

ALKALOIDA Chemical Company Zrt.

ANNUAL REPORT

Financial Year

01 April 2020 – 31 March 2021

Tiszavasvári 15 April 2021

1 0 7 1 5 8 4 6 2 1 2 0 1 1 4 1 5

Statistical code

1 5 - 1 0 - 0 4 0 3 3 0

Company registration number

ALKALOIDA Chemical Company Zrt.

01.

"A" BALANCE Assets

USD

No.	Item	Previous year 31/03/2020	Previous year(s) modifications	Reference year 31/03/2021
a	b	c	d	e
002	A FIXED ASSETS (03.+11.+19.)	646,566,588	0	650,900,776
003	I. INTANGIBLE ASSETS (04. ... 10.)	52,302	0	67,027
004	1 Capitalised value of foundation and restructuring costs			
005	2 Capitalised value of research and development	0		0
006	3 Concessions and similar rights and assets k	0		0
007	4 Intellectual property	52,302	0	67,027
008	5 Goodwill	0		0
009	6 Advance payments on intangible assets	0		0
010	7 Revaluation of intangible assets	0		0
011	II. TANGIBLE ASSETS (12. ... 18.)	40,867,749	0	39,392,961
012	1 Land and buildings and related concessions and similar rights	32,938,250		32,411,023
013	2 Technical equipment, machinery and vehicles	3,892,143		3,845,089
014	3 Other equipment, fittings and vehicles	3,589,495		2,894,439
015	4 Breeding stock	0		0
016	5 Capital WIP, renovations	446,662		242,410
017	6 Advance payments on Capital WIP	1,199		0
018	7 Revaluation of tangible assets	0		0
019	III. FINANCIAL INVESTMENTS (20. ... 29.)	605,646,537	0	611,440,788
020	1 Long term investments in related companies	256,283,441		258,748,564
021	2 Long term loans given to related companies	349,363,096		352,692,224
022	3 Long term investments in non-related companies	0		0
023	4 Long term loans given to non-related companies	0		0
024	5 Other long term investments	0		0
025	6 Long term loans given to other investees	0		0
026	7 Other long term loans given	0		0
027	8 Securities representing long term loans	0		0
028	9 Revaluation of financial investments	0		0
029	10 Valuation difference of Financial investments	0		0
030	B CURRENT ASSETS (31.+38.+47.+54.)	39,936,126	0	50,832,574
031	I. INVENTORIES (32. ... 37.)	24,396,152	0	29,795,435
032	1 Raw materials and consumables	10,776,019		12,667,591
033	2 Work in progress and semi-finished products	6,947,689		10,805,112
034	3 Animals	0		0
035	4 Finished goods	6,642,931		4,680,421
036	5 Goods	0		0
037	6 Advance payments on inventories	29,513		1,642,311
038	II. RECEIVABLES (39. ... 46.)	13,104,406	0	19,297,883
039	1 Trade accounts receivable	1,959,839		698,294
040	2 Receivables from related companies	9,866,918		16,222,524
041	3 Receivables from non-related companies	0		0
042	4 Receivables from other investees	0		0
043	5 Bills of exchange receivables	0		0
044	6 Other receivables	1,277,649		2,377,065
045	7 Valuation difference of Receivables	0		0
046	8 Positive valuation difference of derivatives	0		0
047	III. MARKETABLE SECURITIES (48. ... 53.)	0	0	0
048	1 Investments in related companies	0		0
049	2 Investment in non-related companies in a significant degree	0		0
050	3 Other investments	0		0
051	4 Own shares, own quotas	0		0
052	5 Securities representing loans held for sale	0		0
053	6 Valuation difference of securities	0		0
054	IV. LIQUID ASSETS (55.+56.)	2,435,568	0	1,739,256
055	1 Cash in hand, cheques	2,114		2,447
056	2 Bank deposits	2,433,454		1,736,809
057	C PREPAID EXPENSES AND ACCRUED INCOME (58. ... 60.)	14,718,349	0	9,909,209
058	1 Accrued income	14,513,731		9,707,507
059	2 Prepaid expenses	204,618		201,702
060	3 Deferred expenses	0		0
061	TOTAL ASSETS (02.+30.+57.)	701,221,063	0	711,642,559

Date: TISZAVASVARI, APRIL 15, 2021

a vállalkozás vezetője
(képviselője)

1 0 7 1 5 8 4 6 2 1 2 0 1 1 4 1 5

Statistical code

1 5 - 1 0 - 0 4 0 3 3 0

Company registration number

ALKALOIDA Chemical Company Zrt.

62.

"A" BALANCE Liabilities

adatok USD-ban

No	Item	Előző év 31/03/2020	Previous year(s) modifications	Tárgyév 31/03/2021
a	b	c	d	e
063	D SHAREHOLDERS' EQUITY (64.+66. ... 70.+73.)	693,164,071	0	698,226,083
064	I. ISSUED CAPITAL	89,260,220		89,260,220
065	Of line 64: ownership shares repurchased at face value	0		0
066	II. ISSUED BUT NOT PAID CAPITAL (-)	0		0
067	III. CAPITAL RESERVES	296,794,237		296,794,237
068	IV. RETAINED EARNINGS FROM PREVIOUS YEAR	302,220,999		307,109,613
069	V. NON DISTRIBUTABLE RESERVES	0		0
070	VI. REVALUATION RESERVE	0		0
071	1. Revaluation reserve for value adjustment	0		0
072	2. Revaluation reserve for value assessment	0		0
073	VII. PROFIT AFTER TAX	4,888,615		5,062,013
074	E PROVISIONS (75. ... 77.)	1,014,665	0	3,847,712
075	1 Provisions for expected liabilities	1,014,665		3,847,712
076	2 Provisions for future expenses	0		0
077	3 Other provisions	0		0
078	F LIABILITIES (79.+84.+94.)	4,948,075	0	7,269,082
079	I. SUBORDINATED LIABILITIES (80. ... 83.)	0	0	0
080	1 Subordinated liabilities to related companies	0		0
081	2 Subordinated liabilities to companies with investment at relevant degree	0		0
082	3 Subordinated liabilities to other investees	0		0
083	4 Subordinated liabilities to other enterprises	0		0
084	II. LONG TERM LIABILITIES (85. ... 93.)	0	0	0
085	1 Long term credits	0		0
086	2 Convertible bonds	0		0
087	3 Debt on the issue of bonds	0		0
088	4 Investment and development loans	0		0
089	5 Other long term loans	0		0
090	6 Long term liabilities to related companies	0		0
091	7 Long term liabilities to non related but invested companies	0		0
092	8 Long term liabilities to other investees	0		0
093	9 Other long term liabilities	0		0
094	III. SHORT TERM LIABILITIES (95. ... 106.)	4,948,075	0	7,269,082
095	1 Short term credits	0		0
096	Of line 95: convertible bonds	0		0
097	2 Short term loans	0		0
098	3 Advance payments received from customers	231,721		0
099	4 Trade accounts payable	1,971,021		1,583,346
100	5 Bills of exchange payable	0		0
101	6 Short term liabilities to related companies	2,304,970		5,418,797
102	7 Short term liabilities to non related but invested companies	0		0
103	8 Short term liabilities to other investees	0		0
104	9 Other short term liabilities	440,363		266,939
105	10 Valuation difference of liabilities	0		0
106	11 Negative valuation difference of financial derivatives	0		0
107	G ACCRUED EXPENSES AND DEFERRED INCOME (108. ... 110.)	2,094,252	0	2,299,682
108	1 Deferred revenues	0		0
109	2 Accrued expenses and deferred income	1,656,084		1,881,385
110	3 Deferred income	438,168		418,297
111	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (63.+74.+78.+107.)	701,221,063	0	711,642,559

Date: TISZAVASVARI, APRIL 15, 2021

a vállalkozás vezetője
(képviselője)

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Statistical code

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Company registration number

ALKALOIDA Chemical Company Zrt.

"B" STATEMENT OF INCOME

(with turnover cost method)

adatok USD-ban

No	Item	Előző év 31/03/2020	Previous year(s) modifications	Tárgyév 31/03/2021
a	b	c	d	e
001	01. Net domestic sales	643,131		1,213,698
002	02. Net export revenues	36,804,623		39,652,004
003	I. NET SALES REVENUES (01+02)	37,447,754	0	40,865,702
004	03. Direct cost of sales	35,645,279		33,581,972
005	04. Cost of goods sold	1,495,051		1,223,874
006	05. Value of services provided	943		408,313
007	II. DIRECT COST OF SALES (03+04+05)	37,141,273	0	35,214,159
008	III. GROSS SALES INCOME (I.-II.)	306,481	0	5,651,543
009	06. Cost of sales	1,148,706		429,551
010	07. Administration cost	3,125,722		3,166,801
011	08. Other overheads	153,774		198,796
012	IV. INDIRECT COST OF SALES (06+07+08)	4,428,202	0	3,795,148
013	V. OTHER INCOME	1,105,980		664,063
014	- thereof: loss of value written back	239,302		608,254
015	VI. OTHER EXPENDITURES	5,876,265		6,489,435
016	- thereof: loss of value	4,172,509		2,680,053
017	A. TRADING PROFIT (+III-IV+V-VI)	-8,892,006	0	-3,968,977
018	09. Dividend received	0		0
019	- Of which: received from related companies	0		0
020	10. Gain on sale of investment	0		0
021	- Of which: received from related companies	0		0
022	11. Interest received and gain on financial investments	0		0
023	- Of which: received from related companies	0		0
024	12. Other interest received	14,666,762		9,820,788
025	- Of which: received from related companies	14,563,668		9,820,663
026	13. Other revenues from financial transactions	300,142		1,558,921
027	- Of which: Valuation difference	0		0
028	VII. REVENUES FROM FINANCIAL TRANSACTIONS (09+10+11+12+13)	14,966,904	0	11,379,709
029	14. Financial and foreign exchange loss of investments	0		43,461
030	- Of which: related companies	0		43,461
031	15. Financial and foreign exchange loss of long term financial assets (securities, loans)	0		741,940
032	- Of which: paid to related companies	0		741,940
033	16. Interest paid	289		34
034	- Of which: given to related companies	0		0
035	17. Losses on shares, securities and bank deposits	0		0
036	18. Other expenditures of financial transactions	774,507		1,116,806
037	- of which: valuation difference	0		0
038	VIII. EXPENDITURES OF FINANCIAL TRANSACTIONS (14+15+16+17+18)	774,796	0	1,902,241
039	B. FINANCIAL PROFIT (VII.-VIII.)	14,192,108	0	9,477,468
040	C. NET PROFIT BEFORE TAXATION (+A+B)	5,300,102	0	5,508,491
041	IX. TAX LIABILITY	411,487		446,478
042	D. NET PROFIT PER BALANCE SHEET (±C-IX)	4,888,615	0	5,062,013

Date: TISZAVASVARI, APRIL 15, 2021

a vállalkozás vezetője
(képviselője)

1 0 7 1 5 8 4 6 2 1 2 0 1 1 4 1 5

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1 5 - 1 0 - 0 4 0 3 3 0

Company registration number

ALKALOIDA Chemical Company Zrt.

"A" STATEMENT OF INCOME
(with total cost method)

adatok USD-ban

No.	Item	Előző év 31/03/2020	Previous year(s) modifications	Tárgyév 31/03/2021
a	b	c	d	e
01.	01. Net domestic sales revenues	643,131		1,213,698
02.	02. Net export sales revenues	36,804,623		39,652,004
03.	I. NET SALES REVENUES (01+02)	37,447,754	0	40,865,702
04.	03. Change in self-manufactured inventories	-4,804,814		1,894,913
05.	04. Capitalised value of self-manufactured assets	3,193,155		2,147,113
06.	II. CAPITALISED VALUE OF OWN PERFORMANCE (03±04)	-1,611,659	0	4,042,026
07.	III. OTHER INCOME	1,105,980		664,063
08.	Of which: loss of value written back	239,302		608,254
09.	05. Cost of raw materials	19,218,409		22,044,587
10.	06. Value of services used	6,106,729		5,732,014
11.	07. Value of other services	199,189		296,626
12.	08. Cost of goods sold	1,495,051		1,223,874
13.	09. Value of recharged services	943		408,313
14.	IV. MATERIAL-TYPE EXPENDITURES (05+06+07+08+09)	27,020,321	0	29,705,414
15.	10 Wages costs	7,047,833		7,376,839
16.	11. Other payments to personnel	1,057,257		1,232,982
17.	12. Personnel related contributions	1,391,561		1,240,436
18.	V. PAYMENTS TO PERSONNEL (10+11+12)	9,496,651	0	9,850,258
19.	VI. DEPRECIATION CHARGE	3,440,844		3,495,661
20.	VII. OTHER EXPENSES	5,876,265		6,489,435
21.	Of which: impairment loss provision	352,203		2,680,053
22.	A. TRADING PROFIT (I+II+III-IV-V-VI-VII)	-8,892,006	0	-3,968,977
23.	13. Dividend received	0		0
24.	- Of which: received from related companies	0		0
25.	14. Gain on sale of investment	0		0
26.	- Of which: received from related companies	0		0
27.	15. Financial and foreign exchange gain of long term financial assets (securities, loans)	0		0
28.	- Of which: received from related companies	0		0
29.	16. Other interest received	14,666,762		9,820,788
30.	- Of which: received from related companies	14,563,668		9,820,663
31.	17. Other revenues from financial transactions	300,142		1,558,921
32.	- Of which: valuation difference	0		0
33.	VIII. REVENUES FROM FINANCIAL TRANSACTIONS (13+14+15+16+17)	14,966,904	0	11,379,709
34.	18. Financial and foreign exchange loss of investments	0		43,461
35.	- Of which: related companies	0		43,461
36.	19. Financial and foreign exchange loss of long term financial assets (securities, loans)	0		741,940
37.	- Of which: paid to related companies	0		741,940
38.	20. Interest paid	289		34
39.	- Of which: given to related companies	0		0
40.	21. Losses on shares, securities and bank deposits	0		0
41.	22. Other expenditures of financial transactions	774,507		1,116,806
43.	IX. EXPENDITURES OF FINANCIAL TRANSACTIONS (19+20+21+22)	774,796	0	1,902,241
44.	B. FINANCIAL PROFIT (VII.-IX.)	14,192,108	0	9,477,468
45.	C. NET PROFIT BEFORE TAXATION (+-A+-B)	5,300,102	0	5,508,491
46.	X. TAX LIABILITY	411,487		446,478
47.	D. NET PROFIT PER BALANCE SHEET (IX.-X.)	4,888,615	0	5,062,013

Date: TISZAVASVARI, APRIL 15, 2021

head of the company
(representative)

1 PRESENTATION OF THE COMPANY

Our company limited was established by János Kabay in the North-Eastern part of Hungary, in Tiszavasvári, in 1927, as Alkaloida Chemical Factory.

ALKALOIDA Chemical Company Zrt. (hereinafter referred to as “Company”) is the member of the SUN Pharmaceutical Industries Ltd. international corporation based in India.

The abbreviated name of the Company: Alkaloida Chemical Company Zrt

Headquarters, site: Tiszavasvári, Kabay János street 29.

Tax number: 10715846-2-15

Company registration number: 15-10-040330

Company owner (ownership:99.99%)

Sun Pharma Holdings

MU-Sesroches & St Louis Streets

Port Louis

Registration number: C114331

Registry office: Republic of Mauritius

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

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

Name: Mihály Kaszás General Manager

Address: 4032 Debrecen, Pápai József street 12.

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

Data of the auditing company

Company name: Versatile Audit Auditing Company Ltd.

Company registration number: 15-09-071194

Data of the responsible auditor

Name: János Varga

Address: 4440 Nyíregyháza, Kandó Kálmán str. 12

Chamber membership no.: 002059

Person who is responsible for managing the accounting services.

Name: Timea Levenda Baloghné

Address: 4440, Tiszavasvári, Árpád str. 67

Registration number: 176726

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2020 – 31/03/2021

(DATA IN USD)

Core activities of ALKALOIDA Chemical Company Zrt.

Manufacturing of 2120 Pharmaceutical Products

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

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

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

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

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

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

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

Shares providing general rights

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

14.489.167 pieces of face value: 6 USD/pieces

Dividend priority share

36.500 pieces of face value: 6 USD /pieces

Redeemable shares

344.000 pieces of face value: 6 USD /pieces

Small investor shares

1.963 pieces of face value: 0.006 USD/pieces

Ownership structure:

Data in US

Shareholders	Number of shares				Par value (thousand HUF)				Percentage of ownership	
	31/03/2020		31/03/2021		31/03/2020		31/03/2021		31/03/2020	31/03/2021
	0.006 - USD	6. -USD	0.006 - USD	6. -USD	0.006 - USD	6. -USD	0.006 - USD	6. -USD	%	%
Sun Pharma Holdings Limited (Earlier Known as Nogad Holdings)	7,033,779	14,869,667	7,034,373	14,869,667	42,202.67	89,218,002	42,206.24	89,218,002	100.00%	100.00%
Small investors	2,557		1,963		15.34		11.78		0.00%	0.00%
Total	7,036,336	14,869,667	7,036,336	14,869,667	42,218.02	89,218,002	42,218.02	89,218,002	100.00%	100.00%

2 ACCOUNTING POLICY

1.1 General Information

Form of the report

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

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

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

Business year

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

Date of balance preparation

The date of balance preparation is the 15th April after the period.

Accounting

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

1.2 Major elements of the accounting policy

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

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

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

Evaluation procedures applied at the compilation of annaul report.

Intangible Assets

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

Expectable useful life of intangible assets is the following:

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

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2020 – 31/03/2021 (DATA IN USD)

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

Tangible Assets

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

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

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

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

Invested Financial Assets

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

Inventory

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

Accounting of Securities and Transactions in Foreign Currency

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

Valuation at Real Value

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

3 COMPLETION TO THE REPORTING DATA

3.1 Composition of assets

Data in USD

Description	31/03/2020	31/03/2021	Deviation	Index % 2021/2020
Intangible assets	52,302	67,027	14,725	128.15%
Tangible assets	40,867,749	39,392,961	-1,474,788	96.39%
Invested financial assets	605,646,537	611,440,788	5,794,251	100.96%
Fixed assets	646,566,588	650,900,776	4,334,188	100.67%
Inventories	24,396,152	29,795,435	5,399,283	122.13%
Receivables	13,104,406	19,297,883	6,193,477	147.26%
Securities	0	0	0	0.00%
Liquid assets	2,435,568	1,739,256	-696,312	71.41%
Current assets	39,936,126	50,832,574	10,896,448	127.28%
Accrued and deferred assets	14,718,349	9,909,209	-4,809,140	67.33%
Total of assets	701,221,063	711,642,559	10,421,496	101.49%

3.1.1 Intangible assets

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

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

3.1.2 Tangible assets

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

The decrease in the tangible assets has been caused by the net value of the accounted depreciation and of the scrapped tangible assets exceeding the investments. The value of the activated capital expenditure is 2.253 thousand USD, and the stock of WIP capital expenditure is 242 thousand USD in the reported period.

Changes in the stock are given in the Annex 2.

Renewal and enlarge of assets will continue.

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

	01/04/2020 Opening USD	Increasing USD	Decreasing USD	31/03/2021 Closing USD
Gross value	5,396,608	3,238	0	5,399,846
Depreciation	2,974,387	499,165	0	3,473,552
Net value	2,422,221	3,238	499,165	1,926,294

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2020 – 31/03/2021 (DATA IN USD)

3.1.3 Invested Financial Assets

Description	31/03/2020	31/03/2021
Long term investment to associated companies	256,283,441	258,748,564
Long term investment to others	0	0
Long-term credits given to associated companies	349,363,096	352,692,224
Invested financial asset	605,646,537	611,440,788

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

3.1.4 Inventory

Data in USD

Description	31/03/2020	Discard value	Write off	31/03/2021	Index %
Raw Materials and consumables	10,776,019	18,758	130,216	12,667,591	118%
Semi-finished goods and work in progress	6,947,689	62,424	50,668	10,805,112	156%
Live stock	-	-	-	-	0%
Finished goods	6,642,931	-10,759	-222,365	4,680,421	70%
Goods	-	-	-	-	0%
Advance payments for stock, goods	29,513	-	-	1,642,311	0%
Total	24,396,152	70,422	-41,482	29,795,435	122%

Raw material inventory and WIP increased in the actual financial year.

Advance payment for stock was paid to the Sun Australia

3.1.5 Receivables

Description	Data in USD	
	31/03/2020	31/03/2021
Domestic trade receivables	64,484	57,738
Export trade receivables	1,895,355	640,556
Receivables to related companies	9,866,918	16,222,524
Other receivables	1,277,649	2,377,065
Receivables	13,104,406	19,297,883

Our receivables from related companies come from delivery of goods and services.

At the end of the period the Company has no overdue receivables at related parties.

Receivables against parent company: 0

Receivables against subsidiaries: 64.997 USD

Classification of receivables

		Data in USD	
Description		31/03/2020	31/03/2021
Due receivables		1 269 798	539509
Overdue receivables		690 041	158785
of which:	between 0-90 days	583 875	155768
	between 91-180 days	101 268	3017
	between 181-360 days	4 898	0
	over days	0	34118
Total		1 959 839	698294

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

		Data in USD	
Description	31/03/2020	31/03/2021	
Opening	90,746	95,972	
Growth in devaluation	9,947	2,735	
Devaluation writeback	0	4,471	
Bad debt writte-off	4,721	60,118	
Closing	95,972	34,118	

The Company charged devaluation only on overdue receivables similarly to the previous year within accounted devaluation.

Value loss was not accounted for receivables are relating to the related loss in the value.

The details of other receivables are shown in the table below

Other receivables	31/03/2020	31/03/2021
Advance payments for services	1,311	772,097
Meal allowances settlement	1,651	-
Advance payment for salary to employee	47,903	86,752
Duty	36,486	41,570
Advance payments against rendering accounts	-	2,990
Refundable VAT	1,077,440	1,398,016
Local tax	26,149	11,254
Corporation tax	-	-
Other receivables	67,724	64,386
National health insurance found	18,985	-
Total	1,277,649.00	2,377,065.00

Among other receivables the VAT receivables decreased significantly.

3.1.6 Cash and Bank

At the end of the current year the total USD value of the cashes was 1.739.256 USD of which 2.447 USD was in the home cash office.

In the reported period the Company had three account-keeping banks: The Hungarian branch office of Raiffeisen Bank Zrt., CIB Bank Zrt. and the ING Bank N.V.

The company has HUF and foreign exchange accounts at each of these banks, the largest part of turnover is represented by the ING followed by the CIB and Raiffeisen bank.

3.1.7 Amount of accrued income

Description	Data in USD		Index %
	31/03/2020	31/03/2021	
Services, sold energy	0	0	0.00%
Interest on deposits tied up	14,513,732	9,707,507	66.88%
Accrued income	14,513,732	9,707,507	66.88%
Car tax	437	427	0.00%
Not used materials receipt as expense	0	45,100	0.00%
Insurance fee	17,517	434	0.00%
Membership fees	0	0	0.00%
Registration cost	163,126	128,409	78.72%
Construction and civil engineering tax	23,360	24,675	0.00%
Subscription fees	178	2,657	1492.70%
Accrued expenses	204,618	201,702	98.57%
Deferred expenses	-	-	0.00%
Total	14,718,350	9,909,209	67.33%

The amount of accruals increased during the reported period. IC affiliates have not paid the interests on their given loans which is the reason why the accrued income increased.

3.2 Composition, presentation of sources

Data in USD

Description	31/03/2020	31/03/2021	Deviation	Index % 2021/2020
Issued capital stock	89,260,220	89,260,220	0	100.00%
Capital reserve	296,794,237	296,794,237	0	100.00%
Profit reserve	302,220,999	307,109,613	4,888,614	101.62%
Tied up reserves	0	0	0	0.00%
Profit or loss per balance sheet	4,888,615	5,062,013	173,398	103.55%
Equity capital	693,164,071	698,226,083	5,062,012	100.73%
Provisions	1,014,665	3,847,712	2,833,047	100.00%
Deferred liabilities	0	0	0	0.00%
Long-term liabilities	0	0	0	0.00%
Short-term liabilities	4,948,075	7,269,082	2,321,007	146.91%
Liabilities	4,948,075	7,269,082	2,321,007	146.91%
Accrued and deferred liabilities	2,373,943	2,094,252	-279,691	88.22%
Total of Sources	701,500,754	711,437,129	9,936,375	101.42%

3.2.1 Own share

Data in USD

Description	31/03/2020	31/03/2021	Difference 2020-2019	Index % 2020/19
Subscribed capital	89,260,220	89,260,220	0	100.00%
Capital reserve	296,794,237	296,794,237	0	100.00%
Accumulated profit reserve	302,220,999	307,109,613	4,888,614	101.62%
Tied-up reserve	0	0	0	0.00%
Net profit per balance sheet	4,888,615	5,062,013	173,398	103.55%
Own capital	693,164,071	698,226,083	5,062,012	100.73%

The profit reserve has significantly increased compared to the previous year due to the dividend received in the previous year, on the other hand the reporting period net profit per balance sheet decreased compared to the previous year.

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

3.2.2 Long term liabilities

The long term liabilities was paid back until the end of the period.
In the reporting period our company was not granted any long term loans.

3.2.3 Short term liabilities

Description	Data in USD	
	31/03/2020	31/03/2021
Short term loans	0	0
Advance from costumers	231,721	0
Suppliers	1,971,021	1,583,346
Short term liabilities to related company	2,304,970	5,418,797
Other liabilities	440,363	266,939
Total	4,948,075	7,269,082

Short term liabilities row contains the repayment installment of leasing debt within one year.

Actual liabilities against the related companies are resulted from delivery.

Liabilities to parent company: 0

Liabilities to subsidiaries: 12.016 USD

Other Short term liabilities:

Description	Data in USD		
	31/03/2020	31/03/2021	Index %
Tax liabilities			0.00%
Corporate income tax	388,149	229,219	59.05%
Company car tax	1,485	1,579	106.33%
Innovation fee	26,695	12,079	45.25%
Rehabilitation contribution	22,813	23,161	101.53%
Other	1,221	901	73.79%
Total	440,363	266,939	60.62%

3.2.4 Accrued and deferred liabilities

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

Description	Data in USD		
	31/03/2020	31/03/2021	Index %
Deferred income	0	0	0.00%
Deferred costs	1,656,084	1,881,385	113.60%
Deferred expenditures - interest on loan	0	0	0.00%
Accrued income	438,168	418,297	95.46%
Total	2,094,252	2,299,682	109.81%

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

Data in USD			
Description	31/03/2020	31/03/2021	Index%
Deferred costs	1,656,084	1,881,385	113.60%
Maintanance	119,559	121,557	101.67%
Environmental protection cost	90,340	222,424	246.21%
Audit	16,814	-	0.00%
Energy supply	162,587	167,261	102.87%
Wages, staff reduction related costs	689,905	805,566	116.76%
Bonus	386,837	478,309	0.00%
Safety technology cost	29,141	36,209	124.25%
Cleaning cost	11,973	-	0.00%
Other service	121,832	3,324	2.73%
Training	-	1,663	0.00%
Fuel cost	4,647	3,245	69.83%
Contract labour cost	17,414	-	0.00%
Travel	1,625	1,716	0.00%
Transportation cost	3,410	3,366	98.72%
Material cost	-	31,091	
Insurance	-	5,653	0.00%

3.3 Data of profit and loss account

3.3.1 Sales revenue

Domestic and export sales distribution:

Data in USD			
Description	31/03/2020	31/03/2021	Index%
Domestic	643,131	1,213,698	188.72%
Export	36,804,623	39,652,004	107.74%
Total	37,447,754	40,865,702	109.13%

98.3 percent of the total revenue comes from the export.

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

Description	31/03/2020	31/03/2021
	USD	USD
Europe	6,908,052	5,468,849
of which: EU	6,685,991	4,233,795
America	17,175,699	19,068,919
Asia	12,605,696	15,077,162
Africa	105,277	26,574
Australia	9,900	10,500
Total	36,804,623	39,652,004

3.3.2 Other income

Description	Data in USD	
	31/03/2019	31/03/2020
Revenue from sale of intangible and tangible	28,460	16,385
Deduct of previous years inventory provision	239,302	603,783
Writeback of receivable devaluation from previous year	0	4,471
Other	718,040	19,663
Rounding	16,259	0
Received delay interest,compensation	34,664	3,990
Provision writeback	47,650	0
Received subsidy for costs compensation	21,600	24,810
Total	1,105,975	673,103

3.3.3 Breakdown of cost by types of cost

Description	Data in USD	
	31/03/2020	31/03/2021
Capitalised value of own performance	- 1,611,654	4,042,025.00
Capitalised value of self produced assets	3,193,160.00	2,147,112.00
Change in self-produced inventory	- 4,804,814.00	1,894,913.00
correction of change of stocks/ devaluation		
Material related expenses	27,020,323	29,705,414
Material cost	19,218,410	22,044,587
Services rendered	6,106,730	5,732,014
Cost of goods sold	1,495,051	1,223,874
Intermediated services	943	408,313
Value of other services	199,189	296,626
Staff expenses	9,496,653	9,850,257
Wages and salaries	7,047,833	7,376,839
Personal related expenses	1,057,258	1,232,982
Social security contribution	1,391,562	1,240,436
Depreciation and amosrtisation	3,532,501	3,440,845

Environmental protection cost

Description	Value in USD	
	31/03/2020	31/03/2021
Operation of a remediation system	648,602.75	479,555.00
Material costs	0.00	0.00
Dues stamps	22.76	655.60
Demolition of buildings		
Work related to remediation	9,398.95	12,074.40
Depreciation	472,665.54	499,165.00
Total	1,130,690.00	991,450.00

Salary and headcount data

Payroll taxes

Payroll taxes by title	USD
Social security contribution	1,148,251
Health contribution	724
Contribution to vocational training fund	91,461
Total	1,240,436

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

Staff group	Average statistical headcount	Wage costs	Contributions of wages	Other Compensation	Staff costs altogether
	persons	USD	USD	USD	USD
Full-time, blue collar	301	3,928,731	680,977	721,186	4,608,273
Full-time white collar	146	3,367,989	549,547	493,576	4,814,369
Part time employees	8	76,055	9,240	18,145	79,388
Others not in staff	7	4,065	672	76	-5,377
Total	462	7,376,839	1,240,436	1,232,982	9,496,653

3.3.4 Turnover cost type result-account

Data in USD

Description	31/03/2020	31/03/2021
Cost of sales	35,645,279	33,581,972
Cost of goods sold	1,495,051	1,223,874
Intermediated services	943	408,313
Direct costs of sales	37,141,273	35,214,159
Management costs	3,125,722	3,166,801
Sales, marketing costs	1,148,706	429,551
Other overhead	153,774	198,796
Indirect costs	4,428,202	3,795,148

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2020 – 31/03/2021

(DATA IN USD)

3.3.5 Other expenditure

Description	Data in USD	
	31/03/2020	31/03/2021
Provision for expected costs	1,014,665	2,833,047
Devaluation Inventory and receivable	4,172,509	2,680,053
Net value of assets sold	0	0
Taxes	394,810	434,009
Fines	4,228	1,299
Compensation for damages	701	203,276
Other	24,046	14,109
Scrapping	247,468	290,548
Penalty interest	2,820	225
Environment pollution fee	13,203	18,717
Accumulation of provisions	81	0
Refunding to OEP	703	0
Rounding	0	9,037
Law suit costs	0	0
Other expenditures	1,031	1,008
Depreciation	0	13,144.83
Total	5,876,265	6,498,473

3.3.6 Result of financial operations

Description	Data in USD	
	31/03/2020	31/03/2021
Revenues from financial trans.		
Dividend income	0	0
Other interest received	103,094	125
Interest received from related companies	14,563,668	9,820,663
Other revenues from financial transactions exchange gain	209,756	1,558,283
Revenues from financial trans.	14,876,519	11,379,071
Expenses on financial transactions		
Financial and foreign exchange loss of investments	0	0
Interest paid	289	34
Exchange loss on fin. Investments	0	785,401
Interest paid to related companies	0	0
Receivables, liabilities, exchange loss	684,121	1,116,805
Expenses on financial transactions	684,410	1,902,241
Profit (loss) of financial transactions	14,192,109	9,476,830

3.3.7 Taxation

	Data in USD	
	31/03/2020	31/03/2021
Corporate Tax		
Income before taxation	5,300,098	5,508,491
Items deductible from income before tax		
Loss carried forward utilised	4,572,082	4,960,872
Depreciation accounted as per the act on taxation, and the registration value defined when the asset was derecognised	3,363,637	3,429,822
Deduction of previous years devaluation for receivables	0	4,471
The amount of previous years impairment reversal	47,650	0
Total	7,983,369	8,395,165
Items increasing the income before tax		
Provisions for expected liabilities	1,014,665	2,833,047
Depreciation accounted as cost and the amount accounted as expenditure when the asset is derecognised	3,440,844	3,482,517
Amount of devaluation accounted as expenditure for receivables	9,947	2,735
Costs related to activities other than business	1,031	1,008
Binding judgements	2,355	352
Write off debts to related companies	0	0
Difference between market price actual price applied to group companies /interest free loan/	2,786,511	1,527,888
Revision of result		
Total	7,255,353	7,847,547
Tax base	4,572,082	4,960,873
Corporate tax	411,487	446,479
Profit after tax	4,888,611	5,062,012

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

Following table presents tax base calculated based on income minimum.

	Data in USD	
Description	31/03/2020	31/03/2021
Total income	53,520,638	52,918,512
Income increasing items	0	0
Income decreasing items	0	0
Adjusted income	53,520,638	52,918,512
2% of adjusted income	1,070,413	1,058,370
Tax base	1,070,413	1,058,370
Tax liability based on minimum income calculation	96,337	95,253

3.4 Transactions with businesses within a group.

Associated Company	Data in USD		
	Customer turnover	Supplier turnover	Customer/Supplier turnover
Sun Pharmaceutical Ind. Australia	0.00	7,492,338	-7,492,338
Ohm Laboratoires Inc	101,250	273,900	-172,650
Chattem Chemicals.	4,435	273,050	-268,615
Terapia SA	315,920	0	315,920
Ranbaxy UK	901,500	0	901,500
Ranbaxy Italia/Sun Italia	98,899	0	98,899
Sun Pharma Germany	192,337	0	192,337
Taro Pharmaceuticals Canada	71,381	0	71,381
Sun Pharmaceutical Industries Ltd.	13,841,192	2,670,584	11,170,609
Sun Pharmaceutical Industries Inc.	18,492,554	36,891	18,455,662
Sun Pharma (Europe)	1,318,314	76,437	1,241,877
Sun Pharma Netherlands BV	0.00	14,300	-14,300
Total	35 337 782	10 837 500	24 500 281

4 Other complements

4.1 Research, development, investment

In the years 2020-2021 research, experimental and development costs were not incurred at the company in its own activities.

4.2 Environmental protection, outgoings on Environmental protection

The biological sewage-treatment plant has been operated continuously. The sewage sludge forming during the cleaning and considered to be hazardous waste has been disposed of through composting.

Hazardous waste has been incinerated during the reporting period. Non-hazardous waste has been deposited.

The following returns and reports concerning the previous year have been prepared for the environmental protection authority:

Report on hazardous and non-hazardous wastes,
Report on air contamination point sources and on organic solvent emission sources,
Underground water protection data sheets (tank parks and sewage plant),
Water quality basic and annual reports on sewage emission to surface waters;

No air and water loading charges were payable to tax authority.

ENCOTECH Ltd. has prepared study on emission of air required by Authority. Read values were under the specified limits.

Három Kör DELTA Ltd. has completed the ground water and shallow ground water monitoring tests, to be performed twice a year as required by the authority, and submitted the concerning evaluative report. Following authority order the existing system was completed with new wells drilled.

The operation of the groundwater discharging system at the contaminated areas marked SZI-SZ-VIII-SZ-X by Biocentrum Kft. was continuous.

Remediation of SZU-II. was continuous in the reported period, hazardous waste was deposited and contaminated air coming from strippers was incinerated. Waste incinerator was already closed at the beginning of the financial year and started in January 2017.

Recovery system for remediation activities of the area behind Incinerator has been completed, trial operation has been started.

2.833.047 USD provision was separated for Environmental liabilities in the financial year 2020/21

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

In the reporting period, our Company is in litigation with one of our suppliers, Chongping Nansong Chemi-Tech Co, at the request of the firm's legal counsellor a value of 1 014 665 USD was pledged as a contingent liability to provide cover for the diminished prospects of the litigation.

4.4 There are no additional balance items

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

4.6 Balance sheet and the profit and loss statement do not include any further breakdown beyond the determined breakdown, neither aggregation.

4.7 Business Management, Board of Directors, Supervisory Board

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

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

4.8 Cash flow account

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

4.9 Liquidity, capital structure, profitability

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

15. April 2021, Tiszavasvári

Mihály Kaszás
General Manager

INTANGIBLE ASSETS
2020/2021

Description	Opening 01/04/2020 USD	Addition USD	Deletion USD	Closing 31/03/2021 USD
Gross value				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development	2,759,899			2,759,899
Concessions and similar rights and assets k	534,937	44,918	9,364	570,491
Intellectual property				
Goodwill				
Advance payments on intangible assets				
Revaluation of intangible assets				
Total	3,294,836	44,918	9,364	3,330,390
Depreciation				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development	2,759,899			2,759,899
Concessions and similar rights and assets k	482,635	30,193	9,364	503,464
Intellectual property				
Goodwill				
Advance payments on intangible assets				
Revaluation of intangible assets				
Total	3,242,534	30,193	9,364	3,263,363
Net value				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development				
Concessions and similar rights and assets k	52,302	14,725		67,027
Intellectual property				
Goodwill				
Advance payments on intangible assets				
Revaluation of intangible assets				
Total	52,302	14,725	0	67,027

TANGIBLE ASSETS
2020/2021

Description	Opening	Addition		Deletion		Closing
	01/04/2020 USD	USD	USD	USD	USD	31/03/2021 USD
Gross value						
Land and buildings and related concessions and similar	54,358,310	954,332		95,486	55,217,156	
Technical equipment, machinery and vehicles	31,406,654	987,711		3,551,153	28,843,212	
Other equipment, fittings and vehicles	14,783,488	267,231		1,587,027	13,463,692	
Breeding stock						
Capital WIP, renovations	446,662	2,005,023		2,209,274	242,411	
Advance payments on Capital WIP	1,199	101,843		103,042	0	
Revaluation of tangible assets						
Total	100,996,313	4,316,140		7,545,982	97,766,471	
Depreciation						
Land and buildings and related concessions and similar	21,420,059	1,479,902		93,828	22,806,133	
Technical equipment, machinery and vehicles	27,514,511	1,030,375		3,546,764	24,998,122	
Other equipment, fittings and vehicles	11,193,993	955,192		1,579,932	10,569,253	
Breeding stock						
Capital WIP, renovations						
Advance payments on Capital WIP						
Revaluation of tangible assets						
Total	60,128,563	3,465,469		5,220,524	58,373,508	
Net value						
Land and buildings and related concessions and similar	32,938,251	-525,570		1,658	32,411,023	
Technical equipment, machinery and vehicles	3,892,143	-42,664		4,389	3,845,090	
Other equipment, fittings and vehicles	3,589,495	-687,961		7,095	2,894,439	
Breeding stock	0	0		0	0	
Capital WIP, renovations	446,662	2,005,023		2,209,274	242,411	
Advance payments on Capital WIP	1,199	101,843		103,042	0	
Revaluation of tangible assets						
Total	40,867,750	850,671		2,325,458	39,392,963	

Long term investments in related companies 2020/2021

Company	Location	Proprietary share (%)	Nominal value		Book value USD 31/03/2021
			Currency	Value	
USD					
Domestic					
Reanal Finomvegyszergyár Zrt.	Hungary	0.81	THUF	1,167	-
Total domestic					
Overseas					
Taro Pharmaceutical Industries Ltd	Israel	60.9	ILS	2,711	239,842,016
Sun Ph. Industries (Europe) BV	Netherlands	100	EUR	18,000	21,143
Sun Ph Germany GmbH	Germany	100	EUR	25,000	29,365
Sun Pharmaceuticals France	France	100	EUR	-	-
SUN Farmacêutica do Brasil Ltda	Brazil	99.58	BRL	23,307,436	11,749,882
Sun Pharmaceuticals Switzerland	Switzerland	100	CHF	100,000	106,158
Tarsius Pharma			USD	5,500,000	5,500,000
Cosmose Inc.			USD	1,500,000	1,500,000
Total overseas					258,748,564
Total investments					258,748,564

Long term given loans to related companies						
Company	Currency	2020.03.31	Increase	Decrease	31/03/2021	Book Value USD
Ranbaxy Italia	EUR	3,351,482	64,399	3,415,881	0	0
SP Germany	EUR	2,250,000	0	350,000	1,900,000	2,231,761
SP France	EUR	711,168	13,665	724,833	0	0
SP Brasil	USD	36,556,293	0	0	36,556,293	36,556,293
Caraco USA	USD	305,876,145	14,428,025	6,400,000	313,904,170	313,904,170
Total						352,692,224

CASH-FLOW STATEMENT FOR THE YEAR 2020/2021 ("A" TYPE)

USD

No.	Designation	Previous year 31/03/2020	Reference year 31/03/2021
	I. Change in cash out of ordinary activity (lines 1-13.)	19,220,668	7,117,153
	(operational cash flow)		
1	± Profit or loss before tax	5,300,102	5,508,491
	Profit or loss before tax correction	0	0
	Corrected Profit or loss before tax	5,300,102	5,508,491
2	+ Depreciation charge	3,440,845	3,495,661
3	± Loss in value/write back of loss in value	4,180,756	2,375,492
4	± Difference between provisions made and used	967,015	2,833,047
5	± Proceeds from sale of invested assets	-28,460	-16,385
6	± Change in trade accounts payable	-3,381,315	2,726,152
7	± Change in other short term liabilities	626,675	-405,145
8	± Change in accrued expenses	-279,691	205,430
9	± Change in trade accounts receivables	8,408,354	-5,094,061
10	± Change in current assets (except for: trade accounts and liquid assets)	5,334,809	-8,874,191
11	± Change in prepaid expenses	-4,936,935	4,809,140
12	- Corporate tax paid (payable)	-411,487	-446,478
13	- Dividend paid (payable)		
	II. Change in cash provided by operating activities (lines 14-16.)	-3,241,483	-4,484,335
14	- Purchase of invested assets	-3,269,943	-4,500,720
15	+ Sales of invested assets	28,460	16,385
16	+ Dividend received	0	0
	III. Change in cash used in investing activities (lines 17-27.)	-18,625,907	-3,329,128
17	+ Share issue (capital increase)	0	0
18	+ Bond issue		
19	+ Borrowings	0	0
20	+ Repayment, cancellation of long term loans and bank deposits	-18,625,907	-3,329,128
21	+ Cash received		
22	- Share withdrawal	0	0
23	- Bond redemption		
24	- Loan repayment		
25	- Long term loans given and bank deposits		
26	- Cash transferred		
27	± Change in liabilities towards the owners and in other long term liabilities		
	IV. Movement in cash and cash equivalent (±I±III. lines)	-2,646,722	-696,310

LIQUIDITY	2019/2020	2020/2021	CHANGE
Liquidity ratio = $\frac{\text{Current assets}}{\text{Short term liabilities}}$	8.07	6.99	-13%
Quick asset ratio = $\frac{\text{Current assets} - \text{Stocks}}{\text{Short term liabilities}}$	3.14	2.89	-8%
Cash liquidity ratio (cash ratio) = $\frac{\text{Cash and Bank} + \text{Securities}}{\text{Short term liabilities}}$	0.49	0.24	-51%
Dynamic liquidity = $\frac{\text{Trading (operating) profit (loss)}}{\text{Short term liabilities}}$	-1.80	-0.55	-70%
Term indicator (day) = $\frac{\text{Current assets} - \text{Stocks}}{(\text{Material-related expenses} + \text{staff expenses} + \text{Other expenses} + \text{Paid interest and interest related expenses} + \text{Tax payment liability}) / 365}$	132.51	165.13	25%
Short term operation safety indicator = $\frac{\text{Current assets} - \text{Short term liabilities}}{\text{Short term liabilities}}$	7.07	5.99	-15%
Long term operation safety indicator = $\frac{\text{Owner's equity} + \text{Deferred liabilities} + \text{Long term liabilities}}{\text{Fixed assets}}$	1.07	1.07	0%

DEBT SERVICE	2019/2020	2020/2021	CHANGE
Interest coverage I. = $\frac{\text{Trading (operating) profit (loss)}}{\text{Paid interest and interest related expenses}}$	-30768.19	-116734.62	279%
Interest coverage II. = $\frac{\text{Ordinary entrepreneurial profit (loss)} + \text{Paid interest and interest related expenses} - \text{Received interest and interest related revenues}}{\text{Paid interest and interest related expenses}}$	-32409.59	-126831.26	291%
EBITDA coverage I. = $\frac{\text{Trading (operating) profit (loss)} + \text{Amortisation}}{\text{Paid interest and interest related expenses}}$	-18862.15	-13921.06	-26%
EBITDA coverage II. = $\frac{\text{Ordinary entrepreneurial profit (loss)} + \text{Paid interest and interest related expenses} - \text{Received interest and interest related revenues} + \text{Amortisation}}{\text{Paid interest and interest related expenses}}$	-20503.55	-24017.71	17%
Cash-flow coverage = $\frac{\text{Profit (loss) after taxation} + \text{Amortisation}}{\text{Paid interest and interest related expense}}$	28821.66	251696.28	773%
Debt repayment ability = $\frac{\text{Profit (loss) after taxation} + \text{Amortisation}}{\text{Liabilities}}$	1.68	1.18	-30%

CAPITAL STRUCTURE	2019/2020	2020/2021	CHANGE
Capital adequacy = $\frac{\text{Owner's equity}}{\text{Assets total}}$	0.99	0.99	0.4%
Rate of indebtedness = $\frac{\text{Liabilities}}{\text{Assets total}}$	0.01	0.01	-41.7%
Net indebtedness = $\frac{\text{Liabilities - Receivables}}{\text{Owner's equity}}$	-0.02	-0.01	-46.5%
Capital strain indicator = $\frac{\text{Liabilities}}{\text{Owner's equity}}$	0.01	0.01	-41.9%
Long term indebtedness = $\frac{\text{Deferred liabilities + Long term liabilities}}{\text{Deferred liabilities + Long term liabilities + Owner's equity}}$	0.00	0.00	0.0%
Liabilities / Tangible assets = $\frac{\text{Liabilities}}{\text{Tangible assets}}$	0.18	0.11	-39.2%
Liabilities / Tangible net worth = $\frac{\text{Liabilities}}{\text{Owner's equity - Intangible asse}}$	0.01	0.01	-41.9%
Internal generation of equity capital = $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.45	0.01	-98.4%

WORKING CAPITAL	2019/2020	2020/2021	CHANGE
Working capital adequacy = $\frac{\text{Current assets - Short term liabilities}}{\text{Assets total}}$	0.08	0.05	-34.0%
Turnaround of working capital = $\frac{\text{Net sales revenue}}{\text{Current assets - Short term liabilities}}$	0.75	1.07	43.2%
Short term liabilities / Tangible net worth = $\frac{\text{Buyer stock}}{\text{Supplier stock}}$	1.44	0.99	-30.7%
Short term liabilities / Tangible net worth = $\frac{\text{Short term liabilities}}{\text{Owner's equity - Intangible asse}}$	0.01	0.01	-41.9%

PROFITABILITY I.		2019/2020	2020/2021	CHANGE
Return on Equity (ROE)	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.71%	0.72%	2.8%
Return on Sales (ROS)	$\frac{\text{Profit (loss) after taxation}}{\text{Net sales revenue}}$	13.05%	12.39%	-5.1%
Return on Assets (ROA)	$\frac{\text{Profit (loss) after taxation}}{\text{Assets total}}$	0.70%	0.71%	2.0%
Profit (loss) after taxation / Working capital	$\frac{\text{Profit (loss) after taxation}}{\text{Current assets - short term liabilities}}$	13.97%	11.62%	-16.8%
Profit (loss) after taxation / Tangible net worth	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity - Intangible asset}}$	0.71%	0.73%	2.8%
Equity-proportional profit (loss) before taxation	$\frac{\text{Profit (loss) before taxation}}{\text{Owner's equity}}$	0.76%	0.79%	3.2%
Sales-proportional profit(loss) before taxation	$\frac{\text{Profit (loss) before taxation}}{\text{Net sales revenue}}$	14.15%	13.48%	-4.8%
Asset-proportional profit (loss) before taxation	$\frac{\text{Profit (loss) before taxation}}{\text{Assets total}}$	0.76%	0.77%	2.4%
Profit rate of activity 1	$\frac{\text{Trading (operating) profit (loss)}}{\text{Net sales revenue}}$	-23.75%	-9.71%	-59.1%
Profit rate of activity 2	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Net sales revenue}}$	-25.01%	-10.55%	-57.8%
Trading profit (loss) /Owner's equity	$\frac{\text{Trading (operating) profit (loss)}}{\text{Owner's equity}}$	-1.28%	-0.57%	-55.7%
PROFITABILITY II.		2019/2020	2020/2021	CHANGE
Trading profit (loss) / Assets total	$\frac{\text{Trading (operating) profit (loss)}}{\text{Assets total}}$	-1.27%	-0.56%	-56.0%
EBIT / Assets total	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Assets total}}$	-1.34%	-0.61%	-54.6%
EBIT / Tangible net worth	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Owner's equity - Intangible assets}}$	-1.35%	-0.62%	-54.3%
EBITDA / Assets total	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue + Amortisation}}{\text{Assets total}}$	-0.85%	-0.11%	-86.4%
Return on Investment (ROI)	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity + Deferred liabilities + Long term liabilities}}$	0.71%	0.72%	2.8%
Return on Capital Employed (ROCE) (Capital-proportional EBITDA)	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Owner's equity + Deferred liabilities + Long term liabilities}}$	-1.35%	-0.62%	-54.3%
Return on Invested Capital (ROIC)	$\frac{\text{Trading (operating) profit (loss) * (1 - Company tax rate)}}{\text{Total liabilities - Suppliers - Accruals}}$	-1.16%	-0.51%	-56.0%
Profit reinvestment ratio (Rate of capital growth)	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.71%	0.72%	2.8%
Gross margin	$\frac{\text{Sales sales revenue - (Material related expenses + Staff expenses)}}{\text{Net sales revenue}}$	2.49%	3.21%	29.0%
Export ratio	$\frac{\text{Net export sales revenue}}{\text{Net sales revenue}}$	98.28%	97.03%	-1.3%

INDEPENDENT AUDITORS' REPORT

To the owners of ALKALOIDA Chemical Company Ltd.

Opinion

We have audited the accompanying financial statements of **ALKALOIDA Chemical Company Ltd.** (hereinafter referred to as „the Company”) which comprises the balance sheet as at 31. March 2021 - in which the balance sheet total is **711 642 559 USD, the profit after tax is 5 062 013 USD** -, the related income statement for the financial year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31. December 2020 and of the results of its operations for the year then ended in accordance with the provisions of Act C of 2000 on Accounting (“Accounting Act”), in force in Hungary.

Basis for opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing, and with applicable laws and regulations in force. A detailed description of my responsibilities to comply with the standards is included in section "The auditor's responsibility for the audit of the financial statements".

In accordance with the relevant legislation in force in Hungary and in accordance with the “Rules of Conduct (ethics) rules and the disciplinary action of the audit profession” of the Chamber of Hungarian Auditors and, with regard to the issues not settled in the abovementioned, in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) we are independent of the Company and we comply with the additional ethical principles laid down in the standards.

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

Other information: The Business report

Other information includes the business report of **ALKALOIDA Chemical Company Ltd.** of 31.03.2021. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Act and other pieces of legislation. The section of "Adverse opinion" of our independent audit report of the financial statements shall not apply to the business report.

In relation to the audit of the financial statements, it is our responsibility to read the business report and to assess whether the business report is consistent with the financial statements and with the audit evidence obtained during our audit or otherwise appears to be materially misstated. If, on the basis of our work we conclude that the other information is materially misstated we have the obligation to report on this and on the nature of the misstatement.

Under the Hungarian Accounting Act it is also our responsibility to assess whether the business report has been prepared in accordance with the provisions of the Accounting Act and other relevant regulations and it is our responsibility to express an opinion on this and on whether the business report is consistent with the financial statements.

In our opinion, the business report of **ALKALOIDA Chemical Company Ltd.** of 31.03.2021. is consistent with the financial statements of **ALKALOIDA Chemical Company Ltd.** of 31.03.2021. and with the provisions of the Accounting Act in all material respects. Since there are no additional legal requirements for the Company on the business report we do not express an opinion in this regard.

I have not identified neither any significant contradiction nor any material misstatements of other nature in the business report so in this respect I have nothing to report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Act C of 2000 on Accounting applicable in Hungary, 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.

Preparing the financial statements it is the responsibility of the management to assess the Company's ability to continue as a going concern as well as to disclose matters related to going concern and the management is responsible for the preparation of the going concern basis financial statements. The management is to apply the going concern principle unless the implementation of this principle is prevented by other provisions, other factors or circumstances.

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

Auditor's Responsibilities for the audit of the financial statements

The objective of our audit is 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 independent 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 HNSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on Basis of these financial statements.

In accordance with Hungarian National Auditing Standard, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and evaluate the risks of material misstatement of the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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.
- Evaluate the appropriateness of accounting policies applied and the reasonableness of accounting estimates and related disclosures made by management.

Versatile Audit Kft.

1100 Nyíregyháza, Munkácsi út 53.

Adószám: 13874337-2-15066-2-15-09-071194

Számlaszám: 10404405-30526771-53651005

- We conclude on the appropriateness of management's use of the going concern basis of preparation of the annual financial statements 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.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the additional Annex, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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, if any, that we identify during our audit.

Nyíregyháza, 2021.04.15.