pending registration with the South African Health Products Regulatory Authority (SAHPRA)

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Impairment R	Disposals R	Amortisation R	Carrying value at end of year
<b>2024</b>						
Purchase Dossiers/Licence Agreements	43 286 791	15 003 773	(329 927)	(701 070)	(4 505 342)	52 754 225
Computer software	5 130 745	1 080 702	-	-	(1 390 857)	4 820 590
	48 417 536	16 084 475	(329 927)	(701 070)	(5 896 199)	57 574 815
<b>2023</b>						
Purchase Dossiers/Licence Agreements	40 595 073	9 224 421	(1 780 168)	(944 524)	(3 808 011)	43 286 791
Computer software	4 071 448	2 947 388	-	-	(1 888 091)	5 130 745
	44 666 521	12 171 809	(1 780 168)	(944 524)	(5 696 102)	48 417 536

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>8 INVESTMENTS</b>		
Investment	<u>9 650 000</u>	<u>9 650 000</u>

The Company has an investment in an investment entity that invests mainly in BBBEE companies. The fair value is determined with regards to the fair value of the underlying investments and is included in Level 3 of the fair value hierarchy. The unobservable inputs are those of the underlying investments of which are not listed.

	<b>Statement of financial position</b>		<b>Statement of comprehensive income</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>9 DEFERRED TAX</b>				
Analysis of deferred tax				
Deferred tax assets/(liabilities)				
Intangibles	(1 047 820)	(1 381 103)	333 283	(354 131)
Expected credit losses	870 418	107 646	762 772	71 182
Provision for sales return	309 120	103 922	205 198	(152 327)
Provision for obsolete stock	1 266 826	3 421 900	(2 155 074)	3 075 327
Prepaid expenses	(1 644 085)	(1 093 142)	(550 943)	2 577 532
Provisions	5 593 275	4 449 927	1 143 348	(1 819 281)
Right-of-use asset	(5 260 604)	(987 432)	(4 273 172)	177 024
Lease liability	<u>5 355 777</u>	<u>1 087 740</u>	<u>4 268 037</u>	<u>(272 156)</u>
	<u>5 442 907</u>	<u>5 709 458</u>	<u>(266 551)</u>	<u>3 303 170</u>

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>10 INVENTORIES</b>		
The amounts attributable to the different categories are as follows:		
Raw materials	2 235 669	2 792 207
Work in progress	4 001 807	14 513 520
Finished goods	<u>493 917 406</u>	<u>473 884 175</u>
	<u>500 154 882</u>	<u>491 189 902</u>

The amount of write-downs of inventory recognised as expenses R 19 018 777 (2023: R 34 580 334) which is recognised in cost of sales. During the period, the provision for obsolete stock amounted to R 4 691 948 (2023: R 12 673 702). Inventory is written off due to the goods being damaged or expired.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>11 TRADE AND OTHER RECEIVABLES</b>		
Interest receivable	1 855 002	1 639 194
Trade receivables	379 752 201	318 041 784
Deposits	723 587	691 066
Prepayments	6 275 455	8 265 165
	<u>388 606 245</u>	<u>328 637 209</u>
Trade receivables is made up as follows:		
Gross trade receivables	384 050 560	318 573 368
Expected credit losses	(4 298 359)	(531 584)
Net trade receivables	<u>379 752 201</u>	<u>318 041 784</u>
Information about the credit exposures are disclosed in note 19.		
Set out below is the movement in the allowance for expected credit losses.		
Opening balance	(531 584)	(180 071)
Reversal of prior year provision	531 584	180 071
Write-off	4 512 446	1 443 620
Additions	(8 810 805)	(1 975 204)
Closing balance	<u>(4 298 359)</u>	<u>(531 584)</u>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>12 CASH AND CASH EQUIVALENTS</b>		
Bank and cash	76 866 934	3 925 952
Short term deposits	254 697 130	302 757 289
Cash and cash equivalents	<u>331 564 064</u>	<u>306 683 241</u>

The Company has pledged its trade receivables to Standard Bank to fulfil collateral requirements.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>		
	<b>R</b>	<b>R</b>		
<b>13 SHARE CAPITAL</b>				
Authorised 1 000 000 ordinary shares of R1 each	<u>1 000 000</u>	<u>1 000 000</u>		
Issued 100 000 ordinary shares of R1 each	<u>100 000</u>	<u>100 000</u>		
Reconciliation of number of shares in issue				
Issued shares at 1 April	100 000	100 000		
Shares Issued	<u>-</u>	<u>-</u>		
Issued shares at 31 March	<u>100 000</u>	<u>100 000</u>		
	<b>2024</b>	<b>2023</b>		
	<b>R</b>	<b>R</b>		
<b>14 LEASES</b>				
<b>Long Term Lease Liability</b>				
-Property	<u>16 519 701</u>	<u>1 556 100</u>		
	<u>16 519 701</u>	<u>1 556 100</u>		
<b>Short Term Lease Liability</b>				
-Property	<u>3 316 511</u>	<u>2 472 569</u>		
	<u>3 316 511</u>	<u>2 472 569</u>		
	<b>2024</b>	<b>2023</b>		
	<b>Minimum</b>	<b>Present</b>	<b>Minimum</b>	<b>Present</b>
	<b>payments</b>	<b>value of</b>	<b>payments</b>	<b>value of</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Within one year	5 082 458	3 316 511	2 682 236	2 472 569
After one year but not more than five years	<u>19 659 623</u>	<u>16 519 701</u>	<u>1 775 293</u>	<u>1 556 100</u>
Total minimum lease payments	24 742 081	19 836 212	4 457 529	4 028 669
Less amounts representing finance charges	<u>(4 905 869)</u>	<u>-</u>	<u>(428 860)</u>	<u>-</u>
Present value of minimum lease payments	<u>19 836 212</u>	<u>19 836 212</u>	<u>4 028 669</u>	<u>4 028 669</u>

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>14 LEASES (continued)</b>		
The following are the amounts recognised in profit or loss:		
Depreciation expense of right of use of asset	3 695 551	2 875 110
Interest expense on lease liability	668 595	336 195
Total amount recognised in profit or loss	<u>4 364 146</u>	<u>3 211 305</u>
Set out below are the carrying amounts of lease and the movements during the period:		
Opening balance	4 028 669	5 036 655
Additions	19 442 723	2 068 814
Interest	668 595	336 195
Payments	<u>(4 303 775)</u>	<u>(3 412 995)</u>
	<u>19 836 212</u>	<u>4 028 669</u>
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>15 TRADE AND OTHER PAYABLES</b>		
Trade payables *	137 069 591	177 858 590
Other payables	13 733 111	3 650 935
Accruals ^	79 510 507	64 592 068
VAT	<u>6 815 656</u>	<u>2 619 190</u>
	<u>237 128 866</u>	<u>248 720 783</u>

\*Included in trade payables is amounts owing to related parties. Refer to note 18 for details.

^Included in accruals is an amount of R 28 073 347 (2023: R 38 433 090) relating to stock in transit. Risk and rewards has transferred to the company based on International Commercial Terms and the goods are en route to final destinations in South Africa.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>16 PROVISIONS</b>		
Opening balance	8 212 751	14 398 246
Utilised	(8 212 751)	(14 398 246)
Additions	13 469 373	8 212 751
	<u>13 469 373</u>	<u>8 212 751</u>

**Provisions consist of:**

**Incentive bonus**

Incentive bonuses are based on year end audited results. These bonuses are paid out once the summary Financial Statements have been signed off. During the current financial year R 6 719 477 (2023: R 8 946 985) has been utilised against the 2023 financial year provision and R 9 414 325 (2023: R 6 719 477) has been added to the 2024 provision.

**Provision for Sale Returns**

Provision for sale returns are based on the total sales amount and is measured at the amount the Company ultimately expects it will return to the customer. During the current financial year R 384 896 (2023: R 949 071) has been utilised against the 2023 financial year provision and R 1 144 890 (2023: R 384 896) has been added to the 2024 provision.

**Incentives payable**

Included in provisions are incentives payable of R 2 910 158 (2023: R 1 108 378). During the current financial year, R 1 108 378 (2023: R 4 502 190) has been utilised against the 2023 financial year provision and R 2 910 158 (2023: R 1 108 378) has been added to the 2024 provision.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>17 DERIVATIVE FINANCIAL INSTRUMENTS</b>		
All foreign exchange contracts are derivative financial instruments and are classified at fair value through profit and loss. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs and are classified in Level 2 of the fair value hierarchy.		
Foreign exchange contract	(15 848)	(339 323)

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**18 RELATED PARTIES**

The following companies and other entities are regarded as related parties:

**Ultimate holding Company**

Lupin Ltd (Incorporated in India)

**Holding Company**

Nanomi B.V. (incorporated in the Netherlands)

**Subsidiaries of ultimate holding Company**

Lupin Atlantis Holdings

Transactions with related parties are in the ordinary course of business and has been concluded on normal market terms.

	<b>2024</b>	
	<b>Lupin Ltd</b>	<b>Lupin Atlantis</b>
	<b>R</b>	<b>Holdings</b>
	<b>R</b>	<b>R</b>
<b>Expenditure</b>		
-Management Fee	-	1 515 574
-Inventory Purchases	171 649 648	-
-Consultancy Fees	2 715 254	-
<b>Reimbursement by related party</b>		
-Equity Settled Employee Share Scheme	1 421 046	-
-IT Expenses	1 833 611	-
<b>Assets/Liabilities</b>		
-Amount owing to Related Parties	53 976 409	298 377

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**18 RELATED PARTIES (Continued)**

	<b>2023</b>	
	<b>Lupin Ltd</b>	<b>Lupin Atlantis</b>
	<b>R</b>	<b>Holdings</b>
	<b>R</b>	<b>R</b>
<b>Expenditure</b>		
-Management Fee	-	1 346 422
-Inventory Purchases	176 787 498	-
<b>Reimbursement by related party</b>		
-Equity Settled Employee Share Scheme	951 913	-
-IT Expenses	1 354 407	-
-Consultancy Fees	3 308 840	-
-Management Fees	1 346 422	-
-SAP Concur	125 490	-
<b>Reimbursement from related party</b>		
-Recovery of Travel Expenses	26 217	-
-Samples	1 000	-
-Consultancy Fees	640 445	-
<b>Assets/Liabilities</b>		
-Amount owing by Related Parties	286 680	-
-Amount owing to Related Parties	67 869 141	360 551



**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise trade and other receivables, cash and cash equivalents, short term investments and trade and other payables which arise directly from operations.

The Company has various other financial assets and liabilities such as investments and derivative financial instruments. The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk.

In assessing risk, the Company classifies financial assets and liabilities as follows:

<b>Assets</b>	<b>Note</b>	<b>At amortised cost R</b>	<b>Fair value through profit or loss R</b>	<b>Non-financial assets R</b>	<b>Total R</b>
<b>2024</b>					
Trade and other receivables	11	382 330 790	-	6 275 455	388 606 245
Cash and cash equivalents	12	331 564 064	-	-	331 564 064
Investments	8	-	9 650 000	-	9 650 000
<b>Total</b>		<b>713 894 854</b>	<b>9 650 000</b>	<b>6 275 455</b>	<b>729 820 309</b>
<b>2023</b>					
Trade and other receivables	11	320 372 044	-	8 265 165	328 637 209
Cash and cash equivalents	12	306 683 241	-	-	306 683 241
Investments	8	-	9 650 000	-	9 650 000
<b>Total</b>		<b>627 055 285</b>	<b>9 650 000</b>	<b>8 265 165</b>	<b>644 970 450</b>
<b>Liabilities</b>					
<b>Liabilities</b>	<b>Note</b>	<b>At amortised cost R</b>	<b>Fair value through profit or loss R</b>	<b>Non-financial assets R</b>	<b>Total R</b>
<b>2024</b>					
Trade and other payables	15	178 876 050	-	58 252 815	237 128 866
Lease liabilities	14	19 836 212	-	-	19 836 212
Derivative financial instruments	17	-	15 848	-	15 848
<b>Total</b>		<b>198 712 262</b>	<b>15 848</b>	<b>58 252 815</b>	<b>256 980 925</b>
<b>2023</b>					
Trade and other payables	15	219 942 615	-	28 778 168	248 720 784
Lease liabilities	14	4 028 669	-	-	4 028 669
Derivative financial instruments	17	-	339 323	-	339 323
<b>Total</b>		<b>223 971 284</b>	<b>339 323</b>	<b>28 778 168</b>	<b>253 088 776</b>

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**19.1 Credit risk**

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Potential concentrations of credit risk consist principally of trade receivables and short term investments and cash and cash equivalents.

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debt is not significant. The Company only deposits short term cash surpluses with major banks of high quality credit standing. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The Company uses a provision matrix to calculate ECLs for trade receivables.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates, such as regulated price increases and various other economic factors impacting the business, are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The concentration of cash and cash equivalents with the major banks are as follows:

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
Investec	75%	69%
Standard Bank	25%	31%

The Company did not consider there to be any significant credit risk exposure which has not been adequately provided for.

The short-term credit ratings per Moody's rating agency as at 31 March 2024 for Standard Bank and Investec is P-1.za.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**19.1 Credit risk (continued)**

Set out below is the information about the credit risk exposure on the Company's trade receivables.

31 March 2024	Outstanding Total	Current	Days past due			
			31 -60 Days	61 -90 Days	91 -120 Days	More than 121 Days
Expected credit loss rate		0.1398%	9.9323%	108.4734%	46.8996%	43.9642%
Estimated total gross carrying amount at default	384 050 560	367 594 278	11 429 424	609 042	1 584 429	2 833 387
Expected credit loss	4 298 359	513 741	1 135 204	660 648	743 091	1 245 675

31 March 2023	Outstanding Total	Current	Days past due			
			31 -60 Days	61 -90 Days	91 -120 Days	More than 121 Days
Expected credit loss rate		0.0313%	5.6784%	5.1024%	6.5535%	5.6930%
Estimated total gross carrying amount at default	318 573 368	311 044 792	4 916 109	451 968	1 045 350	1 115 149
Expected credit loss	531 584	97 374	279 156	23 061	68 507	63 486

The Company's maximum exposure to credit risk is as follows:

	2024 R	2023 R
Trade receivables, deposits and interest receivable	382 330 790	320 372 044
Short term deposits (refer Note 12)	254 697 130	302 757 289
Bank and cash	76 866 934	3 925 952
	<u>713 894 854</u>	<u>627 055 285</u>

**19.2 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**19.2 Liquidity risk (continued)**

	<b>Weighted average interest rate %</b>	<b>Carrying amount R</b>	<b>Contractual cash flows R</b>	<b>6 months or less R</b>	<b>More than 6 months R</b>
<b>2024</b>					
Non interest bearing liabilities					
-trade payables	-	178 876 050	(178 876 050)	(178 876 050)	-
Interest bearing liabilities					
-lease liability	9.59	19 836 212	(24 742 081)	(2 514 740)	(22 227 341)
- FEC liability		15 848	(15 848)	(15 848)	-
		<u>198 728 110</u>	<u>(203 633 979)</u>	<u>(181 406 638)</u>	<u>(22 227 341)</u>
<b>2023</b>					
Non interest bearing liabilities					
-trade payables	-	219 942 615	(219 942 615)	(219 942 615)	-
Interest bearing liabilities					
-lease liability	7.67	4 028 669	(4 457 529)	(1 116 224)	(3 341 305)
- FEC liability		339 323	(339 323)	(339 323)	-
		<u>224 310 607</u>	<u>(224 739 467)</u>	<u>(221 398 162)</u>	<u>(3 341 305)</u>

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**19.2 Liquidity risk (continued)**

The Company has substantial banking and borrowing capacity which has not been fully utilised due to the cash surpluses available. Total banking facilities are as follows:

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
Total facilities:		
Credit card	1 520 000	1 520 000
Foreign exchange contracts	18 000 000	18 000 000
Fleet management	800 000	800 000
Vehicle and asset finance	2 500 000	2 500 000
Letter of credit	5 000 000	5 000 000
	<u>27 820 000</u>	<u>27 820 000</u>
Unutilised Borrowing Facility:		
Credit card	961 150	1 116 910
Foreign exchange contracts	17 984 152	17 660 677
Fleet management	157 449	328 404
Vehicle and asset finance	2 500 000	2 500 000
Letter of credit	5 000 000	5 000 000
	<u>26 602 751</u>	<u>26 605 991</u>

**19.3 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include trade and other receivables, trade and other payables, loans and borrowings, cash and cash equivalents, short term investments and derivative financial instruments.

**19.3.1 Foreign currency risk management**

The Company undertakes certain transactions in foreign currencies, hence exposure to exchange rate fluctuations arise.

The Company had foreign liabilities at 31 March 2024 amounting to: EUR 2 243 567 (2023: EUR 2 680 495), USD 2 999 723 (2023: USD 4 413 325) and GBP Nil (2023: GBP 49 524). These amounts total R 102 688 094 (2023: R 134 163 284) and are included as part of trade and other payables per the statement of financial position.

The Company measures sensitivity to foreign exchange rates as the effect of a change in the foreign currency exchange rate on profit before tax based on the Company's exposure at 31 March. The Company regards a 15% change in the foreign exchange rate as being reasonably possible at 31 March.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**19.3.1 Foreign currency risk management (continued)**

The sensitivity of the Company's profit before tax due to a reasonably possible change in exchange rates, with all other variables held constant, through the impact on foreign purchases is as follows:

	<b>Movement in foreign currency rate*</b>	<b>Effect on profit before tax (and equity) R</b>
<b>2024</b>		
EURO	15%	6 914 947
US Dollar	15%	8 488 267

\*A weakening of the exchange rate will have an equal and opposite effect on profit before tax (and equity).

	<b>Movement in foreign currency rate*</b>	<b>Effect on profit before tax (and equity) R</b>
<b>2023</b>		
EURO	15%	8 244 283
Pound Sterling	15%	164 955
US Dollar	15%	11 715 254

The Company has trade payables that have foreign currency exposures that result from purchases of generic medicines in a currency basis that is different to the Company's functional currency. In order to mitigate the risk of these foreign currency transactions, these transactions are covered by forward exchange contracts.

All open foreign exchange contracts are valued at current market rates and resultant profits or losses as recognised in the statement of comprehensive income.

There were FEC contracts of R 15 848 as at 31 March 2024 (2023: R 339 323) with a nominal value of R 30 651 429 (2023: R 37 100 294).

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**19.3.2 Interest rate risk management**

The Company finances its operations through a mixture of excess cash and bank borrowings. As part of the process of managing the Company's interest rate risk, interest rate characteristics of new borrowings and the re-financing of existing borrowings are positioned according to expected movements in the interest rates.

The Company measures sensitivity to interest rates as the effect of a change in the Reserve Bank repo rate on profit before tax based on the Company's exposure at period end. The Company regards a 1% (2023: 1%) change in the Reserve Bank repo rate as being reasonably possible at period end. The sensitivity of the Company's profit before tax due to a reasonably possible change in interest rates, with all other variables held constant, through the impact on cash and cash equivalents is therefore as follows:

	<b>Movement in basis points</b>	<b>Effect on profit before tax (and equity)</b>
	<b>R</b>	<b>R</b>
<b>2024</b>	+100	2 546 971
	-100	(2 546 971)
<b>2023</b>	+100	3 027 573
	-100	(3 027 573)

**19.4 Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue to operate as a going concern while maximising the return to stakeholders.

The directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding to fund the Company's capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital.

The Company's overall risk management strategies remain unchanged from 2023.

<b>20 COMMITMENTS</b>	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
2024	3 189 926	7 859 749
2025	4 341 316	4 444 985
2026	9 748 017	3 187 066
	<u>17 279 259</u>	<u>15 491 800</u>

Commitments relate to the contractual obligations of future milestone payments for intangible assets. No securities were provided by the Company for these future commitments.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>21 NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>21.1 Cash generated from operations</b>		
Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	146 395 042	174 653 161
Adjusted for:		
Depreciation	6 648 553	4 710 085
Interest income	(21 653 899)	(19 253 090)
Interest expense	668 595	336 195
Movement in provision for bad debts	3 766 775	351 513
Movement in provisions	5 256 622	(6 185 495)
Impairment of intangible assets	329 927	1 780 168
Amortisation	5 896 199	5 696 102
Write down of inventory	19 018 777	34 580 334
Unrealised profit on foreign currency	(315 543)	(2 345 743)
Profit on sale of intangible assets	(3 600 000)	(203 184)
Other non cash flow items	693 138	462 708
Operating profit before working capital changes	<u>163 104 186</u>	<u>194 582 754</u>
<b>21.2 Movement in working capital changes</b>		
Increase in inventory	(27 983 757)	(167 665 461)
Increase in trade and other receivables	(63 520 003)	(5 549 567)
(Decrease)/increase in trade and other payables	(17 412 453)	53 918 067
	<u>(108 916 213)</u>	<u>(119 296 961)</u>
<b>21.3 Reconciliation of taxation paid during year</b>		
Balance at beginning of the year	7 022 404	3 859 690
Current tax recognised in the statement of comprehensive income	(39 040 836)	(50 627 777)
Balance at end of the year	<u>(1 890 012)</u>	<u>(7 022 404)</u>
Total tax paid	<u>(33 908 444)</u>	<u>(53 790 491)</u>
<b>21.4 Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:		
Cash and cash equivalents	<u>331 564 064</u>	<u>306 683 241</u>



**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**AT 31 MARCH 2024 (Continued)**

**22 DIRECTORS' EMOLUMENTS**

	<b>Executive Director</b>	
	<b>Cornelius Frederik Roos</b>	
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
Cash Salary	3 973 741	3 660 066
Medical Aid	62 348	53 566
Provident Fund	682 154	595 040
Trauma	13 702	25 108
Bonuses and performance related payments	1 338 678	2 244 598
Other Allowances	74 279	83 001
Car Allowances	250 000	240 000
Leave Paid	291 150	-
Employee Stock Ownership Plan (ESOP)	469 631	682 558
	<u>7 155 683</u>	<u>7 583 937</u>

Refer to page 1 for list of directors of the Company. Only directors who are remunerated by the Company have been disclosed. All individuals not listed as a director are considered prescribed officers of the Company.

**23 EVENTS SUBSEQUENT TO YEAR END**

No material facts or circumstances have occurred between the accounting date and the date the summary Financial Statements were issued.

**PHARMA DYNAMICS PROPRIETARY LIMITED**  
**UNAUDITED SCHEDULE OF OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<b>Expenditure</b>	<b>2024</b> <b>R</b>	<b>2023</b> <b>R</b>
Advertising	20 849 212	20 902 221
Agency fees	2 386 385	-
Amortisation of intangible assets	5 896 199	5 696 102
Auditor's remuneration	1 755 655	1 578 309
Bad debts	4 512 446	1 443 620
Bank charges	420 028	387 925
BEE charges	6 309 387	12 381 244
Broker administration costs	161 244	156 319
Cellphones	1 823 322	1 362 632
Commissions	7 175 513	9 466 027
Computer expenses	5 927 664	5 436 460
Consulting fees	7 432 998	7 699 082
Courier and postage	1 985 298	1 691 659
Depreciation – Property, plant and equipment	2 953 002	1 834 975
Depreciation – Leases	3 695 551	2 875 110
Direct selling	221 511 916	193 208 318
Distribution	43 955 655	43 187 351
Employee Stock Ownership Plan (ESOP)	1 421 046	951 913
Electricity and water	236 891	187 330
Entertainment	139 326	146 392
Group life and disability	2 132 369	1 931 334
Human resources	2 030 400	1 102 070
Impairment of intangible assets	329 927	1 780 168
Insurance	1 948 643	1 745 674
Legal fees	473 730	212 234
Loss on foreign exchange	1 396 991	8 758 696
Motor vehicle expenses	8 718 486	7 916 567
Office renovation	-	828 932
Relocation costs	-	308 527
Printing and stationery	261 920	348 105
Project development costs	72 722	270 691
Promotion	33 029 702	33 055 896
Rates	234 864	226 043
Recruitment fees	843 735	1 679 794
Refreshments	1 722 687	1 325 471
Rent	2 422 040	2 884 290
Repairs and maintenance	360 332	-
Regulatory expenses	7 627 817	6 975 738
Salaries and wages (including directors emoluments)	161 661 492	145 239 328
Samples	389 226	582 818
Staff training	3 209 096	3 471 398
Subscriptions	556 774	468 828
Telephone and fax	451 468	767 118
Trademark and patent	379 635	727 893
Trauma cover	350 815	633 400
Travel	4 009 607	3 636 681
Quality assurance	6 776 392	6 988 627
<b>Total Operating Expenses</b>	<b>581 939 608</b>	<b>544 459 310</b>