

**ALKALOIDA Vegyészeti Gyár Zrt.,  
Tiszavasvári**

**REPORT**

on the audit  
of the annual financial statements  
as of 31 March 2022

## **CONTENT**

- I. BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
- II. NOTES TO THE FINANCIAL STATEMENT
- III. BUSINESS REPORT
- IV. INDEPENDENT AUDITOR'S REPORT

**I. BALANCE SHEET AND PROFIT AND LOSS  
ACCOUNT**

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 31/03/2021	Previous year(s) modifications	Reference year 31/03/2022
a	b	c	d	e
002	<b>A FIXED ASSETS</b> (03.+11.+19.)	<b>650,900,776</b>	0	<b>658,040,321</b>
003	<b>I. INTANGIBLE ASSETS</b> (04. ... 10.)	67,027	0	47,168
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		47,168
007	4 Intellectual property	67,027	0	0
008	5 Goodwill	0		0
009	6 Advance payments on intangible assets	0		0
010	7 Revaluation of intangible assets	0		0
011	<b>II. TANGIBLE ASSETS</b> (12. ... 18.)	39,392,961	0	37,249,998
012	1 Land and buildings and related concessions and similar rights	32,411,023		30,974,955
013	2 Technical equipment, machinery and vehicles	3,845,089		3,177,542
014	3 Other equipment, fittings and vehicles	2,894,439		2,701,432
015	4 Breeding stock	0		0
016	5 Capital WIP, renovations	242,410		165,702
017	6 Advance payments on Capital WIP	0		230,367
018	7 Revaluation of tangible assets	0		0
019	<b>III. FINANCIAL INVESTMENTS</b> (20. ... 29.)	611,440,788	0	620,743,155
020	1 Long term investments in related companies	258,748,564		259,297,899
021	2 Long term loans given to related companies	352,692,224		359,945,256
022	3 Long term investments in non-related companies	0		1,500,000
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	50,832,574		47,538,036
028	9 Revaluation of financial investments	29,795,435		27,722,396
029	10 Valuation difference of Financial investments	12,667,591		9,847,804
030	<b>B CURRENT ASSETS</b> (31.+38.+47.+54.)	<b>10,805,112</b>	0	<b>10,611,588</b>
031	<b>I. INVENTORIES</b> (32. ... 37.)	0	0	0
032	1 Raw materials and consumables	4,680,421		7,165,057
033	2 Work in progress and semi-finished products	0		81,528
034	3 Animals	1,642,311		16,419
035	4 Finished goods	19,297,883		19,218,164
036	5 Goods	698,294		1,479,109
037	6 Advance payments on inventories	16,222,524		14,765,111
038	<b>II. RECEIVABLES</b> (39. ... 46.)	0	0	0
039	1 Trade accounts receivable	0		0
040	2 Receivables from related companies	2,377,065		2,973,944
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	0		0
045	7 Valuation difference of Receivables	0		0
046	8 Positive valuation difference of derivatives	1,739,256		597,476
047	<b>III. MARKETABLE SECURITIES</b> (48. ... 53.)	2,447	0	2,238
048	1 Investments in related companies	1,736,809		595,238
049	2 Investment in non-related companies in a significant degree	9,909,209		7,879,178
050	3 Other investments	9,707,507		7,721,156
051	4 Own shares, own quotas	201,702		158,022
052	5 Securities representing loans held for sale	0		0
053	6 Valuation difference of securities	711,642,559		712,898,393
054	<b>IV. LIQUID ASSETS</b> (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	<b>C PREPAID EXPENSES AND ACCRUED INCOME</b> (58. ... 60.)	<b>14,718,349</b>	0	<b>9,909,209</b>
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	<b>TOTAL ASSETS</b> (02.+30.+57.)	<b>701,221,063</b>	0	<b>713,457,535</b>

Date:

TISZAVASVARI, APRIL 15, 2022

head of the company  
(representative)

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Statistical code

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Company registration number

ALKALOIDA Chemical Company Zrt.

62.

"A" BALANCE Liabilities

adatok USD-ban

No	Item	Previous year 31/03/2021	Previous year(s) modifications	Reference year 31/03/2022
a	b	c	d	e
063	<b>D SHAREHOLDERS' EQUITY</b> (64.+66. ... 70.+ 73.)	<b>698,226,083</b>	0	<b>703,775,572</b>
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	307,109,613		312,171,625
069	V. NON DISTRIBUTABLE RESERVES	0		0
070	VI. REVALUATION RESERVE	0		0
071	1. Revaluation reserve for value adjustment	5,062,013		5,549,490
072	2. Revaluation reserve for value assessment	3,847,712		3,315,553
073	VII. PROFIT AFTER TAX	3,847,712		3,315,553
074	<b>E PROVISIONS-</b> (75. ... 77.)	<b>0</b>	0	<b>0</b>
075	1 Provisions for expected liabilities	0		0
076	2 Provisions for future expenses	7,269,082		4,061,427
077	3 Other provisions	0		0
078	<b>F LIABILITIES</b> (79.+84.+94.)	<b>0</b>	0	<b>0</b>
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.)	7,269,082	0	4,061,427
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	0		46,810
099	4 Trade accounts payable	1,583,346		1,326,709
100	5 Bills of exchange payable	0		0
101	6 Short term liabilities to related companies	5,418,797		1,904,456
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	266,939		783,452
105	10 Valuation difference of liabilities	0		0
106	11 Negative valuation difference of financial derivatives	0		0
107	<b>G ACCRUED EXPENSES AND DEFERRED INCOME</b> (108. ... 110.)	<b>2,299,682</b>	0	<b>2,304,983</b>
108	1 Deferred revenues	0		0
109	2 Accrued expenses and deferred income	1,881,385		1,906,717
110	3 Deferred income	418,297		398,266
111	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> (63.+74.+78.+107.)	<b>711,642,559</b>	0	<b>713,457,535</b>

Date: TISZAVASVARI, APRIL 15, 2022

head of the company  
(representative)

ALKALOIDA Chemical Company Zrt.

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

adatok USD-ban

No.	Item	Previous year 31/03/2021	Previous year(s) modifications	Reference year 31/03/2022
a	b	c	d	e
01.	01. Net domestic sales revenues	1,213,698		765,489
02.	02. Net export sales revenues	39,652,004		42,928,176
03.	I. NET SALES REVENUES (01+02)	40,865,702	0	43,693,665
04.	03. Change in self-manufactured inventories	1,894,913		2,291,113
05.	04. Capitalised value of self-manufactured assets	2,147,112		1,078,538
06.	II. CAPITALISED VALUE OF OWN PERFORMANCE (03+04)	4,042,025	0	3,369,651
07.	III. OTHER INCOME	673,101		841,772
08.	Of which: loss of value written back	608,254		269,539
09.	05. Cost of raw materials	22,044,587		23,815,662
10.	06. Value of services used	5,732,014		6,979,142
11.	07. Value of other services	296,626		302,984
12.	08. Cost of goods sold	1,223,874		669,598
13.	09. Value of recharged services	408,313		0
14.	IV. MATERIAL-TYPE EXPENDITURES (05+06+07+08+09)	29,705,414	0	31,767,386
15.	10 Wages costs	7,376,839		7,893,314
16.	11. Other payments to personnel	1,232,982		1,287,526
17.	12. Personnel related contributions	1,240,436		1,201,576
18.	V. PAYMENTS TO PERSONNEL (10+11+12)	9,850,258	0	10,382,416
19.	VI. DEPRECIATION CHARGE	3,495,661		3,450,756
20.	VII. OTHER EXPENSES	6,498,473		3,565,153
21.	Of which: impairment loss provision	2,680,053		1,753,778
22.	A. TRADING PROFIT (I+II+III-IV-V-VI-VII)	-3,968,978	0	-1,260,623
23.	09. Dividend received	0		0
24.	- Of which: received from related companies	0		0
25.	10. Gain on sale of investment	0		0
26.	- Of which: received from related companies	0		0
27.	11. Interest received and gain on financial investments	0		0
28.	- Of which: received from related companies	0		0
29.	12. Other interest received	9,820,788		7,510,642
30.	- Of which: received from related companies	9,820,663		7,503,789
31.	13. Other revenues from financial transactions	1,558,921		465,198
33.	VII. REVENUES FROM FINANCIAL TRANSACTIONS (09+10+11+12+13)	11,379,709	0	7,975,840
34.	14. Financial and foreign exchange loss of investments	43,461		0
35.	- Of which: related companies	43,461		0
36.	15. Financial and foreign exchange loss of long term financial assets (securities, loans)	741,940		0
37.	- Of which: paid to related companies	741,940		0
38.	16. Interest paid	34		5
39.	- Of which: given to related companies	0		0
40.	17. Losses on shares, securities and bank deposits	0		0
41.	18. Other expenditures of financial transactions	1,116,806		847,992
43.	- of which: valuation difference	0		0
44.	VIII. EXPENDITURES OF FINANCIAL TRANSACTIONS (14+15+16+17+18)	1,902,241	0	847,997
45.	B. FINANCIAL PROFIT (VII-VIII.)	9,477,468	0	7,127,843
46.	C. NET PROFIT BEFORE TAXATION (+A+B)	5,508,490	0	5,867,220
47.	IX. TAX LIABILITY	446,478		317,731
	D. NET PROFIT PER BALANCE SHEET (±C-IX)	5,062,012	0	5,549,489

Date: TISZAVASVARI, APRIL 15, 2022

head of the company  
(representative)

## II. NOTES TO THE FINANCIAL STATEMENT

## **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: Grant Thothton Audit Ltd.

Company registration number: 01-09-691274

**Data of the responsible auditor**

Name: Judit Gittinger

Address: 2030 Érd, Fazekas str. 3

Chamber membership no.: 007105

**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 01/04/2021 – 31/03/2022

(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	
	31/03/2021		31/03/2022		31/03/2021		31/03/2022		31/03/2021	31/03/2022
	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%
<b>Total</b>	<b>7,036,336</b>	<b>14,869,667</b>	<b>7,036,336</b>	<b>14,869,667</b>	<b>42,218.02</b>	<b>89,218,002</b>	<b>42,218.02</b>	<b>89,218,002</b>	<b>100.00%</b>	<b>100.00%</b>

## 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 1<sup>st</sup> April to 31<sup>th</sup> 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 15<sup>th</sup> 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

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	31/03/2021	31/03/2022	Deviation	Index % 2022/2021
Intangible assets	67,027	47,168	-19,859	70.37%
Tangible assets	39,392,961	37,249,998	-2,142,963	94.56%
Invested financial assets	611,440,788	620,743,155	9,302,367	101.52%
<b>Fixed assets</b>	<b>650,900,776</b>	<b>658,040,321</b>	<b>7,139,545</b>	<b>101.10%</b>
Inventories	29,795,435	27,722,396	-2,073,039	93.04%
Receivables	19,297,883	19,218,164	-79,719	99.59%
Securities	0	0	0	0.00%
Liquid assets	1,739,256	597,476	-1,141,780	34.35%
<b>Current assets</b>	<b>50,832,574</b>	<b>47,538,036</b>	<b>-3,294,538</b>	<b>93.52%</b>
<b>Accrued and deferred assets</b>	<b>9,909,209</b>	<b>7,879,178</b>	<b>-2,030,031</b>	<b>79.51%</b>
<b>Total of assets</b>	<b>711,642,559</b>	<b>713,457,535</b>	<b>1,814,976</b>	<b>100.26%</b>

**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 1.614 thousand USD, and the stock of WIP capital expenditure is 166 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:

	01/04/2021 Opening USD	Increasing USD	Decreasing USD	31/03/2022 Closing USD
Gross value	5,399,846	3,238	0	5,403,084
Depreciation	3,473,776	499,592	0	3,973,368
Net value	1,926,070	0	499,592	1,426,478

## ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2021 – 31/03/2022

(DATA IN USD)

### 3.1.3 Invested Financial Assets

Description	31/03/2021	31/03/2022
Long term investment to associated companies	258,748,564	259,297,899
Long term investment to others	0	1,500,000
Long-term credits given to associated companies	352,692,224	359,945,256
<b>Invested financial asset</b>	<b>611,440,788</b>	<b>620,743,155</b>

Long-term loans to the subsidiary: 38,337,109 USD

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

### 3.1.4 Inventory

Data in USD

Description	31/03/2021	Discard value	Write off	31/03/2022	Index %
Raw Materials and consumables	12,667,591	4,734	1,340,656	9,847,804	78%
Semi-finished goods and work in progress	10,805,112	0	50,668	10,611,588	98%
Live stock	-	-	-	-	0%
Finished goods	4,680,421	205,428	822,443	7,165,057	153%
Goods	-	-	-	81,528	0%
Advance payments for stock, goods	1,642,311	-	-	16,419	0%
<b>Total</b>	<b>29,795,435</b>	<b>210,162</b>	<b>2,213,766</b>	<b>27,722,396</b>	<b>93%</b>

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

Advance payment for stock was paid to the Almatarding Inc.

### 3.1.5 Receivables

Discription	Data in USD	
	31/03/2021	31/03/2022
Domestic trade receivables	57,737.65	204,343.19
Export trade receivables	640,556.31	1,274,765.68
Receivables to related companies	16,222,524.00	14,765,111.00
Other receivables	2,377,065	2,973,807.00
<b>Receivables</b>	<b>19,297,882.96</b>	<b>19,218,163.87</b>

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.

**ALKALOIDA Chemical Company Limited by Shares**

**SUPPLEMENTARY ANNEX 01/04/2021 – 31/03/2022**

**(DATA IN USD)**

Receivables against parent company: 0

Receivables against subsidiaries: 600.414 USD

**Classification of receivables**

		<b>Data in USD</b>	
<b>Description</b>		<b>31/03/2021</b>	<b>31/03/2022</b>
Due receivables		539,509	1,317,769
Overdue receivables		158,785	161,340
of which:	between 0-90 days	135,864	135,864
	between 91-180 days	3,017	25,476
	between 181-360 days	0	0
	over days	0	0
<b>Total</b>		<b>698,294</b>	<b>1,479,109</b>

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

		<b>Data in USD</b>	
<b>Description</b>	<b>31/03/2021</b>	<b>31/03/2022</b>	
<b>Opening</b>	<b>95,972</b>	<b>34,118</b>	
Growth in devaluation	2,735	0	
Devaluation writeback	4,471	0	
Bad debt write-off	60,118	15,300	
<b>Closing</b>	<b>34,118</b>	<b>18,818</b>	

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

<b>Other receivables</b>	<b>31/03/2021</b>	<b>31/03/2022</b>
Advance payments for services	772,097	774,624
Meal allowances settlement	-	-
Advance payment for salary to employee	86,752	13,433
Duty	41,570	19,921
Advance payments against rendering accounts	2,990	1,595
Refundable VAT	1,398,016	2,008,556
Local tax	11,254	-
Corporation tax	-	92,426
Other receivables	64,386	63,389
National health insurance found	-	-
<b>Total</b>	<b>2,377,065</b>	<b>2,973,944</b>

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 597,476 USD of which 2,238 USD was in the home cash office.

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

The company has forint and foreign exchange accounts at each bank, the largest of the turnover is represented by the CIB Bank.

### 3.1.7 Amount of accrued income

Description	Data in USD		Index %
	31/03/2021	31/03/2022	
Services, sold energy	0	246,580	0.00%
Interest on deposits tied up	9,707,507	7,474,576	79.54%
<b>Accrued income</b>	<b>9,707,507</b>	<b>7,721,156</b>	<b>79.54%</b>
Car tax	427	401	93.91%
Not used materials receipt as expense	45,100	0	0.00%
Insurance fee	434	27,304	6291.27%
Membership fees	0		0.00%
Registration cost	128,409	105,006	0.00%
Construction and civil engineering tax	24,675	23,236	0.00%
Subscription fees	2,657	2,075	78.10%
<b>Accrued expenses</b>	<b>201,702</b>	<b>158,022</b>	<b>78.34%</b>
<b>Deferred expenses</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Total</b>	<b>9,909,209</b>	<b>7,879,178</b>	<b>79.51%</b>

The amount of accruals increased during the reported period. IC affiliates have not paid the 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	31/03/2021	31/03/2022	Deviation	Index % 2022/2021
Subscribed capital	89,260,220	89,260,220	0	100.00%
Capital reserve	296,794,237	296,794,237	0	100.00%
Retained earnings	307,109,613	312,171,626	5,062,013	101.65%
Tied up reserves	0	0	0	0.00%
Profit after tax	5,062,013	5,549,489	487,476	109.63%
<b>Equity capital</b>	<b>698,226,083</b>	<b>703,775,572</b>	<b>5,549,489</b>	<b>100.79%</b>
<b>Provisions</b>	<b>3,847,712</b>	<b>3,315,553</b>	<b>-532,159</b>	<b>100.00%</b>
Deferred liabilities	0	0	0	0.00%
Long-term liabilities	0	0	0	0.00%
Short-term liabilities	7,269,082	4,061,427	-3,207,655	55.87%
<b>Liabilities</b>	<b>7,269,082</b>	<b>4,061,427</b>	<b>-3,207,655</b>	<b>55.87%</b>
<b>Accrued and deferred liabilities</b>	<b>2,299,682</b>	<b>2,304,983</b>	<b>5,301</b>	<b>100.23%</b>
<b>Total of Sources</b>	<b>711,642,559</b>	<b>713,457,535</b>	<b>1,814,976</b>	<b>100.26%</b>

#### 3.2.1 Own share

#### Data in USD

Description	31/03/2021	31/03/2022	Difference 2022-2021	Index % 2022/21
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	307,109,613	312,171,625	5,062,012	101.65%
Tied-up reserve	0	0	0	0.00%
Net profit per balance sheet	5,062,013	5,549,490	487,477	109.63%
<b>Own capital</b>	<b>698,226,083</b>	<b>703,775,572</b>	<b>5,549,489</b>	<b>100.79%</b>

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

There was no long-term liability of the company during the period.



**3.2.3 Short term liabilities**

Description	Data in USD	
	31/03/2021	31/03/2022
Short term loans	0	0
Advance from costumers	0	46,810
Suppliers	1,583,346	1,326,709
Short term liabilities to related company	5,418,797	1,904,456
Other liabilities	266,939	783,452
<b>Total</b>	<b>7,269,082</b>	<b>4,061,427</b>

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: 11,798 USD

**Other Short term liabilities:**

Description	Data in USD	
	31/03/2021	31/03/2022
Short term loans	0	0
Advance from costumers	0	46,810
Suppliers	1,583,346	1,326,709
Short term liabilities to related company	5,418,797	1,345,452
Other liabilities	266,939	783,315
<b>Total</b>	<b>7,269,082</b>	<b>3,502,286</b>

**3.2.4 Accrued and deferred liabilities**

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

Description	Data in USD		
	31/03/2021	31/03/2022	Index%
Deferred income	0	0	0.00%
Deferred costs	1,881,385	1,906,717	101.35%
Deferred expenditures - interest on loan	0	0	0.00%
Accrued income	418,297	398,266	95.21%
<b>Total</b>	<b>2,299,682</b>	<b>2,304,983</b>	<b>100.23%</b>

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

Data in USD

Description	31/03/2021	31/03/2022	Index%
<b>Deferred costs</b>	<b>1,881,385</b>	<b>1,906,717</b>	<b>101.35%</b>
Maintanance	121,557	268,998	221.29%
Environmental protection cost	222,424	61,818	27.79%
Audit	-	20,591	
Energy supply	167,261	704,757	421.35%
Wages, staff reduction related costs	1,283,875	536,207	41.76%
Leasing fee		5,291	
Safety technology cost	36,209	33,638	92.90%
Insurance	5,653	-	
Other service	3,324	20,146	606.08%
Professional		35,217	
Fuel cost	3,245	-	
Contract labour cost	1,663	-	
Travel	1,716	-	
Transportation cost	3,366	164,148	4876.65%
Material consumption	31,091	55,906	179.81%

3.3 Data of profit and loss account

3.3.1 Sales revenue

Domestic and export sales distribution:

Data in USD

Description	31/03/2021	31/03/2022	Index%
Domestic	1,213,698	765,489	63.07%
Export	39,652,004	42,928,176	108.26%
<b>Total</b>	<b>40,865,702</b>	<b>43,693,665</b>	<b>106.92%</b>

98.25 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	31/03/2021	31/03/2022
	USD	USD
Europe	5,468,849	4,467,498
of which: EU	4,233,795	3,624,972
America	19,068,919	20,586,160
Asia	15,077,162	17,440,987
Africa	26,574	432,351
Australia	10,500	1,180
<b>Total</b>	<b>39,652,004</b>	<b>42,928,176</b>

**3.3.2 Other income**

Description	Data in USD	
	31/03/2021	31/03/2022
Revenue from sale of intangible and tangible	16,385	0
Inventory impairment reversal	603,783	269,539
Retrieved value of stocks	4,471	0
Other	24,440	18,525
Rounding	0	140
Received delay interest, compensation	3,990	1,378
Provision writeback	0	532,159
Received subsidy for costs compensation	20,031	20,031
<b>Total</b>	<b>673,101</b>	<b>841,772</b>

**3.3.3 Breakdown of cost by types of cost**

Description	Data in USD	
	31/03/2021	31/03/2022
<b>Capitalised value of own performance</b>	<b>4,042,025</b>	<b>3,369,651.00</b>
Capitalised value of self produced assets	2,147,112.00	1,078,538.00
Change in self-produced inventory	1,894,913.00	2,291,113.00
correction of change of stocks/ devaluation		
<b>Material related expenses</b>	<b>29,705,414</b>	<b>31,767,386</b>
Material cost	22,044,587	23,815,662
Services rendered	5,732,014	6,979,142
Cost of goods sold	1,223,874	669,598
Intermediated services	408,313	-
Value of other services	296,626	302,984
<b>Staff expenses</b>	<b>9,850,257</b>	<b>10,382,416</b>
Wages and salaries	7,376,839	7,897,827
Personal related expenses	1,232,982	1,184,086
Social security contribution	1,240,436	1,300,503
<b>Depreciation and amortisation</b>	<b>3,495,661</b>	<b>3,450,756</b>

**Environmental protection cost**

ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2021 – 31/03/2022

(DATA IN USD)

Description	Value in USD	
	31/03/2021	31/03/2022
Operation of a remediation system	479,555	383,723
Waste burning	0	80,319
Material cost	0	15,485
Profession	0	34,615
Maintenance	0	16,007
Work related to remediation	12,730	2,010
Depreciation	499,165	499,592
<b>Total</b>	<b>991,450</b>	<b>1,031,751</b>

**Salary and headcount data**

Payroll taxes

Payroll taxes by title	USD
Social security contribution	1,146,190
Health contribution	19
Contribution to vocational training fund	55,367
Rehabilitation	98,927
<b>Total</b>	<b>1,300,503</b>

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	310	4,197,765	704,850	707,941	5,610,556
Full-time white collar	148	3,601,475	586,749	456,184	4,644,409
Part time employees	7	60,435	6,712	13,556	80,702
Others not in staff	12	38,152	2,192	6,405	46,749
<b>Total</b>	<b>477</b>	<b>7,897,827</b>	<b>1,300,503</b>	<b>1,184,086</b>	<b>10,382,416</b>

## 3.3.4 Other expenditure

Description	Data in USD	
	31/03/2021	31/03/2022
Provision for expected costs	2,833,047	0
Devaluation Inventory and receivable	2,680,053	2,483,304
Net value of assets sold	0	0
Taxes	434,009	445,637
Fines	1,299	0
Compensation for damages	203,276	846
Other	14,109	16,959
Selejtezés, kivezetett eszköz	290,548	210,162
Scrapping	225	348
Environment pollution fee	18,717	19,830
Accumulation of provisions	0	1,267
Refunding to OEP	0	0
Rounding	9,037	10,382
Law suit costs	0	0
Other expenditures	1,008	0
Depreciation	13,145	376,418.00
<b>Total</b>	<b>6,498,473</b>	<b>3,565,153</b>

**3.3.5 Result of financial operations**

<b>Description</b>	<b>Data in USD</b>	
	<b>31/03/2021</b>	<b>31/03/2022</b>
<b>Revenues from financial trans.</b>		
Revenues from investments	639	0
Dividend income	0	0
Other interest received	125	6,853
Interest received from related companies	9,820,663	7,503,789
Other revenues from financial transactions exchange gain	1,292,911	465,198
<b>Revenues from financial trans.</b>	<b>11,114,337</b>	<b>7,975,840</b>
<b>Expenses on financial transactions</b>		
Financial and foreign exchange loss of investments	0	0
Interest paid	34	5
Exchange loss on fin. Investments	785,401	0
Interest paid to related companies	0	0
Receivables, liabilities, exchange loss	851,433	847,992
<b>Expenses on financial transactions</b>	<b>1,636,869</b>	<b>847,997</b>
<b>Profit (loss) of financial transactions</b>	<b>9,477,469</b>	<b>7,127,843</b>

**3.3.6 Taxation**

<b>Corporate Tax</b>	<b>31/03/2021</b>	<b>31/03/2022</b>
<b>Income before taxation</b>	<b>5,508,490</b>	<b>5,867,220</b>
<b>Items deductible from income before tax</b>		
Loss carried forward utilised	4,960,872	3,530,345
Depreciation accounted as per the act on taxation, and the registration value defined when the asset was derecognised	3,429,822	3,663,062
The amount of previous years impairment reversal	4,471	0
Dividend received	0	532,159
<b>Total</b>	<b>0</b>	<b>12,653</b>
<b>Items increasing the income before tax</b>	<b>8,395,165</b>	<b>7,738,219</b>
Provisions for expected liabilities		
Depreciation accounted as cost and the amount accounted as expenditure when the asset is derecognised	2,833,047	0
Amount of devaluation accounted as expenditure for receivables	3,482,517	3,827,910
Costs related to activities other than business	2,735	0
Binding judgements	1,008	903
Costs expenses and reduction of sales revenues, revenues, as a consequence of tax inspection, self-revision	352	0
Write off debts to related companies	0	0
Difference between market price actual price applied to group companies /interest free loan/	1,527,888	1,572,531
Revision of result		
<b>Total</b>	<b>7,847,547</b>	<b>5,401,344</b>
<b>Tax base</b>	<b>4,960,872</b>	<b>3,530,345</b>
<b>Corporate tax</b>	<b>446,479</b>	<b>317,731</b>
<b>Profit after tax</b>	<b>5,062,012</b>	<b>5,549,489</b>

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.

<b>Description</b>	<b>Data in USD</b>	
	<b>31/03/2021</b>	<b>31/03/2022</b>
Total income	52,918,512	52,511,277
Income increasing items	0	0
Income decreasing items	0	0
Adjusted income	52,918,512	52,511,277
2% of adjusted income	1,058,370	1,050,226
<b>Tax base</b>	<b>1,058,370</b>	<b>1,050,226</b>
<b>Tax liability based on minimum income calculation</b>	<b>95,253</b>	<b>94,520</b>

**ALKALOIDA Chemical Company Limited by Shares**

**SUPPLEMENTARY ANNEX 01/04/2021 – 31/03/2022**

**(DATA IN USD)**

**3.4 Transactions with businesses within a group.**

<b>Associated Company</b>	<b>Customer turnover</b>	<b>Supplier turnover</b>	<b>Customer/ Supplier turnover</b>
Sun Pharmaceutical Ind.Limited India	15,313,119	2,339,857	17,652,976
Sun Pharma Holdings USA Inc.	19,910,759	502,973	20,413,732
Sun Pharmaceutical Ind.(Europe)B.V	1,413,250	68,642	1,481,892
Sun Pharmaceutical Ind.(Australia)	1,180	5,958,562	5,959,742
Terapia SA	2,596		2,596
TARo Canada	80,635		80,635
Ranbaxy Italia S.p.a	138,343		138,343
Ranbaxy (UK) Ltd.	421,613		421,613
Sun Pharmac Medicare Ltd.	9,108		9,108
<b>Total</b>	<b>37,290,603</b>	<b>8,870,034</b>	<b>46,160,637</b>



## 4 Other complements

### 4.1 Research, development, investment

In the years 2021-2022 research, experimental and development costs were not incurred at the company in its own activities.

### 4.2 Environmental protection, outgoings on Environmental protection

In addition to complying with its obligations under environmental legislation, the Company's management will seek to prevent environmental pollution in cooperation with the sister company lessor.

The biological treatment plant has been operating continuously. Sewage sludge generated during the treatment process, which is considered hazardous waste, was transferred to a licensed waste manager.

During the period under review, hazardous waste was disposed of by incineration and regenerated, while some of the non-hazardous waste was landfilled and some was sent for recovery.

The following declarations and reports for the past year have been prepared for the environmental authorities:

- Declarations on hazardous and non-hazardous wastes
- Declarations on stationary point sources of air pollution and points of organic solvent emissions
- Groundwater protection data sheets (tank farms and wastewater treatment plant)
- Annual report on water quality of wastewater discharges to surface water

A water pollution fine was imposed on the company in 2021/2022, no air pollution fines were imposed.

The company Környezettechnológiai Kft. has carried out the air quality emission/immission, as well as wastewater and legionella tests required by the authority.

The company Három Kör DELTA Kft. has carried out the remediation groundwater and shallow layer water monitoring tests required by the authority twice a year and prepared the evaluation report.

The existing monitoring system was in operation continuously.

The operation of the groundwater remediation system installed by Biocentrum Kft. in the contaminated areas SZ-I-SZ-VIII-SZ-X and the remediation operation of the SZU-II area was also continuous.

### 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

## ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2021 – 31/03/2022

(DATA IN USD)

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.

The Cash Flow statement corrections are used by the following table content

<b>1b. Corrections in Profit Before Tax</b>	<b>2022.03.31</b>
Dividends received	
Cash permanently transferred	
Cash permanently transferred for development	
Debt forgiven	
Subsidy permanently received (change in deferred income)	
Revaluation of foreign currency funds (21 f.)	
Revaluation of long-term financial investments (21 g.)	667
Revaluation of long-term and and subordinated debt (21 g.)	
	<b>667</b>

## ALKALOIDA Chemical Company Limited by Shares

SUPPLEMENTARY ANNEX 01/04/2021 – 31/03/2022

(DATA IN USD)

3. Impairment and reversal of impairment recognised+			2022.03.31
	recognised (+)	reversed (-)	total
Impairment of inventories	2,483,305	- 269,539	2,213,766
Unplanned depreciation	376,418		376,418
irrecoverable/written off debt			1,267
Shortage, scrap	210,162		210,162
			<b>2,801,613</b>

differences due to corrections		2022.03.31
6. Change in trade payables +/-		340,518
7. Change in other short-term payables +		-
8. Change in accruals and deferred income +		-
9. Change in trade receivables +		-
10. Change in working capital (without trade receivables and cash and bank) +		299,789
12. Paid corporate income tax		- 299,789
14. Purchase of fixed assets		- 340,518
11. Change in accrued and deferred assets +		-

### 4.9 Liquidity, capital structure, profitability

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

## 5 The impact of COVID-19 and the Russian-Ukrainian conflict on the annual report

We have reviewed and evaluated the impact of the COVID-19 pandemic during the period under review, as well as the effect of the Russian-Ukrainian conflict (starting on 24 February 2022) in the period between the balance sheet date and the date of the signing the annual report – also taking into account the governmental and other measures taken in this context – on the financial and asset situation of the Company, as well as its future operability.

On the basis of our review and assessment in connection with the above, we have concluded that the factors identified do not have such significant or materially negative impact on the financial and liquidity position of the Company in the short term (for the period of 12 months following the balance sheet date), on the valuation of the assets presented in the balance sheet, as well as on the business operations of the Company in this period, that would materially influence or make significantly uncertain the Company's ability to continue as a going concern, or the evaluation of the above at the time of the balance sheet preparation, with respect to the same period.

Alkaloida had no significant exports to Russia and Belarus, and shipments to Ukraine are ongoing. Only active ingredients are supplied to these countries.

18. May 2022, Tiszavasvári

Mihály Kaszás  
General Manager

**INTANGIBLE ASSETS**  
**2021/2022**

Description	Opening	Addition	Deletion	Closing
	01/04/2021 USD	USD	USD	31/03/2022 USD
<b>Gross value</b>				
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	570,491	13,118		583,609
Intellectual property				
Goodwill				
Advance payments on intangible assets				
Revaluation of intangible assets				
<b>Total</b>	<b>3,330,390</b>	<b>13,118</b>	<b>0</b>	<b>3,343,508</b>
<b>Depreciation</b>				
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	503,464	32,977		536,441
Intellectual property				
Goodwill				
Advance payments on intangible assets				
Revaluation of intangible assets				
<b>Total</b>	<b>3,263,363</b>	<b>32,977</b>	<b>0</b>	<b>3,296,340</b>
<b>Net value</b>				
Capitalised value of foundation and restructuring costs				
Capitalised value of research and development				
Concessions and similar rights and assets k	67,027	-19,859		47,168
Intellectual property				
Goodwill				
Advance payments on intangible assets				
Revaluation of intangible assets				
<b>Total</b>	<b>67,027</b>	<b>-19,859</b>	<b>0</b>	<b>47,168</b>

**TANGIBLE ASSETS**  
**2021/2022**

Description	Opening	Addition	Deletion	Closing
	01/04/2021 USD	USD	USD	31/03/2022 USD
<b>Gross value</b>				
Land and buildings and related concessions and similar	55,217,156	541,656	616,438	55,142,374
Technical equipment, machinery and vehicles	28,843,211	374,751	3,131,533	26,086,429
Other equipment, fittings and vehicles	13,463,692	684,896	48,844	14,099,744
Breeding stock				
Capital WIP, renovations	242,410	1,524,595	1,601,303	165,702
Advance payments on Capital WIP	0	230,367		230,367
Revaluation of tangible assets				
<b>Total</b>	<b>97,766,469</b>	<b>3,356,265</b>	<b>5,398,118</b>	<b>95,724,616</b>
<b>Depreciation</b>				
Land and buildings and related concessions and similar	22,806,133	1,498,499	137,213	24,167,419
Technical equipment, machinery and vehicles	24,998,122	1,041,373	3,130,608	22,908,887
Other equipment, fittings and vehicles	10,569,253	877,903	48,844	11,398,312
Breeding stock				
Capital WIP, renovations				
Advance payments on Capital WIP				
Revaluation of tangible assets				
<b>Total</b>	<b>58,373,508</b>	<b>3,417,775</b>	<b>3,316,665</b>	<b>58,474,618</b>
<b>Net value</b>				
Land and buildings and related concessions and similar	32,411,023	-956,843	479,225	30,974,955
Technical equipment, machinery and vehicles	3,845,089	-666,622	925	3,177,542
Other equipment, fittings and vehicles	2,894,439	-193,007	0	2,701,432
Breeding stock	0	0	0	0
Capital WIP, renovations	242,410	1,524,595	1,601,303	165,702
Advance payments on Capital WIP	0	230,367	0	230,367
Revaluation of tangible assets				
<b>Total</b>	<b>39,392,961</b>	<b>-61,510</b>	<b>2,081,453</b>	<b>37,249,998</b>

**Long term investments in related companies  
2021/2022**

Company	Location	Proprietary share (%)	Nominal value		Book value USD 31/03/2022
			Currency	Value	
<b>Domestic</b>					
Reanal Finomvegyszergyár Zrt.	Hungary	0.81	THUF	1,167	-
<b>Total domestic</b>					
<b>Overseas</b>					
Taro Pharmaceutical Industries Ltd	Israel	69.72	ILS	2,711	239,842,016
Sun Ph. Industries (Europe) BV	Netherlands	100	EUR	18,000	20,034
Sun Ph Germany GmbH	Germany	100	EUR	25,000	27,825
Sun Pharmaceuticals France	France	100	EUR	-	-
SUN Farmacéutica do Brasil Ltda	Brazil	99.58	BRL	23,307,436	11,749,882
Sun Pharmaceuticals Switzerland	Switzerland	100	CHF	100,000	108,142
Tarsius Pharma			USD	5,500,000	7,550,000
Cosmose Inc.			USD	1,500,000	1,500,000
<b>Total overseas</b>					<b>260,797,899</b>
<b>Total investments</b>					<b>260,797,899</b>

Long term given loans to related companies						
Company	Currency	2021.03.31	Increase	Decrease	31/03/2022	Book Value USD
SP Germany	EUR	1,900,000	0	300,000	1,600,000	1,780,816
SP Brasil	USD	36,556,293	0	0	36,556,293	36,556,293
Caraco USA	USD	313,904,170	9,703,977	2,000,000	321,608,147	321,608,147
<b>Total</b>						<b>359,945,256</b>



## CASH-FLOW STATEMENT FOR THE YEAR 2021/2022 ("A" TYPE)

USD

No.	Designation	Previous year 31/03/2021	Reference year 31/03/2022
	<b>I. Operating cash flow</b> (lines 1-13.)	<b>7,117,153</b>	<b>10,269,856</b>
	(operational cash flow)		
1a	± Profit or loss before tax	5,508,491	5,867,220
1b	Profit or loss before tax correction	0	667
1	Adjusted profit before tax (1a+1b) +	5,508,491	5,867,887
2	+ Depreciation write-off	3,495,661	3,450,756
3	± Impairment loss and reversal	2,375,492	2,801,614
4	± Difference between formation and utilization of provisions	2,833,047	-532,159
5	± Fixed assets sold	-16,385	0
6	± Change in trade accounts payable	2,726,152	-3,430,460
7	± Change in other short term liabilities	-405,145	516,513
8	± Changes in accrued and deferred liabilities	205,430	5,300
9	± Change in trade accounts receivables	-5,094,061	723,408
10	± Change in current assets (except for: trade accounts and liquid assets)	-8,874,191	-545,514
11	± Changes in accrued and deferred assets	4,809,140	2,030,031
12	- Corporate tax paid (payable)	-446,478	-617,520
13	- Dividend paid (payable)		
	<b>II. Investment cash flow</b> (lines 14-16.)	<b>-7,813,463</b>	<b>-11,411,636</b>
14	- Purchase of fixed assets	-4,500,720	-4,158,604
15	+ Sale of fixed assets	16,385	0
16	+ Repayment, termination or redemption of long-term loans and bank deposits +	-3,329,128	2,450,945
17	Long-term loans and bank deposits -	0	-9,703,977
18	Dividends and profit-sharing received +	0	0
	<b>III. Financial cash flow</b> (lines 17-27.)	<b>0</b>	<b>0</b>
19	+ Receipts from shares issue, capital raising (capital increase) +	0	0
20	+ Receipts from the issue of bonds and debt securities +		
21	+ Borrowings	0	0
22	+ Non-repayable assets received +	0	0
23	+ Cancellation of shares, disinvestment (capital reduction) -		
24	- Redeemed bonds and debt securities -	0	0
25	- Loan installment payments, repayment of loans -	0	
26	- Non-repayable liquid assets transferred -	0	
27	± Change in liabilities towards the owners and in other long term liabilities		
	<b>IV. Movement in cash and cash equivalent</b> (±II±III. lines)	<b>-696,310</b>	<b>-1,141,780</b>

LIQUIDITY	2020/21	2021/22	CHANGE
Liquidity ratio = $\frac{\text{Current assets}}{\text{Short term liabilities}}$	6.99	11.70	67%
Quick asset ratio = $\frac{\text{Current assets - Stocks}}{\text{Short term liabilities}}$	2.89	4.88	69%
Cash liquidity ratio (cash ratio) = $\frac{\text{Cash and Bank + Securities}}{\text{Short term liabilities}}$	0.24	0.17	-29%
Dynamic liquidity = $\frac{\text{Trading (operating) profit (loss)}}{\text{Short term liabilities}}$	-0.55	-0.55	1%
Term indicator (day) = $\frac{\text{Current assets - Stocks}}{\text{(Material-related expenses+ staff expenses+ Other expenses+ Paid interest and interest related expenses+ Tax payment liability) / 365}}$	165.13	165.13	0%
Short term operation safety indicator = $\frac{\text{Current assets - Short term liabilities}}{\text{Short term liabilities}}$	5.99	5.99	0%
Long term operation safety indicator = $\frac{\text{Owner's equity + Deferred liabilities + Long term liabilities}}{\text{Fixed assets}}$	1.07	1.07	0%
<b>DEBT SERVICE</b>			
Interest coverage I. = $\frac{\text{Trading (operating) profit (loss)}}{\text{Paid interest and interest related expenses}}$	-116734.62	-252124.60	116%
Interest coverage II. = $\frac{\text{Ordinary entrepreneurial profit (loss)+ Paid interest and interest related expenses - Received interest and interest related revenues}}{\text{Paid interest and interest related expenses}}$	-126831.26	-328683.40	159%
EBITDA coverage I. = $\frac{\text{Trading (operating) profit (loss) + Amortisation}}{\text{Paid interest and interest related expenses}}$	-13921.06	438026.60	-3247%
EBITDA coverage II. = $\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenues + Amortisation}}{\text{Paid interest and interest related expenses}}$	-24017.71	361467.80	-1605%
Cash-flow coverage = $\frac{\text{Profit (loss) after taxation + Amortisation}}{\text{Paid interest and interest related expense}}$	251696.28	1800049.00	615%
Debt repayment ability = $\frac{\text{Profit (loss) after taxation + Amortisation}}{\text{Liabilities}}$	1.18	2.22	88%

<b>CAPITAL STRUCTURE</b>	2020/21	2021/22	CHANGE
Capital adequacy = $\frac{\text{Owner's equity}}{\text{Assets total}}$	0.98	0.99	0.6%
Rate of indebtedness = $\frac{\text{Liabilities}}{\text{Assets total}}$	0.01	0.00	-44.3%
Net indebtedness = $\frac{\text{Liabilities - Receivables}}{\text{Owner's equity}}$	-0.02	-0.02	25.0%
Capital strain indicator = $\frac{\text{Liabilities}}{\text{Owner's equity}}$	0.01	0.01	-44.6%
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	40.9%
Liabilities / Tangible net worth = $\frac{\text{Liabilities}}{\text{Owner's equity - Intangible asse}}$	0.01	0.01	44.6%
Internal generation of equity capital = $\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.01	0.01	8.8%
<b>WORKING CAPITAL</b>	2020/21	2021/22	CHANGE
Working capital adequacy = $\frac{\text{Current assets - Short term liabilities}}{\text{Assets total}}$	0.06	0.06	-0.4%
Turnaround of working capital = $\frac{\text{Net sales revenue}}{\text{Current assets - Short term liabilities}}$	0.94	1.00	7.1%
Short term liabilities / Tangible net worth = $\frac{\text{Buyer stock}}{\text{Supplier stock}}$	0.44	1.11	152.8%
Short term liabilities / Tangible net worth = $\frac{\text{Short term liabilities}}{\text{Owner's equity - Intangible asse}}$	0.01	0.00	-44.6%

<b>PROFITABILITY I.</b>		2020/21	2021/22	CHANGE
Return on Equity (ROE)	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.72%	0.79%	8.8%
Return on Sales (ROS)	$\frac{\text{Profit (loss) after taxation}}{\text{Net sales revenue}}$	12.39%	12.70%	2.5%
Return on Assets (ROA)	$\frac{\text{Profit (loss) after taxation}}{\text{Assets total}}$	0.71%	0.78%	9.4%
Profit (loss) after taxation / Working capital	$\frac{\text{Profit (loss) after taxation}}{\text{Current assets - short term liabilities}}$	11.62%	12.76%	9.8%
Profit (loss) after taxation / Tangible net worth	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity - Intangible asset}}$	0.73%	0.79%	8.8%
Equity-proportional profit (loss) before taxation	$\frac{\text{Profit (loss) before taxation}}{\text{Owner's equity}}$	0.79%	0.83%	5.7%
Sales-proportional profit(loss) before taxation	$\frac{\text{Profit (loss) before taxation}}{\text{Net sales revenue}}$	13.48%	13.43%	-0.4%
Asset-proportional profit (loss) before taxation	$\frac{\text{Profit (loss) before taxation}}{\text{Assets total}}$	0.77%	0.82%	6.2%
Profit rate of activity 1	$\frac{\text{Trading (operating) profit (loss)}}{\text{Net sales revenue}}$	-9.71%	-2.89%	-70.3%
Profit rate of activity 2	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Net sales revenue}}$	-10.55%	-3.76%	-64.4%
Trading profit (loss) /Owner's equity	$\frac{\text{Trading (operating) profit (loss)}}{\text{Owner's equity}}$	-0.57%	-0.18%	-68.5%
<b>PROFITABILITY II.</b>		2020/21	2021/22	CHANGE
Trading profit (loss) / Assets total	$\frac{\text{Trading (operating) profit (loss)}}{\text{Assets total}}$	-0.56%	-0.18%	-68.3%
EBIT / Assets total	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest related revenue}}{\text{Assets total}}$	-0.61%	-0.23%	-62.0%
EBIT / Tangible net worth	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest related revenue}}{\text{Owner's equity - Intangible assets}}$	-0.62%	-0.23%	-62.2%
EBITDA / Assets total	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue + Amortisation}}{\text{Assets total}}$	-0.11%	0.25%	-320.8%
Return on Investment (ROI)	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity + Deferred liabilities + Long term liabilities}}$	0.72%	0.79%	8.8%
Return on Capital Employed (ROCE) (Capital-proportional EBITDA)	$\frac{\text{Ordinary entrepreneurial profit (loss) + Paid interest and interest related expenses - Received interest and interest related revenue}}{\text{Owner's equity + Deferred liabilities + Long term liabilities}}$	-0.62%	-0.23%	-62.2%
Return on Invested Capital (ROIC)	$\frac{\text{Trading (operating) profit (loss) * (1 - Company tax rate)}}{\text{Total liabilities - Suppliers - Accruals}}$	-0.51%	-0.16%	-68.3%
Profit reinvestment ratio (Rate of capital growth)	$\frac{\text{Profit (loss) after taxation}}{\text{Owner's equity}}$	0.72%	0.79%	8.8%
Gross margin	$\frac{\text{Sales sales revenue - (Material related expenses + Staff expenses)}}{\text{Net sales revenue}}$	3.21%	3.53%	10.2%
Export ratio	$\frac{\text{Net export sales revenue}}{\text{Net sales revenue}}$	97.03%	98.25%	1.3%

### III. BUSINESS REPORT

ALKALOIDA Chemical Company Zrt, a private limited company (hereinafter: the "Company") is currently a member of the international group of SUN Pharmaceutical Industries Ltd., based in India.

**The short name of the company:** Alkaloida Chemical Company Zrt.

**Registered seat, business premises:** Tiszavasvári, Kabay János utca 29.

**Tax number:** 010715846-2-15

**Company registration number:** 15-10-040330

**The owner of the Company (ownership share: 99.99%)**

**Sun Pharma Holdings**

MU-Sesroches & St Louis Streets

Port Louis

Registration number: C114331

Registered in: Republic of Mauritius

**The subscribed capital of the Company: USD 89,260,220, consisting of the following shares:**

**Ordinary shares providing general rights**

7,034,373 shares par value: USD 0.006/share

14,489,167 shares par value: USD 6/share

**Dividend preference shares**

36,500 shares par value: USD 6/share

**Redeemable shares**

344,000 shares par value: USD 6/share

**Small investor shares**

1,963 shares par value: USD 0.006/share

## **1. Expected development**

Alkaloida's key objective is to serve its third party and parent company customers through more efficient production processes. In the area of active pharmaceutical ingredient (API) production, an important objective is to optimise the product structure and to reduce the weight of morphine and codeine derivatives.

## **2. Investments**

The value of investments capitalised during the reporting period amounted to USD 1,614,000, while the value of investments in progress amounted to USD 166,000.

The company made investments directly supporting production during the year 2021/2022.

## **3. Assets, liquidity and profitability**

### The development of business during the year

The volume of sales realised sales in the API business line was significantly below plan. The pharmaceutical products business line achieved the planned production volume, but unfortunately this did not allow full utilisation of the installed capacities.

As a result of the above, the operating result was negative, but this was offset by significant interest income, which means that the company closed the financial year with a profit.

### Financial and assets position

The development of business is also reflected in the development of balance sheet positions.

The balance sheet total increased from USD 711,642,000 in the previous year to USD 713,457,000. The main change is due to the increase in the financial investments.

The equity capital amounted to 703,755,000 USD, which means an increase of 5,549,000 USD from the previous year.

The financial position of the company was balanced in the year 2021-2022.

### Profitability

In the previous financial year (2020-2021), the company had a negative operating result of USD 3,968,978, while in the current year it is negative USD 1,260,623. The main reasons for this significant change are an increase in sales revenue (increase of USD 2,827,963 compared to the previous financial year) and a decrease in other expenses (decrease of USD 2,933,320 compared to the previous financial year).

Interest income on loans to subsidiaries in the current year (2021-2022) is USD 7,503,789 which is USD 2,310,146 lower than interest income in the previous financial year. Interest income recognized in 2020-2021 financial year was USD 9,820,788.

The company's after-tax profit for the 2021-2022 financial year is USD 5,549,489, with corporate income tax payable in the current year in the amount of USD 317,731

<b>Data in USD</b>	<b>2020</b>	<b>2021</b>
Sales revenue	40,865,702	42,928,176
Operating profit	-3,968,977	-1,260,623
Profit/loss of financial operations	9,477,468	7,127,843
After-tax profit or loss	5,062,012	5,549,489

#### **4. Employment policy**

The average (statistical) number of employees during the financial year was 477.

The employment policy of the Company has not changed in 2021/2022 and the management of the Company does not plan to make any significant changes.

#### **5. Environmental issues**

In addition to complying with its obligations under environmental legislation, the Company's management will seek to prevent environmental pollution in cooperation with the sister company lessor.

The biological treatment plant has been operating continuously. Sewage sludge generated during the treatment process, which is considered hazardous waste, was transferred to a licensed waste manager.

During the period under review, hazardous waste was disposed of by incineration and regenerated, while some of the non-hazardous waste was landfilled and some was sent for recovery.

The following declarations and reports for the past year have been prepared for the environmental authorities:

- Declarations on hazardous and non-hazardous wastes
- Declarations on stationary point sources of air pollution and points of organic solvent emissions
- Groundwater protection data sheets (tank farms and wastewater treatment plant)
- Annual report on water quality of wastewater discharges to surface water

A water pollution fine was imposed on the company in 2021/2022, no air pollution fines were imposed.

The company Környezettechnológiai Kft. has carried out the air quality emission/immission, as well as wastewater and legionella tests required by the authority.

The company Három Kör DELTA Kft. has carried out the remediation groundwater and shallow layer water monitoring tests required by the authority twice a year and prepared the evaluation report.

The existing monitoring system was in operation continuously.



The operation of the groundwater remediation system installed by Biocentrum Kft. in the contaminated areas SZ-I-SZ-VIII-SZ-X and the remediation operation of the SZU-II area was also continuous.

## **6. Research and development**

The Company did not engage in any research and development activities in the financial year 2021-2022 either.

## **7. Events occurring after the balance sheet date**

There were no other significant events affecting the financial statements after the balance sheet date.

## **8. Other**

The Company aims to continue to increase its market share, further strengthen its market position and strive for profitability also in the future.

## **9. The impact of COVID-19 and the Russian-Ukrainian conflict on the annual report**

We have reviewed and evaluated the impact of the COVID-19 pandemic during the period under review, as well as the effect of the Russian-Ukrainian conflict (starting on 24 February 2022) in the period between the balance sheet date and the date of the signing the annual report – also taking into account the governmental and other measures taken in this context – on the financial and asset situation of the Company, as well as its future operability.

On the basis of our review and assessment in connection with the above, we have concluded that the factors identified do not have such significant or materially negative impact on the financial and liquidity position of the Company in the short term (for the period of 12 months following the balance sheet date), on the valuation of the assets presented in the balance sheet, as well as on the business operations of the Company in this period, that would materially influence or make significantly uncertain the Company's ability to continue as a going concern, or the evaluation of the above at the time of the balance sheet preparation, with respect to the same period.

Alkaloida had no significant exports to Russia and Belarus, and shipments to Ukraine are ongoing. Only active ingredients are supplied to these countries.

Mihály Kaszás

General Manager

#### **IV. INDEPENDENT AUDITOR'S REPORT**



## Independent Auditor's Report

To the shareholder of ALKALOIDA Vegyészeti Gyár Zrt.

### Opinion

We have audited the Annual Report of ALKALOIDA Vegyészeti Gyár Zrt. („the Company”) for the year 2021/2022, which Annual Report comprises the balance sheet made at the balance sheet date of 31 March 2022 – presenting the balance sheet total of assets and liabilities in equal amount of USD 713,457,535 and the after-tax result of USD 5,549,489 (profit) –, the income statement for the financial year then ended and the supplementary notes, including also a summary of significant elements of accounting policies.

In our opinion the attached Annual Report provides a true and fair view of the assets and financial position of the Company as at 31 March 2022, as well as its income position for the financial year then ended in accordance with the provisions in force in Hungary of the Act C of 2000 on Accounting (hereinafter: „Accounting Act”).

### Basis for opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the respective laws and other regulations applicable to auditing in Hungary. Our responsibilities under those standards are further described in the „Auditor's responsibilities for the audit of the Annual Report” section of our report.

We are independent of the Company in accordance with the requirements laid down in relevant legislation in force in Hungary and in the “Regulations on the code of conduct (ethical rules) of the audit profession and the disciplinary procedures” of the Chamber of Hungarian Auditors, as well as in respect of issues not settled therein, with the requirements of the “The International Code of Ethics for Professional Accountants (including International Independence Standards)” issued by the International Ethics Standards Board for Accountants (the IESBA Code), and also comply with additional ethical requirements contained within the same standards.

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

### Other matters

The annual report of ALKALOIDA Vegyészeti Gyár Zrt. for the year ending on 31 March 2021 was checked by another auditor, who issued an unqualified opinion on 15 April 2021.

### Other information: The Business Report

Other information consists of the 2021/2022 Business Report of ALKALOIDA Vegyészeti Gyár Zrt. The management is responsible for the preparation of the Business Report in accordance with the relevant provisions set out in the accounting act and other legislation. Our independent auditor's opinion expressed on the Annual Report in the „Opinion” section of our report does not cover the Business Report.

In the context of the audit carried out by us concerning the Annual Report, our responsibility is to read through the Business Report and during it to make a judgement whether the Business



Report is significantly at odds with the Annual Report or with our knowledge obtained during the audit, or otherwise it seems that a material misstatement is contained therein. If, based on the work we have performed, we conclude that there is a material misstatement contained in other information, we are required to report this fact and the nature of the misstatement.

On the basis of the Accounting Act, we are also responsible for making a judgement, whether the Business Report is consistent with the relevant provisions of the Accounting Act and other legislations and for expressing an opinion on this and as well as on the consistency of the Business Report and the Annual Report.

In our opinion, the Business Report for the year 2021/2022 of ALKALOIDA Vegyészeti Gyár Zrt., in all material respects, is consistent with the Annual Report for the 2021/2022 of ALKALOIDA Vegyészeti Gyár Zrt. and the relevant provisions of the Accounting Act. As there is no other legislation providing for additional requirements for the Company regarding the Business Report, so we do not express an opinion in this regard.

No material contradiction or material misstatement of other nature has been brought to our knowledge either in the Business Report, so thus we have nothing to report in this regard.

## **Responsibilities of Management and those charged with governance for the Annual Report**

The management is responsible for the preparation and fair presentation of the Annual Report in accordance with the provisions of the Act on Accounting and for such internal controls as the management determines as necessary to enable the preparation of the Annual Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Report, the management is responsible for assessing the Company's ability to continue as a going concern and for disclosing of information related to going concern as appropriate in the given circumstances and the management is also responsible for compiling of the Annual Report based on the principle of going concern. The management shall take the going concern principle as a starting point, unless enforcing of this principle is prevented by a different provision, or such a factor or circumstance exists that is inconsistent with the continuation of the business activity.

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

## **Auditor's Responsibilities for the audit of the Annual Report**

The objectives of our audit are to obtain reasonable assurance about whether the Annual Report as a whole is free from material misstatements, whether due to fraud or error, and based on it to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Hungarian National Standards on Auditing 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 users' economic decisions taken on the basis of the given Annual Report.

Throughout the audit conducted in accordance with the Hungarian National Standards on Auditing we exercise professional judgement and maintain professional scepticism.

We also:

- Identify and assess the risks of material misstatements of the Annual Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our



opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the given 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 used and the reasonableness of accounting estimates and related disclosures made by management.
- Draw a conclusion, whether using of going concern as a basis, the compilation of the Annual Report by management is appropriate, and based on the audit evidence obtained also whether any material uncertainty exists in connection with such events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If it is concluded that there is a material uncertainty, then in our independent auditor's report we have to call the attention to the related disclosures in the Annual Report, or if the disclosures are not appropriate in this respect, then we have to issue a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause that the Company will not be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Report, including the disclosures made in the supplementary notes, and also whether the Annual Report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance – among other matters – the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit, if there were any.

Budapest, 18 May 2022

Waltraud Körbler  
Grant Thornton Audit Kft.  
1134 Budapest Dévai utca 26-28.  
Company Court Registration Number: 000168

Judit Gittinger  
Registered Auditor  
Chamber Membership Reg. No.: 007105

**We have issued the present auditor's report also in a hard copy, duly signed.**

“This Report has been prepared originally in Hungarian language and the Hungarian original version has been signed by the Parties. In case of disputes the Hungarian version shall prevail.”