

SUN PHARMA ITALIA SRL

Statutory Statements

31 March 2024



Crowe Bompani SpA
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INDEPENDENT AUDITOR'S REPORT
IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF JANUARY 27, 2010

To the Sole Shareholder of Sun Pharma Italia Srl

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Sun Pharma Italia Srl (the Company, formerly Ranbaxy Italia SpA), which comprise the statement of financial position as at March 31, 2024 and the income statements and statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, of its financial performance and its cash flows for the year then ended in accordance with Italian Law governing the criteria for their preparation

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with ethical and independence regulations and standards applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Company, as required by law, has included in the explanatory notes the most recent financial statements of the company holding the management and coordination function. Our opinion on the financial statements of the Sun Pharma Italia Srl is not extended to such data.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Italian Law governing the criteria for their preparation and, in the terms established by law, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

MILANO ROMA TORINO PADOVA GENOVA BRESCIA PISA BOLOGNA

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Capitale Sociale € 700.000 i.v. - Iscritta al Registro delle Imprese di Milano, Monza Brianza e Lodi
Codice fiscale, P.IVA e numero iscrizione: 01414060200
Iscritta nel Registro dei Revisori presso il Ministero dell'Economia e delle Finanze (D.M. del 12.04.1995)



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia 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 the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as requested by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other laws and regulations

Opinion in accordance with article 14, paragraph 2, letter e) of Legislative Decree 39/10

Management of Sun Pharma Italia Srl is responsible for preparing a report on operations of the Sun Pharma Italia Srl as of March 31, 2024, including their consistency with the relevant financial statements and their compliance with the law.



Crowe Bompani SpA
Member Crowe Global

We have performed the procedures required under auditing standard (SA Italia) 720B to express an opinion, as required by law, on the consistency of the report on operations with the financial statements of Sun Pharma Italia Srl, as of March 31, 2024.

In our opinion, the report on operations is consistent with the financial statements of Sun Pharma Italia Srl, as of 31 March 2024 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e) of Legislative Decree 39/10 issued on the basis of our knowledge and understanding of the Company obtained in the course of the audit, we have nothing to report.

Milan, May 14, 2024

Crowe Bompani SpA

Alessandro Ruina
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

SUN PHARMA ITALIA SRL

Registered office: Viale Giulio Richard, 3 Milano (MI)
Registered with the Register of Trading Companies in Milan
Tax payer Code and registration no. 04974910962
Registered in the R.E.A. of Milan no.1787791
Share capital subscribed € 50.000 fully paid-in
VAT number: 04974910962
Sole shareholder

Company exercising the management and coordination activity: Sun Pharmaceuticals Industries Limited

Management Report*Financial Statements at 31 March 2024*

Dear Shareholder,

We would like to bring to your attention the Financial Statements for the Fiscal year ended on 31st March 2023, showing a profit before tax of € 1.044.527, and a net profit of € 2.275.825.

First of all, we would like to highlight that this Directors' Report has been drawn up in compliance with the provisions set forth by art. 2428 of the Civil Code, so as amended by the Legislative Decree of 2 February 2007, n. 32 and by the subsequent art. 2, paragraphs 1, Legislative Decree of 6 November 2007, n. 195 and by the recent D.Lgs. 139/2015.

In the Supplementary Notes you have been given details concerning the financial statements at 31st March 2023; in this document, pursuant to the provisions set forth by art. 2428 of the Civil Code, we would like to provide you with the information concerning the situation of your Company and on the management trend.

This report, drawn up with figures in Euros (thousands separated by “.” and decimals separated by “,”), is presented together with the financial statements for the Fiscal Year for the purpose of providing income, assets, financial information of the Company together with – whenever possible – historical elements and prospective evaluations.

Company Information

The Company operates in the sector of pharmaceutical products distribution, and specifically in the market segment related

to generic drugs.

In this segment, Sun Pharma Italia supplies its products both in the so-called "Retail" channel - through direct distribution to pharmacies, and indirectly through wholesalers and concessionaires - and in the "Hospital" channel, both public and private. During the fiscal year, we saw the consolidation of the business share for the division "Brand", thanks to the turnover growth realized by the product Odomzo®, launched in 2019.

In addition, a less significant share of the Company's turnover is attributable to the "business to business" (B2B) activity that sees Sun Pharma Italia supplying drugs to some companies operating in the sector.

The financial year ended 31 March 2024 recorded an increase in the value of production from €39.471.475 to €43.154.272, equal to 9%.

This increase is attributable to the following factors:

- the increase product sales of € 756.403
- the positive effect in the variation of inventory for €1.274.345
- the increase of €1.652.050 in the item "Other revenues and income"

Regarding revenues from sales of goods, the increase of €756.403 (+2%) is the result of different dynamics: sales of Odomzo® increased by approximately €3,6 million (+29%), and compensated for the decrease of approximately € -1,9 million (-30%) in the retail market, effect of the change in the business model; hospital sales suffered a decline of 4% (€ -0,8 million), while the turnover attributable to the B2B segment remained essentially unchanged.

Below is the percentage composition of revenues by type:

Channel	31 March 2024	31 March 2023
Retail	47%	50%
Hospital	39%	31%
B2B	11%	16%
Brand	3%	3%
Total	100%	100%

The variation in the value of production is also explained:

- as already described above, by a positive effect of the change in inventories of finished products (€1.274.345);
- an increase in the item "Other revenues" (€1.652.050) mainly represented by chargebacks of costs to Group companies.

The cost of production sold recorded an increase of 15%, in consideration of the increase in revenues from products with higher purchase prices. The absolute incidence also went from 62% in the last financial year compared to 65% in the financial year to 31 March 2024.

General expenses decreased by 11% compared to the previous year and consequently their incidence on total revenues decreased (15% compared to 18%).

The Added Value increased by 11%, representing approximately 21% of the value of production (almost similar to the corresponding data referring to the financial year ended 31 March 2023).

Personnel costs decreased by 4% compared to the previous year, essentially in consideration of the decision not to replace a apical role.

Thanks to the containment of expenses for services and personnel, the Gross Operating Margin grew by 17%, representing 15% of the value of production, compared to 14% in the previous financial year.

With reference to credit management and recovery, it is worth noting a deterioration in the DSO (Days of Sales Outstanding- the total value expressing credit recovery times) going from 123 to 139 days, in consideration of the increased exposure towards some private hospital bodies and customers in the retail channel (concessionaries).

The provision for bad debts was adjusted in consideration of the assessment of the risk of loss on trade receivables, in particular associated with specific situations of non-performing or long-term credit.

“Other provisions and other operating costs” increased by €791,213, going from €4.132.578 in the financial year ended 31 March 2023 to €4.923.790 in the financial year ending 31 March 2024.

This difference is primarily attributable to the greater provision (equal to €833,130) for hospital clawback risks.

The main cost component classified under this item is in fact represented by the costs connected to the clawback procedure operating in the pharmaceutical market (€3.5 million out of a total of €4,9 million). In the financial year ended 31 March 2024, the Company paid the hospital clawback for the year 2022, for which a risk provision had been made, and allocated the best estimate of clawback risk for the year 2023 and for the first quarter of 2024.

“Other operating costs” are slightly lower than the previous year by approximately €41,917, and include the penalties charged by public hospital bodies which the Company recharges to Sun Pharmaceutical Industries Limited, as well as the accounting of a settlement agreement liquidated upon completion of a legal procedure (€0.5 million), also recharged to Sun Pharmaceutical Industries Limited.

During the year, the Company focused on the management of a portfolio of products including specialistic generic products and branded products, leveraging in particular complex products (such as the so-called "bags" and injectable drugs) capable of differentiating the offer to hospitals and retail market.

In addition, your Company has continuously monitored costs, focused on achieving savings, and has constantly evaluated the margins indicators in order to implement initiatives aimed at improving the Gross Operating Margin.

The Company will continue to focus on the following strategies:

- Differentiation of its market positioning, through the offering on the market of the so-called “complex generic products” and "differentiated products”;
- Maintaining the presence in the retail market, through partnership agreements with concessionaries and with an optimized product portfolio;
- Affirmation of Odomzo® and preparation of the "brand" sector for future products that will be marketed;
- Decrease in the incidence of fixed costs, through an increase in turnover volumes and control of overheads;
- Improvement of profitability in the various business units and in the various channels;
- Efficiency in inventory rotation, with minimization of obsolescence phenomena, as well as product stock out issues;
- Credit management in order to reduce the risk of insolvency and improve payment times.

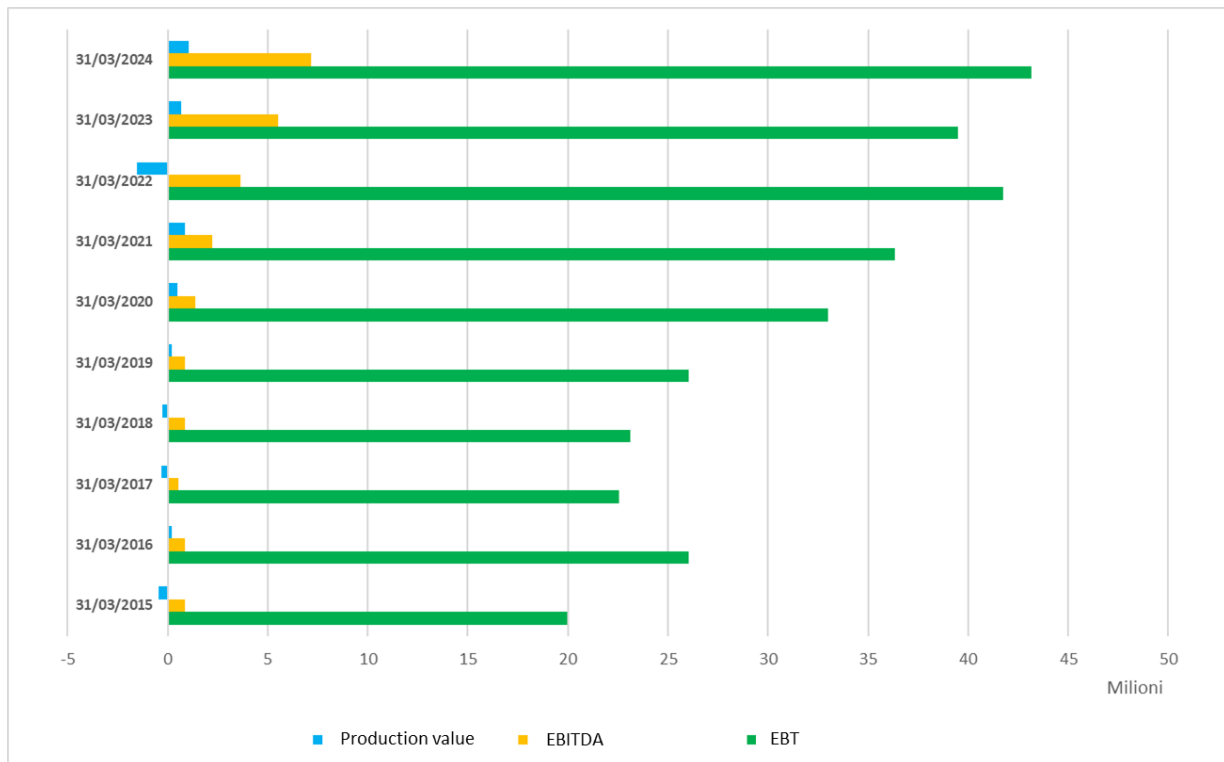
Profit & Loss

To better understand the results of the Company management, the chart below shows the Income statement reclassification.

	Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year	
	01.04.2023	%	01.04.2022	%	01.04.2021	%	01.04.2020	%
	31.03.2024		31.03.2023		31.03.2022		31.03.2021	
PRODUCTION VALUE	43.154.272	100,0%	39.471.475	100,0%	41.734.912	100,0%	36.351.638	100,0%
- Cost of goods sold	27.951.204	64,8%	24.328.239	61,6%	22.736.625	54,5%	20.674.602	56,9%
- General expenses	6.267.728	14,5%	7.057.052	17,9%	9.564.339	22,9%	9.560.919	26,3%
VALUE ADDED	8.935.340	20,7%	8.086.184	20,5%	9.433.948	22,6%	6.116.117	16,8%
- Personnel cost	2.449.388	5,7%	2.562.220	6,5%	5.775.381	13,8%	3.888.467	10,7%
EBITDA	6.485.953	15,0%	5.523.964	14,0%	3.658.567	8,8%	2.227.650	6,1%
- Amortization & Depreciation	383.364	0,9%	590.330	1,5%	244.839	0,6%	230.468	0,6%
GROSS OPERATING MARGIN	6.102.588	14,1%	4.933.634	12,5%	3.413.728	8,2%	1.997.182	5,5%
- Miscellaneous expenses	4.923.790	11,4%	4.132.578	10,5%	4.887.300	11,7%	1.012.411	2,8%
MARGIN BEFORE INTERESTS	1.178.798	2,7%	801.056	2,0%	1.473.572	-3,5%	984.771	2,7%
- Financial income	51.187	0,1%	1.052	0,0%	83	0,0%	148	0,0%
+/- Forex adjustments	- 9.316	0,0%	- 1.522	0,0%	- 4.464	0,0%	- 2.492	0,0%
NET OPERATING MARGIN	1.220.669	2,8%	800.587	2,0%	1.477.952	-3,5%	987.411	2,7%
- Financial charges	- 176.142	-0,4%	- 103.619	-0,3%	- 46.366	-0,1%	- 100.505	-0,3%
PROFIT/(LOSS) BEFORE TAX	1.044.527	2,4%	696.968	1,8%	1.524.318	-3,7%	886.906	2,4%
- Income Taxes	- 1.231.298	-2,9%	- 322.875	-0,8%	- 289.779	-0,7%	108	0,0%
NET PROFIT/(LOSS)	2.275.825	5,3%	1.019.843	2,6%	1.234.539	-3,0%	886.798	2,4%

Here below you can see the summary trend of sales and margins over the period 2015-2024:

EBT	-441.719	186.663	-321.431	-252.678	186.664	471.538	886.907	-1.524.318	696.968	1.044.527
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The expectation for the next fiscal year is to consolidate the positive trend, in particular the “Hospital” sector that also includes the “Brand” products. In detail, it is expected:

- A greater penetration in the "Hospital" market, through greater price competitiveness in participation in tenders for the supply of drugs to public hospitals, an increase of private “Hospital” customers, an improved product acquisition process, both from companies of the group and from third parties, the launch of new drugs characterized in particular by high complexity and low competitiveness;
- The recovery of profitability in the "retail" market, thanks also to the reorganization of the sales process just defined;
- The maintenance of the Odomzo® growth curve in the “brand” market sector;
- The increase in "B2B" turnover, thanks to the development of new commercial agreements.

The above, together with the continuous control and rationalization of costs, and the ever lower incidence of fixed costs, will allow a further improvement in the Gross Operating Margin.

Balance Sheet

To better understand the Company assets and the financial situation, the chart below shows the Balance Sheet reclassification.

Assets

Item	Esercizio 01.04.2023 31.03.2024	%	Esercizio 01.04.2022 31.03.2023	%	Variaz. Assoluta	%	Esercizio 01.04.2021 31.03.2022	%
WORKING CAPITAL	32.162.260	100%	25.326.670	100%	6.835.590	99%	23.935.375	100%
Cash & Bank Balances	5.080.390	16%	780.333	3%	4.300.057	62%	566.237	2%
Cash & Bank Balances	5.080.390	16%	780.333	3%	4.300.057	62%	566.237	2%
Current Assets	20.134.403	62%	17.452.942	69%	2.681.461	39%	14.855.471	62%
Sundry Debtors	16.762.769	52%	15.597.306	61%	1.165.464	17%	13.441.213	56%
Deferred Tax Assets	3.241.200	10%	1.701.224	7%	1.539.976	22%	1.259.997	5%
Accrued Income and Prepaid Expenses	130.433	0%	154.412	1%	-23.978	0%	154.261	1%
Inventory	6.947.467	22%	7.093.395	28%	-145.928	-2%	8.513.668	36%
FIXED ASSETS	105.705	0%	60.665	0%	45.039	1%	24.685	0%
Intangible Fixed Assets	63.681	0%	5.804	0%	57.877	1%	3.193	0%
Tangible Fixed Assets	42.024	0%	54.861	0%	-12.837	0%	21.492	0%
TOTALE ASSETS	32.267.964	100%	25.387.335	100%	6.880.629	100%	23.960.061	100%

Liabilities

Item	Esercizio 01.04.2023 31.03.2024	%	Esercizio 01.04.2022 31.03.2023	%	Variaz. Assoluta	%	Esercizio 01.04.2021 31.03.2022	%
THIRD PARTIES CAPITAL	28.937.391	90%	24.332.587	96%	4.604.804	67%	23.925.156	100%
Current Liabilities	25.121.628	78%	21.154.022	83%	3.967.606	58%	21.637.751	90%
Short-term payables (Debts)	25.121.628	78%	21.154.022	83%	3.967.606	58%	21.637.376	90%
Loans Funds & Provisions	3.815.763	12%	3.178.565	13%	637.198	9%	2.287.405	10%
Provisions	3.727.818	12%	3.058.842	12%	668.976	10%	1.892.406	8%
Provision for Retirement Benefit	87.945	0%	119.723	0%	-31.778	0%	394.999	2%
NET EQUITY	3.330.573	10%	1.054.748	4%	2.275.825	33%	34.905	0%
Share Capital	50.000	0%	50.000	0%	0	0%	50.000	0%
Reserves	18.237	0%	18.237	0%	0	0%	18.237	0%
Retained Earnings	986.511	3%	- 33.332	0%	1.019.843	15%	1.201.208	5%
Profit (loss) for the period	2.275.825	7%	1.019.843	4%	1.255.982	18%	-1.234.540	-5%
TOTAL SOURCES	32.267.964	100%	25.387.335	100%	6.880.630	100%	23.960.061	100%

Information ex art 2428 C.C.

Here below the information required by the provisions of art. 2428 of the Civil Code are analysed in detail.

Main risks and uncertainties for the company

According to the first paragraph of art. 2428 of the Civil Code, it was not considered necessary to provide further information on this subject as, given the size of the Company, the memo accounts and the information specified in the supplementary notes, are already properly expressed on any risk and uncertainty related with the corporate business.

Non-financial main ratios

According to the second paragraph of art. 2428 of the Civil Code, for a better understanding of the Company current position, of the business trend and result, indicating the non-financial ratios was considered irrelevant.

Environment information

The Company has not proceeded with any particular environmental policy, as unnecessary to its business.

Personnel information

The staff at March 31, 2024 was composed of 24 units, just one unit lower than the number resulting at 31 March 2023, explaining that no substantial organizational changes have been made.

1. R&D activity

According to and setting forth on point 1) of the third paragraph of art. 2428 from Civil Code, no R&D activity was performed during this financial year.

2. Relationships with subsidiaries, associated and parent companies

According to the provisions on point 2) of the third paragraph of art. 2428 from Civil Code the Company holds no shares. Sun Pharma Italia has a sole shareholder of 100%, Sun Pharma (Netherlands) B.V., which is itself a subsidiary of Sun Pharmaceutical Industries Ltd .

During the year, commercial relationships and financial transactions were entertained with certain companies of the Group.

The following table summarizes the debtor credit positions and the revenues and costs deriving from all the transactions with related parties:

Entity	Description	Amount €
<i>Payables</i>		
Sun Pharmaceutical Industries Limited	Purchase of finished products, chargeback of administrative and insurance costs	17.258.156,60
Basics GmbH	Loan, including interests	2.499.039,90
Terapia S.A.	Purchase of finished products	154.736,00
Sun Pharma Holdings USA Inc	Purchase of finished products	157.300,58
Sun Pharmaceuticals Germany GmbH	Purchase of finished products	49.272,44
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of administrative costs, costs for quality analysis of products, regulatory expenses and miscellaneous expenses	549.050,36
Alkaloida Chemical Co. ZRT	Purchase of finished products and inherent expenses	114.981,57
<i>Total</i>		<i>20.782.537,45</i>

Entity	Description	Amount €
Receivables		
Sun Pharmaceutical Industries Limited	Chargeback of penalty costs, regulatory costs and "Brand" division costs	808.734,02
<i>Total</i>		<i>808.734,02</i>

Entity	Description	Amount €
Expenses		
Sun Pharmaceutical Industries Limited	Purchase of finished products	19.275.165,68
Sun Pharmaceutical Industries Limited	Chargeback of administrative expenses	30.480,13
Sun Pharmaceutical Industries Limited	Chargeback of insurance expenses	2.202,87
Basics GmbH	Loan interests	174.991,67
Terapia S.A.	Purchase of finished products	191.577,00
Sun Pharmaceuticals Germany GmbH	Purchase of finished products	82.089,14
Sun Pharmaceutical Industries (Europe) B.V.	Purchase of finished products	138.380,76
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of administrative expenses	727.501,00
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of expenses for quality analysis of products	242.004,02
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of miscellaneous expenses (e.g. travel expenses)	32.895,44
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of regulatory expenses	114.755,00
Alkaloida Chemical Co. ZRT	Purchase of finished products	185.127,13
Alkaloida Chemical Co. ZRT	Chargeback of expenses for quality analysis of products	13.048,34
Sun Pharma (Netherlands) BV	Chargeback of insurance expenses	30.857,82
<i>Total</i>		<i>21.241.076,00</i>

Entity	Description	Amount €
Income		
Sun Pharma Laboratorios S.L.U.	Sale of finished products	19.440,00
Sun Pharmaceuticals Germany GmbH	Sale of finished products	6.112,50
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of "spare" division expenses	34.773,96
Sun Pharmaceutical Industries (Europe) B.V.	Chargeback of regulatory expenses	690.323,35
Sun Pharmaceutical Industries Limited	Chargeback of "brand" division expenses	393.631,16
Sun Pharmaceutical Industries Limited	Chargeback of penalties	749.426,29
Sun Pharmaceutical Industries Limited	Chargeback of litigation expenses	490.000,00
Sun Pharmaceutical Industries Limited	Chargeback of regulatory expenses	32.299,24
<i>Total</i>		<i>2.416.006,50</i>

3. Own shares

According to art. 2428, paragraphs 3, points 3 and 4 from the Civil Code, the Company has no own shares.

4. Shares/interests of parent company

According to art. 2428, paragraphs 3, points 3 and 4 from the Civil Code, the Company holds no interests of parent Company.

5. Business forecast

Pursuant to and for the purposes of what indicated in point 6) of the third paragraph of art. 2428 of the Civil Code, it should be noted that the Company will continue its commitment to improve the operating result. To this end, an economic budget was prepared which foresees also for the financial year ending 31 March 2024 the achievement of a positive result, thanks to the organic growth in the volume of business, the launch of new products, in particular in the hospital channel, and to operational efficiency initiatives which will allow to maintain a constant level of operating expenses.

5bis. Use of relevant financial tools for assessment of financial position and results

The Company makes no use of financial tools to manage its exposure to market price risks, credit risks, cash risks and other risks arising from swing of cash flows, except for an "overdraft" credit line € 5 million at Deutsche Bank partially used.

Company locations

The Company does not have secondary offices.

For the Board of Directors
Hellen de Kloet

Company Data

Denomination: SUN PHARMA ITALIA SRL
Registered Office: VIALE GIULIO RICHARD, 1 – 20143 MILANO
Share Capital: 50.000,00
Share Capital Fully paid: yes
CCIAA code: MI
VAT Code: 04974910962
Fiscal Code: 04974910962
REA Number: 1787791
Legal Form: SOCIETA' A RESPONSABILITA' LIMITATA
Sector of main activity (ATECO): 464610
Company in liquidation: no
Sole Shareholders Company: yes
Company subject to management and coordination of others: yes
Name of the Company or Entity exercising the management and coordination activity: SUN PHARMACEUTICALS INDUSTRIES LIMITED
Group membership: yes
Name of Parent Company: SUN PHARMACEUTICALS INDUSTRIES LIMITED
Country of the Parent Company: INDIA

Financial statements at 31 March 2024

Balance Sheet

	31 March 2024	31 March 2023
ASSETS		
B) FIXED ASSETS		
I - INTANGIBLE ASSETS		
3) Industrial patent rights and others	1.794	2.960
4) Concessions, licenses, trademarks and similar rights	61.887	2.844
5) Goodwill		
7) Other intangible assets	-	-
TOTAL INTANGIBLE ASSETS	63.681	5.804
II - TANGIBLE ASSETS		
2) Equipment and machinery		-
4) Other tangible assets	42.024	54.861
TOTAL TANGIBLE ASSETS	42.024	54.861
TOTAL FIXED ASSETS (B)	105.705	60.665
C) CURRENT ASSETS		
I – INVENTORY		
1) Raw materials and consumables	-	-
4) Finished goods and goods for resale	6.947.467	7.093.395
TOTAL INVENTORY	6.947.467	7.093.395
II – RECEIVABLES		
1) Trade receivables	15.764.424	13.897.289
Trade receivables within 12 months	15.764.424	13.897.289
Trade receivables beyond 12 months		-
4) Receivable from Parent Companies	808.734	650.295
Receivable from Parent Companies within 12 months	808.734	650.295
Receivable from Parent Companies beyond 12 months		-

	31 March 2024	31 March 2023
5) Receivable from Companies controlled by Parent Companies	-	6.048
Receivable from Companies controlled by Parent Companies within 12 months	-	6.048
Receivable from Companies controlled by Parent Companies beyond 12 months	-	-
5-bis) Tax credit	115.368	103.004
Tax credits within 12 months	115.368	103.004
Tax credits beyond 12 months	-	-
5-ter) Advanced taxes	3.241.200	1.701.224
Advanced taxes within 12 months	3.241.200	1.701.224
Advanced taxes beyond 12 months	-	-
5-quater) Other receivables from third parties	74.243	940.669
Other receivables from third parties within 12 months	74.243	940.669
Other receivables from third parties beyond 12 months	-	-
TOTAL RECEIVABLES	20.003.970	17.298.530
IV - CASH AND BANKS		
1) Bank and postal deposits	5.079.504	779.448
2) Checks	-	-
3) Cash	885	885
TOTAL CASH AND BANKS	5.080.390	780.333
TOTAL CURRENT ASSETS (C)	32.031.826	25.172.258
D) DEFERRALS AND ACCRUALS – ASSETS		
Prepayments and deferred expenditures	130.433	154.412
TOTAL DEFERRALS AND ACCRUALS - ASSETS (D)	130.433	154.412
TOTAL ASSETS	32.267.964	25.387.335
LIABILITIES		
A) SHAREHOLDERS' EQUITY		
I – Share capital	50.000	50.000
IV - Legal reserve	16.548	16.548
VII - Other reserves	1.689	1.689
<i>Total Other Reserves</i>	<i>1.689</i>	<i>1.689</i>
VIII - Profits and Losses brought forward	986.511	(33.332)
IX - Profit (loss) for the period		
Profit (loss) for the period	2.275.825	1.019.843
<i>Profit (loss) residual</i>	<i>2.275.825</i>	<i>1.019.843</i>
TOTAL SHAREHOLDERS' EQUITY (A)	3.330.573	1.054.747

	31 March 2024	31 March 2023
B) CONTINGENCY RESERVES		
1) Reserve for pensions and similar obligations	-	75.113
2) Deferred taxes		
3) Others	3.727.818	2.983.729
<i>TOTAL CONTINGENCY RESERVES (B)</i>	3.727.818	3.058.842
C) STAFF LEAVE INDEMNITY	87.945	119.723
D) PAYABLES		
3) Debts towards shareholders for financing	-	-
Debts towards shareholders for financing within 12 months		
Debts towards shareholders for financing beyond 12 months	-	-
4) Debts to Bank	-	-
Payables within 12 months	-	-
Payables beyond 12 months	-	-
7) Trade payables	3.650.300	5.057.532
Trade payables within 12 months	3.650.300	5.057.532
Trade payables beyond 12 months		-
11) Payables to parent companies	17.258.157	10.048.214
Payables to parent companies within 12 months	17.258.157	10.048.214
Payables to parent companies beyond 12 months		-
11 bis) Payables to companies subject to control of parent company	3.524.381	5.309.992
Payables to companies subject to control of parent company within 12 months	3.524.381	5.309.992
Payables to companies subject to control of parent company beyond 12 months		
12) Taxes payables	90.808	20.542
Taxes payables within 12 months	90.808	20.542
Taxes payables beyond 12 months		-
13) Social security payables	184.119	202.744
Social security payables within 12 months	184.119	202.744
Social security payables beyond 12 months		-
14) Other payables	413.865	514.999
Other payables within 12 months	413.865	514.999
Other payables beyond 12 months		-
<i>TOTAL PAYABLES (D)</i>	25.121.629	21.154.022
E) DEFERRALS AND ACCRUALS – LIABILITIES		
Accruals and deferred income	-	-

	31 March 2024	31 March 2023
<i>TOTAL DEFERRALS AND ACCRUALS - LIABILITIES (E)</i>	-	-
<i>TOTAL LIABILITIES</i>	32.267.964	25.387.335

Profit and Loss

	31 March 2024	31 March 2023
A) PRODUCTION VALUE		
1) Net sales from products and services	40.783.094	40.026.691
2) Variation of inventory products	(145.928)	(1.420.273)
5) Other operating income		
Others	2.517.107	865.056
<i>Total other operating income</i>	2.517.107	865.056
<i>TOTAL PRODUCTION VALUE</i>	43.154.272	39.471.475
B) PRODUCTION COSTS		
6) Costs of raw materials, auxiliary materials, merchandise and other goods	27.951.204	24.328.239
7) Costs of services	6.056.597	6.782.538
8) Costs for use of third parties assets	211.132	274.514
9) Labour costs		
a) Salaries and wages	1.717.981	1.776.831
b) Costs of social security	565.739	612.800
c) Staff leave indemnity	121.906	132.094
d) Pensions and similar commitments	43.762	44.279
e) Other labour costs	-	(3.784)
<i>Total Labour Costs</i>	2.449.388	2.562.220
10) Depreciation and write downs		
a) Depreciation of intangible fixed assets	2.123	889
b) Depreciation of tangible fixed assets	14.457	14.456
c) Other Depreciation of fixed assets		-
d) Current assets written off	366.784	574.986
<i>Total depreciation and write downs</i>	383.364	590.330
12) Provision for risks	3.554.842	2.721.712
13) Other provisions		-
14) Other operating expenses	1.368.948	1.410.866

	31 March 2024	31 March 2023
<i>TOTAL PRODUCTIONS COSTS</i>	41.975.475	38.670.419
Net income from operating activities (A - B)	1.178.798	801.056
C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income		
d) Other financial income		
Others	51.187	1.052
<i>Total other financial income different from the previous</i>	51.187	1.052
<i>Total Other financial income</i>	51.187	1.052
17) Interests payable and other financial expenses		
Interests payable to Parent Companies	-	-
Interests payable to Companies controlled by Parent Companies	(174.992)	(102.604)
Others	(1.150)	(1.015)
<i>Total Interests payable and other financial expenses</i>	<i>(176.142)</i>	<i>(103.619)</i>
17-bis) Profit and loss on exchange	(9.316)	(1.522)
<i>Total financial income (loss) (15+16-17-17bis)</i>	<i>(134.271)</i>	<i>(104.089)</i>
Result before taxes (A-B+-C+-D)	1.044.527	696.968
20) Current, deferred and advanced income taxes for the period		
Income taxes for the period	191.420	118.352
Income taxes for the prior years	117.258	
Deferred and advanced taxation	(1.539.976)	(441.227)
<i>Total current, deferred and advanced income taxes for the period</i>	<i>(1.231.298)</i>	<i>(322.875)</i>
21) Net income (loss) for the year	2.275.825	1.019.843

Supplementary Notes to Financials Statements closed at 31 March 2024

Supplementary Notes Initial session

Dear Shareholders, these supplementary Notes are an integral part of the financial statements at 31 March 2024.

The criteria used in the preparation of the financial statements for the period ended March 31, 2024 comply with the provisions of article 2426 of the civil code as amended by Legislative decree 139/15 through which the 2013/34 / EU directive was implemented, and have not been modified compared to the previous year.

The financial statements comply with the provisions of articles 2423 and following of the civil code interpreted and supplemented by the national accounting principles as published by the Italian Accounting Organization ("OIC Accounting Standards") and consist of the following documents: Balance Sheet, Income Statement, Cash Flow and Supplementary Notes. They therefore clearly, truthfully and correctly describe the company's balance sheet and financial position and the financial result for the year.

The contents of the balance sheet and income statement are those provided in Articles 2424 and 2425 of the Italian Civil Code, while the Cash flow statements have been prepared in accordance with art. 2425-ter.

The Cash Flow Statement presents the positive or negative variations in the cash flows that occurred during the year and was prepared applying the indirect method using the template provided by the OIC 10 Accounting Standard.

The Supplementary Notes, prepared pursuant to art. 2427 of the Italian Civil Code also contain all the information necessary to provide a correct interpretation of the statements.

Significant events occurred after the end of the financial year and the proposal to allocate the result for the year are shown in the related paragraphs in these Notes.

Drafting Information

Financial Statements Drafting

The information contained herein are presented in the order in which the related items are reported in the balance sheet and income statement.

With reference to what is stated in the introduction to these Notes, we certify that, pursuant to art. 2423, paragraph 3 of the Civil Code, the information required by specific provisions of the law are not sufficient to give a true and fair view of the company, additional information deemed necessary for the purpose are provided.

There were no exceptional circumstances that required the use of derogations under Article. 2423, paragraph 4 and article. 2423 paragraph 2 Civil Code.

The Financial Statements, as well as these notes, have been prepared in Euros in accordance with the Civil Code.

Financial Statements Drafting principles

The evaluation of balance sheet items was made in accordance with the principle of prudence and with a view to the scope of the company. In accordance with national accounting standards and the Community arrangements, in the representation of the assets and liabilities items, it has been given prelevance at the substantive aspects over the formal ones.

In preparing the financial statements income and expense were recorded on an accrual basis, regardless of their actual cash flow.

Main management events

The year ended 31 March 2024 recorded an increase in turnover of € 756.403 compared to the previous year and that, as commented in the Management Report, replicated similar dynamics with higher sales in the brand division offsetting the decline in the retail division (effect of the change to the business model approved by the Board of Directors on February 7, 2022).

Sales of hospital generic products closed the year with slight decrease, while B2B business was essentially unchanged.

Structure and contents of the Financial Statements

The Balance Sheet, the Income Statement and the accounting information contained in these notes are in accordance with the accounting records, from which they have been directly derived.

In drafting the balance sheet and income statement, no items preceded by Arabic numbers or by lower-case letters have been grouped together, as optionally provided by art. 2423 ter of the Civil Code.

Under Article. 2424 of the Civil Code it is confirmed that there are no assets or liabilities that fall under several items of the draft Financial Statements.

Evaluation Criteria

The criteria applied to evaluate the items posted and the value adjustments complies with the provisions of the Civil Code and the guidance provided in the accounting standards issued by OIC. The same also has not varied compared to the previous year.

The most significant valuation criteria adopted in compliance with the provisions of article 2426 of the Civil Code are illustrated below, and with particular reference to those items of the financial statements for which the legislator allows different evaluation and adjustment criteria or for which no specific criterias are set.

Other Information

Translation criteria for values expressed in foreign currency

The accounting amounts expressed in foreign currencies have been posted, after conversion into euros at the rate of exchange ruling at the time of recognition, or the exchange rate at the close of the financial year as shown in the accounting standard OIC 26.

The assets and liabilities that are not fixed assets are stated at the spot exchange rate at the date of the closing of balance sheet. Gains and losses which are derived from the conversion have been credited and debited to the income statement under item 17 bis foreign exchange gains and losses.

There are no intangible assets in foreign currency to the balance sheet date.

Between the end of the year and the date of preparation of financial statements there were no significant effects of changes in exchange rates.

Operations with compulsory relegation to end

The company during the year has not placed any operation under an obligation to relegation to the end.

Supplementary Notes - Assets

The amounts recorded in the balance sheet were evaluated in accordance with Article 2426 of the Civil Code and in accordance with national accounting standards; in the sections related to the individual items the specific criteria applied are shown.

Fixed Assets

Fixed assets are recorded at their purchase cost.

Pursuant to and for the purposes of article 10 of the law March 19, 1983, and No. 72, and as also recalled by the subsequent laws ruling monetary valuation, it should be noted that for the tangible and intangible assets that still exist no monetary revaluation has ever been carried out.

Intangible fixed assets

Intangible assets are recorded in the balance sheet, upon the prior consent of the Statutory Board of Auditors where required, at their cost of acquisition and they are depreciated on a straight-line basis according to their useful life.

The value of fixed assets is represented net of accumulated amortization and depreciation funds.

Depreciation was operated in accordance with the following pre-established scheme, which is thought to properly allocate the cost incurred over the useful life of such assets:

Intangible fixed assets items	Period
Start-up and expansion costs	{20,00}%
Concessions, licenses and trademarks (software)	{33,33}%
Concessions, licenses and trademarks (marketing authorisations, "AIC")	{20,00}%
Concessions, licenses and trademarks (trademarks)	{5,56}%
Other fixed assets (improvement of third parties' assets)	{16,67}% Based on duration of rental agreement

The criteria for the amortization of intangible assets remained unchanged compared to the previous year.

Movements of intangible fixed assets

Intangible assets amount of € 63.681: they refer to licenses (marketing authorizations) purchased from third parties outside the group and fully depreciated, to the regulatory costs capitalized during the year relating to a product awaiting launch and to the residual software costs to be amortized.

The total impact on the income statement at 31 March 2024 of depreciation of intangible assets summed up to € 2.123.

For a complete evaluation and analysis on movements of such assets, please refer to the information detailed in the annexes to these notes.

Movements of Intangible Assets

Description	Detail	Historical cost	Beginning balance	Movements	Description	Detail	Historical cost	Beginning balance
<i>Start-up costs</i>								
	Corporate Expenses	8.467						8.467
	Provision for Depreciation of corporate Expenses		8.467-					8.467-
<i>R&D and advertising Costs</i>								
	Advertising Costs	40.109						40.109
	Provision for depreciation of advertising costs		40.109-					40.109-
<i>Patents and copyrights</i>								

Description	Detail	Historical cost	Beginning balance	Movements	Description	Detail	Historical cost	Beginning balance
	Capitalized own software	117.055						117.055
	Provision for capitalized own software		(114.095)				(1.166)	(115.261)
Concessions, licences, trademarks and similar rights and assets								
	Marketing Authorisation acquired	3.663.676			60.000			3.723.676
	Concessions and licences	6.006						6.006
	Provision for Marketing Authorisation acquired		(3.663.676)				(624)	(3.664.300)
	Provision for Concessions and licences		(3.162)				(334)	(3.496)
Other intangible Assets								
	Depreciated maintenance expenses	92.743						92.743
	Provision for Depreciated maintenance expenses		92.743-					92.743-

Acquisition of € 60.000 refer to the regulatory costs capitalized during the year relating to a product awaiting launch, charged to us by Sun Pharmaceutical Industries (Europe) B.V.

Tangible fixed assets

The assets belonging to the category of tangible assets are recorded at acquisition cost, increased by accessories costs incurred to bring the asset to use.

The criteria for the depreciation of fixed assets have not changed with respect to those applied the previous year.

It should be noted that it was not necessary to operate any depreciation under art. 2426, paragraph 1 no. 3 of the Civil Code.

Movements of tangible fixed assets

Tangible assets before accumulated depreciation summed up to € 269.308; the accumulated depreciation is equal to € 227.825.

The impact to the income statement as at 31 March 2024 for the amortization of tangible fixed assets was € 14.457.

The table below shows the movements of such assets.

Movements of Tangible Assets

Description	Detail	Historical cost	Beginning balance	Movements	Description	Detail	Historical cost	Beginning balance
<i>Other tangible assets</i>								
	Furniture and fitting	106.748						106.748
	Electronic office machinery	145.561				1.620		147.181
	Mobile telephones	15.379						15.379
	Provision for depreciation of furniture and fitting		(73.655)				(5.215)	(78.870)
	Provision for depreciation of electronic Office machinery		(125.853)				(7.810)	(133.663)
	Provision for depreciation of mobile telephone		(13.319)				(1.432)	(14.752)

Other tangible assets

The acquisitions and dismissals above reported are detailed here below:

	Acquisitions	Dismissals	Total Acquisitions/Dismissals
Electronic office machinery	1.620		1.620

Electronic office machinery

The acquisition of € 1.620 refers to the purchase of ipad.

Operations of finance lease

Information on operations of finance lease

The company, at the date of year end closure, has no on-going finance lease contract.

Current Assets

Current assets are evaluated in accordance with the numbers 8 to 11 of Article 2426 of the Civil Code. The criteria used are listed in the paragraphs of the respective items.

Stock

Stocks refer to finished goods. These have been posted at the lowest value between the purchase cost and the fair value as it can be inferred from market trends.

The purchase cost includes the possible additional direct charges.

The cost of inventories of finished products, of a fungible nature, was calculated by taking the weighted average cost method, in order to reflect the trend in market prices, considering the most recent stock costs.

The value so calculated has been duly compared with the fair value that can be inferred from the market trend, as explicitly required by art. 2426 of the Civil Code.

The depreciation of obsolete and slow moving items is carried out, in accordance with accounting standard OIC 13 creating depreciation funds. The depreciation provision is deducted from assets.

Analysis of stock movements

	Initial Value	Change in figures	Final value
Finished products	7.093.395	(145.928)	6.947.467
<i>Total</i>	7.093.395	(145.928)	6.947.467

The finished products are stated net of provision for depreciation, which had moved during the year as follows:

Description	Total
Balance at 31 March 2023	2.520.257
Use during the year	(2.761.909)
Provision for the year	557.909
Balance at 31 March 2024	316.256

Finished products

The cost of inventories of finished products and fungible goods was calculated using the weighted average cost method.

The value thus determined was appropriately compared with the realizable value inferable from the market trend, as explicitly required by art. 2426 of the Civil Code.

The stock rotation indexes remained almost unchanged compared to the previous year.

Current asset: Receivables

Receivables are stated at estimated realizable value, in accordance with Art. 2426, n. 8 of Civil Code; the adjustment to this value was made by allocation of a provision for bad debts whose amount and whose movements are detailed following in these notes.

Movements of receivables posted in current assets

The following table shows the information related to movements of receivables posted in current assets and, if material, the due date of the same.

Analysis of movements and due date of receivables posted in current assets

	Initial Value	Change in figures	Final value
Trade Receivables	13.897.289	1.867.135	15.764.424
Receivables from Parent Companies	650.295	158.439	808.734
Receivables from Companies controlled by Parent Companies	6.048	(6.048)	-
Tax credit	103.004	12.364	115.368
Advance income taxes	1.701.224	1.539.976	3.241.200
Accounts receivable from other undertakings	940.669	(866.426)	74.243
	17.298.530	2.705.440	20.003.970

Comments

Accounts receivables increased by € 1.867.135, mainly due to:

- Hospital receivables increased by € 1,4 M, mainly because of the increased sales volumes especially of “branded” business and increased outstanding from private hospitals; the DSO (days of sales outstanding) has increased as a result, going from 113 to 118 days.
- Retail receivables increased by € 0,2 M thanks to the higher exposure to the concessionaries, who represent the Company’s new commercial partners. Overall, DSO is expressed in 339 days.
- Invoices to be issued increased by approximately € 0,6 M mainly represented by hospital penalties to be charged back to group companies.

- The bad debt increased by approximately (€ 0,4) M.

Total DSO upped from 123 days to 139, due to above described exposure with concessionaries and private hospitals.

Credits are shown net of credit depretiation fund, which fluctuation is shown below and it has been adjusted in order to represent the most conservative scenario reagarding insolvency risk.

Description	Total
Balance at 31 March 2023	1.793.520
Use during the year	
Provision for the year	366.784
Balance at 31 March 2024	2.160.304

The balance of credits towards parent companies is represented by invoices issued towards Sun Pharmaceutical Industries Limited, related to the recharge of penalties received from customers because of the missing delivery of the drugs supply of public tenders, and the recharge of expenses of the bunisess unit "brand".

Tax credits at 31 March 2024 are composed by VAT credit together with the withholding taxes on interest income and on the collection of cost chargeback invoices to the branch Sun Pharmaceutical Limited located in the United Arab Emirates.

Other receivables mainly include to suppliers and employees prepayments of approximately € 52 thousand, a credit towards Inail of € 22 thousand.

The decrease compared to 31 March 2023 is mainly represented by the return of the cash collateral to a credit institution as a pledge on a performance bond for a tender now expired (€768 thousand), as well as the return of a security deposit for €37 thousand and the decrease of advances to suppliers and employees.

There are no credits with a residual life longer than 5 years.

Deferred tax assets

The receivables include deferred tax assets of € 3.241.200 whose recovery is expected with reasonable certainty against taxable income expected in the coming years in the business plan.

For the details of the movements, please refer to the paragraph on deferred taxation in these Explanatory Notes.

Breakdown by geographical area of receivables included in current assets

The breakdown of receivables by geographical area is as follows:

	Italy	India	The Netherlands	Emirates	Total
Trade Receivables	15.764.424	-	-	-	15.764.424

Receivable from Parent Companies	-	708.330	-	100.404	808.734
Receivable from Companies controlled by Parent Companies	-	-	-	-	-
Tax Credits	115.368	-	-	-	115.368
Advanced taxes	3.241.200	-	-	-	3.241.200
Other Receivable	74.243	-	-	-	74.243
Total	19.195.235	708.330	-	100.404	20.003.970

Current assets: cash and banks

Cash and banks are posted at their nominal value.

Analysis of movements of cash and banks

	Initial value	Change in figures	Final value
Current bank accounts and post-office deposits	779.448	4.300.057	5.079.504
Cheques	-	-	-
Cash and cash equivalents	885	-	885
Total	780.333	4.300.057	5.080.390

Effects of changes in money and values in cash

Description	Initial value	Value at the date of preparation of financial statements	Change in figures
Checks	0	0	0
Euro	357	357	0
Stamps	528	528	0
Total	885	885	0

Comment

Evolution of cash and banks is described in the cash flow statement.

Prepayments and accrued income

Prepayments and accrued income have been posted in the Financial statements on an accrual basis, through repartition of costs and revenues across two fiscal years.

There are no accrued income or prepaid expenses lasting more than 5 years.

Analysis of movements of prepayments and accrued income

	Beginning balance	Change in figures	Closing Balance
Prepaid expenses	154.412	(23.978)	130.433
Total prepayments and accrued income	154.412	(23.978)	130.433

Prepayments consist mainly in long-term costs related to bank guarantees issued to participate in hospital tenders, membership fees paid but related to future periods and rents paid but of future competence.

Capitalised financial charges

All interest and financial charges were entirely posted in the Income Statement during the Fiscal Year. Therefore, no capitalised financial charges are posted pursuant to art. 2427, par. 1, n. 8 of the Italian Civil Code.

Supplementary Notes – Liabilities and Net Equity

The liability items in the balance sheet have been recorded in accordance with the provisions of Article 2426 of the Civil Code and in compliance with national accounting principles, the specific application criteria are indicated in the sections relating to the individual items.

Net Equity

Items are recorded at their accounting balance in accordance with the instructions contained in the accounting standard OIC 28.

Movements of components of net equity

With reference to the closure changes in the individual components of shareholders' equity are shown in the table below, as well as the breakdown of other reserves, if any in the Statements.

Analysis of changes of components of net equity

	Beginning balance	Allocation	Others change in figures - increases	Others change in figures - decreases	results for the year	Beginning balance
Share capital	50.000					50.000
Legal Reserve	16.548					16.548
Other Reserves	1.689					1.689
Total Other Reserves	1.689					1.689
Income (losses) carried forward	(33.332)	1.019.843				986.511
Profit of the FY	1.019.843	(1.019.843)			2.275.825	2.275.825

During the year, there were no particular changes in shareholders' equity, with the exception of the carry forward of the profit operating of the previous year approved in the minutes of the Shareholders' Meeting of May 22, 2023.

Movements of Net Equity

Description	Share capital	Legal Reserve	Income (losses) carried forward	Other Reserves	Result for the year	Description
Value at 31/03/21	50.000	16.548	314.409	1.689	886.799	1.269.445
Allocation result 31/03/21			886.799		(886.799)	
Dividend payments						
Other destinations						
Change in figures						
Result for the year					(1.234.540)	(1.234.540)
Value at 31/03/22	50.000	16.548	1.201.208	1.689	(1.234.540)	34.905

Description	Share capital	Legal Reserve	Income (losses) carried forward	Other Reserves	Result for the year	Description
Value at 31/03/22	50.000	16.548	1.201.208	1.689	(1.234.540)	34.905
Allocation result 31/03/22			(1.234.540)		1.234.540	
Dividend payments						
Other destinations						
Change in figures						
Result for the year					1.019.843	1.019.843
Value at 31/03/23	50.000	16.548	(33.332)	1.689	1.019.843	1.054.747

Description	Share capital	Legal Reserve	Income (losses) carried forward	Other Reserves	Result for the year	Description
Value at 31/03/23	50.000	16.548	(33.332)	1.689	1.019.843	1.054.747
Allocation result at 31/03/23			1.019.843		(1.019.843)	
Dividend payments						
Other destinations						
Change in figures						
Result for the year					2.275.825	2.275.825
Value at 31/03/24	50.000	16.548	986.511	1.689	2.275.825	3.330.573

To be noted that all the subscribed shares have been fully paid.

Availability and use of net equity

In the following table net equity elements are analytically shown, indicating their origin, possibility of use and distribution, as well as their use in previous years.

Description	Amount	Origin/type	Possibility of using
Share capital	50.000	Capitale	
Legal Reserve	16.548	Capitale	B
Other Reserves	1.689	Capitale	B, C
Total Other Reserves	1.689	Capitale	B, C
Income (losses) carried forward	986.511		B, C
Total	1.054.748		
Quote not distributable	1.054.748		
Residual distributable	0		

In the table above for each item the possibilities of use are provided as indicated below:

- A: for capital increase
- B: to cover losses
- C: for distribution to shareholders.

Provisions for liabilities and charges

Information on provisions for liabilities and charges

Analysis of changes in provisions for risks and charges

	Beginning balance	Increase	Decrease	Net Variations	Closing Balance
Provision for pensions and	75.114	-	-	(75.114)	-
Similar obligations	2.983.729	3.577.213	(2.833.124)	-	3.727.818
Others	3.058.842	3.577.213	(2.833.124)	-	3.727.818

The fund for retirement benefits and similar obligations, which includes the FIRR and FISC funds, was eliminated in consideration of the disposal of the entire network of agents, and the legal deadline for any appeal by the agents themselves having expired.

The "other" item, includes:

- The risk provision for hospital clawback for the year 2023 and for the first quarter of 2024 is equal to € 3.554.841. During the year, the hospital clawback procedure for the years 2022 was closed, for which a total payment of € 2.713.474 was made, entirely set aside the previous year provision.

- The provision for returns for a total of € 164.738,09 is consistent with the historical trend of credit notes issued for returns.

Employees leaving indemnity

Information on employee leaving indemnity

Employees leaving indemnity has been calculated in accordance with art. 2120 of the Italian Civil Code, taking into account the provisions of the law and the specifics of the contracts and the professional categories and it includes all the annual accruals and the revaluations calculated on the basis of the ISTAT (Central Statistics Institute) rates.

The amount of the provision is calculated net of advance payments and accruals paid for the termination of employment contracts during the Financial Year and it represents the true amount owed to subordinate employees at the balance sheet date.

	Beginning balance	Increase	Decrease	Quotes to Funds	Net movements	Closing Balance
Provision for subordinates employees leaving indemnity	119.723	121.549	(62.239)	(91.088)	(31.778)	87.945

The uses refer to the total liquidations of the fund following the termination of the relationship with the employees.

Payable

Payables are shown in the financial statements at their nominal value, eventually adjusted in case of subsequent variations.

Payable movements and due date

The following table shows the information related to changes in the payables and any information related to the due date of the same.

There are included the debts towards the shareholder Basics GmbH for a loan of € 2.504.138 (including interest of € 304.138). linked to an interest-bearing loan falling due within the following year.

All other payables are considered due within the next financial year.

Analysis of variations and debt expiring

	Beginning balance	Increase/Decrease	Closing balance
Amounts due to banks	-	-	-
Trade creditors	5.057.532	(1.407.232)	3.650.300
Amounts due to parent companies	10.048.214	7.209.942	17.258.157
Amounts due to companies under control of parent companies	5.309.992	(1.785.611)	3.524.381

	Beginning balance	Increase/Decrease	Closing balance
Taxation	20.542	70.267	90.808
Social security	202.744	(18.625)	184.119
Other debts	514.999	(101.134)	413.865
Total	21.154.022	3.967.607	25.121.629

Debts towards the parent companies refer to trade payables to the indirect parent company Sun Pharma Ltd for the purchase of finished products as better illustrated in the Management Report.

Debts towards companies subject to the control of the parent companies mainly include the loan of € 2.200.000 (and interest of € 304.138) disbursed by the company of the Basics GmbH Group in execution of the contract signed on March 15, 2021. There are also included some payables to other group companies for the purchase of finished products and the debt for the mark-up of the costs of the activity carried out by the Headquarters - Sun Pharmaceutical Industries (Europe) B.V.

The item “other debts” at March 31, 2024 includes:

- Debts towards employees for approximately € 34 thousand, bonuses and rewards for about € 119 thousand, additional holidays and monthly payments for about € 151 thousand;
- Payables for the payment of the 1.83% payback on retail products reimbursed by the National Health System for € 103 thousand.
- Debts for TARI duty of € 6 thousand.

Breakdown of payables by geographic area

Below the breakdown of the debts by geographical area:

	I	NL	RO	DK	ES	HU	DE	UK	US	BE	IN	Emirates	Total
Trade Amounts	2.563.188	290.882		(195.866)	957.843			(919)	17.094	806	17.271		3.650.300
Amounts due to parent companies											6.358.157	10.900.000	17.258.157
Amounts due to companies under control of parent companies		549.050	154.736			114.982	2.548.312		157.301	0			3.524.381
Tax amount	90.808												90.808
Social security	184.119												184.119

Other debts	413.865												413.865
Total	3.251.980	839.932	154.736	(195.866)	957.843	114.982	2.548.312	(919)	174.395	806	6.375.428	10.900.000	25.121.629

Debts secured by mortgages on company assets

Pursuant to and by effect of art. 2427, c. 1 n. 6 of the Civil Code, it is stated that there are no social debts secured by any collateral.

Loans made by company shareholders

As of March 31, 2024, the company has no shareholder loans.

There are no payables with a residual duration of more than five years.

Deferred income and accrued liabilities

Accruals and deferred income were calculated on an accrual basis, through repartition of costs and/or income common to two fiscal years

	Opening balance	Increase/Decrease	Closing balance
Accrued liabilities	-	-	-
Total accrued expenses and deferred income	-	-	-

Commitments not disclosed in the balance sheet and memorandum accounts

Under Article 2427, paragraph I, paragraph 22-ter) of the Civil Code it is specified that the amount of guarantees issued by banking institutions and insurance companies towards the Company amounts to € 11.629.980.

It is specified that the guarantees have been given in order to allow the participation of the Company in hospital tenders.

Supplementary Notes – Profit & Loss

Revenues, income, costs and charges are recognized in accordance with Article 2425-bis of the Civil Code.

Production Value

Introduction

Revenues from product sales and income from services were recognized at the time of transfer of title which corresponded, respectively, with the criterion of delivery or shipment of the goods and their return. Revenues of a financial nature have instead been recognized on an accrual basis.

Revenues and income, costs and charges relating to currency transactions are calculated at the exchange rate on the date on which the relevant transaction is placed.

The value of production totalizing € 43.154.272, below it is shown a breakdown of revenues between sales, changes in inventories, other operating income and changes in absolute terms compared to the previous year.

Description	31 March 2023	Change in figures	31 March 2024
Sales	40.026.691	756.403	40.783.094
Changes in inventories of finished goods	(1.420.273)	1.274.345	(145.928)
Other operating income	865.056	1.652.050	2.517.107
Total	39.471.475	3.682.798	43.154.272

Revenues on sales of goods increased approximately by € 756.403, as the net effect among the increase of Odomzo® sales for about € 3,6 million, the drop of retail sales for about € -1,9 million (for the change of business model), the decrease of hospital sales for generic drugs for about € -0,8 million while the B2B turnover remained substantially unchanged.

The item "other revenues and income" mainly includes the chargeback to the company of the group Sun Pharmaceutical Industries Limited of the expenses incurred for the "brand" and "spare" Business Unit, equal to approximately € 428 thousand, and the chargeback of approximately € 749 thousand, which are result to penalties charged by hospitals for failure of supplying drugs awarded by public tenders and regulatory fees of approximately € 723 thousand.

It is also included is the chargeback of the payment of a settlement agreement signed to close a legal dispute, for €490,000.

The residual amount refers to the collection of approximately €105 thousand from a liquidation procedure whose residual credit had been written off as a loss in the previous year, as well as to miscellaneous income, such as recovery of interest and legal expenses from customers (€ approximately 21 thousand).

Breakdown of sales and service revenues by business segment

Breakdown of sales and service revenues by business segment is not provided as the information is not significant.

Production Costs

Comment

Costs and charges are allocated on an accrual basis, in compliance with the principle of correlation with revenues, and recorded in the respective items in accordance with the provisions of accounting standard OIC 12.

The costs for the acquisition of goods and services are recognized in the income statement net of adjustments for returns, discounts, allowances, and bonuses.

The costs of production amounted to a total of € 41.975.475. Below it is shown the composition and changes in absolute value compared to the previous year.

Description	31 March 2023	Change in figures	31 March 2024
Raw materials, subsidiary materials, consumables and goods for resale	24.328.239	3.622.964	27.951.204
Services	6.782.538	(725.942)	6.056.597
Rents and leases	274.514	(63.382)	211.132
Personnel costs	2.562.220	(112.832)	2.449.388
Depreciation and other amounts written off tangible and intangible fixed assets;	590.330	(206.966)	383.364
Risk provisions	2.495.712	833.130	3.554.842
Other provisions			
Other operating costs	1.636.866	(41.917)	1.368.948
Totale	38.670.419	3.305.056	41.975.475

The increase in the cost of goods sold is driven by the increase in sales of products with higher purchase price; for this reason, it is worth highlighting the decrease in the absolute incidence, which represents 65% of revenues compared to 62% last year.

The costs for services decreased mainly as a result of reduction in commercial, distribution and promotional activities in the retail channel.

The costs for the use of third-party assets decreased due to lower fees and related expenses.

Personnel costs, decreased in consideration of the decision not to replace an apical role.

The variation in the item "Amortization and depreciation" is mainly composed by the lower allocation to the provision for bad debts made in the financial year ending 31 March 2024.

The provision for risks of €3.554.842 represents the best estimate of hospital clawback for the year 2023 (approximately €2,8M) and for the first quarter of 2024 (approximately €0,7M).

The item "other management costs" mainly consists of: costs for penalties charged by hospital bodies for failure to supply medicines for approximately €0,7 M; the payment of a settlement agreement signed to close a legal dispute, for approximately €0,5M; the payback 1.83% on the retail channel for approximately €119 thousand.

Financial income and expenses

Financial income and expenses are posted on an accrual basis in relation to the amount accrued in the year.

Composition of income from investments

There are no income from investments as per art. 2425, n. 15 of the Civil Code.

Allocation of interests and other financial costs by type of debt

The following table gives evidence of the interests and other financial expenses as per art. 2425, n. 17 of the Civil Code, with specific split between those concerned bonds, bank debt and other cases.

	To Parent Companies	To Companies controlled by Parent Companies	Others	Total
Interests and other financial charges	-	174.992	1.150	176.142

Interest expense mainly refers to interest accrued on the loan granted by Basic GmbH.

Gains/losses on foreign exchange

Below the information regarding the gains or losses on exchange differences by distinguishing the component realized from valuations of assets and liabilities recorded in the balance sheet at year-end.

Description	Amount in statement	Evaluation component	Realized component
<i>Profit and loss on exchange</i>			
Profit on exchange	15.423	15.423	-
Loss on exchange	(24.739)	(24.739)	-
Total	(9.316)	(9.316)	-

Income taxes for the year, current and deferred

Income taxes for the year, current and deferred

The company posted the provision for income taxes based on the application of the tax laws in force. The taxes for the year are represented by current taxes, as well as resulting from the tax return, deferred taxes and deferred tax assets relating to positive or negative income components, respectively subject to taxation or deduction in other years than those of recording in compliance to the Civil code.

Below, in detail, the information required by. 2427, paragraph 1, point 14, letter a) and b), namely:

- a) a description of the temporary differences that led to the recognition of deferred tax assets and liabilities, with specific indication of the rate applied, the changes compared to the previous year and the amounts credited or debited to the income statement or in equity; please note that there are no items excluded from the calculation;
- b) the amount of deferred tax assets recognized in the balance sheet relating to losses occurring during this FY and the past FYs and the reasons for recording.

Below is the breakdown of the temporary differences that generated the deferred taxes.

		Fiscal Year 31 March 2024	
		Temp diff	Tax effect
IRES	Bad debt provision	1.261.144	302.675
	Inventory provision	316.256	75.901
	Product return provision	147.641	35.434
	Bonus	119.371	28.649
	Payback provision	3.563.080	855.139
	Exchange difference losses	9.316	2.236
	Tax Losses	7.630.047	1.831.211
	Total	13.046.855	3.131.245
		-	-
IRAP	Payback provision	2.671.712	104.197
	Product return provision	147.641	5.758
	Total	2.819.353	109.955
	Total		3.241.200

The accounting treatment of deferred taxes was made as set forth by Accounting Standard OIC 25 of the Board of Certified Chartered Accountants and Registered Auditors as it is reasonably certain to achieve taxable income over the future FYs and that said losses can be indefinitely carried forward.

Reconciliation between tax liability from the balance sheet and theoretical tax charge

In compliance with the provisions of Accounting Standard n. 25 laid down by the National Association of Certified Chartered Accountants, we report here below the detail of the reconciliation between the statutory tax liability resulting from the Financial Statements and the theoretical tax burden.

IRES

Description	Amounts
Profit before tax	1.044.527
Tax (theoretical)	250.686
Permanent increase variances	126.854
Temporary increase variances	4.550.701
Total increase variances	4.677.555
Permanent decrease variances	153.879
Temporary decrease variances	5.748.372
Total decrease variances	5.902.251
Total variances	(1.224.696)
Tax loss use	0
Donations	0
ACE	
Taxable Income	(180.169)
Current Tax IRES	0

IRAP

Description	Amounts
Difference between production value and production costs	1.178.798
Non deductible costs IRAP	6.370.946
Taxable Income IRAP	7.549.744
Theoretical Tax (rate 3,9%)	294.440
Permanent increase variances	-
Temporary increase variances	22.536
Total increase variances	22.536
Permanent decrease variances	94.944
Temporary decrease variances	2.569.135
Total decrease variances	2.664.079
Total adjustments	(2.641.543)
Taxable Income	<u>4.908.201</u>
IRAP current Tax	191.420

Also to be pointed out that:

- Deferred tax assets and liabilities were calculated on the basis of the average rates expected for the FY when temporary differences will be reversed;
- Deferred tax assets are recorded because it is reasonably certain that during the FY when the aforesaid temporary differences are reversed, the taxable income will not be lower than said losses;

Supplementary Notes – Other Information

Here following other information required by articles 2427 and 2427 bis of Civil Code are reported.

Employment Data

The chart below shows the average number of employees, grouped by category and calculated considering the daily average:

Category	Number
Managers	2
Executives	15
Office workers	8
Total	25

Remuneration to Directors and Statutory Board of Auditors

No remunerations is provided to the Board of Directors.

Following the change of the company name, which took place on 6 October 2020, the company decided to renounce, starting from that date, the function of the board of statutory auditors.

Remuneration to legal auditor of audit firm

The remuneration due to the Audit Firm (Crowe Bompany S.p.A.) is:

- Fees for auditors: € 16.200.
- Fees for other services: € 11.300.

Categories of shares issued by the company

The number of company's shares is 50.000 and their nominal value is € 1 each.

There are no classes of shares other than ordinary. All shares are owned by the sole shareholder of the Company since its incorporation.

All subscribed shares have been fully paid.

Securities issued by the company

The company has not issued any securities or similar value falling within the provisions of art. 2427. 18 Civil Code.

Information on financial instruments issued by the company

The company has not issued other financial instruments referred to in n. 19 of the 1st paragraph of art. 2427 of the Civil Code.

Summary financial statements of the company exercising the management and coordination activity

Sun Pharmaceuticals Industries Limited is the company that now carries out the management and coordination activities with headquarters in Mumbai; as of the date of this Note, the latest available financial statements related to the year ended 31 March 2023, which are reported below:

Sun Pharmaceutical Industries Limited Annual Report 2022-23

Standalone Balance Sheet

As at March 31, 2023

Particulars	Notes	€ in Million	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a) & 3 (b)	47,332.5	49,695.7
(b) Capital work-in-progress	3 (d)	3,288.7	3,589.4
(c) Goodwill	4 (a)	1,208.0	1,208.0
(d) Other Intangible assets	4 (a)	38,576.2	46,224.1
(e) Intangible assets under development	4 (b)	5,240.4	4,697.0
(f) Investments in the nature of equity in subsidiaries	5	124,017.4	153,404.1
(g) Financial assets			
(i) Investments	6	144.0	154.2
(ii) Loans	7	6,327.0	36,566.3
(iii) Other financial assets	8	538.9	651.3
(h) Deferred tax assets (Net)	9	10,323.9	3,240.4
(i) Income tax assets (Net)	10	5,861.3	8,836.7
(j) Other non-current assets	11	2,365.1	2,350.1
Total non-current assets		245,223.4	310,617.3
(2) Current assets			
(a) Inventories	12	39,891.9	34,037.4
(b) Financial assets			
(i) Investments	13	2,002.6	1,930.4
(ii) Trade receivables	14	71,250.2	42,451.6
(iii) Cash and cash equivalents	15	4,102.8	4,195.3
(iv) Bank balances other than (iii) above	16	110.0	1,154.3
(v) Loans	17	33,470.3	91.0
(vi) Other financial assets	18	5,824.0	4,021.8
(c) Other current assets	19	7,785.7	9,155.7
Total current assets		164,437.5	97,037.5
Assets classified as held for sale	3 (c)	214.0	-
TOTAL ASSETS		409,874.9	407,654.8

Standalone Balance Sheet

As at March 31, 2023

Particulars	Notes	₹ in Million	
		As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	2,399.3	2,399.3
(b) Other equity	21	235,084.3	243,480.2
Total equity		237,483.6	245,879.5
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	75,867.3	48,656.4
(ii) Lease liabilities	48	1,815.1	1,896.8
(iii) Other financial liabilities	23	3,912.2	-
(b) Other non-current liabilities	24	5,074.5	6,187.5
(c) Provisions	25	2,061.6	3,976.3
Total non-current liabilities		88,730.7	60,717.0
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	59.4	30.7
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	45	1,194.2	1,052.8
(b) total outstanding dues of creditors other than micro and small enterprises	45	30,061.6	26,051.6
(iii) Lease liabilities	48	166.4	156.5
(iv) Other financial liabilities	27	40,640.1	40,678.1
(b) Other current liabilities	28	3,437.7	7,463.1
(c) Provisions	29	8,095.0	25,625.5
Total current liabilities		83,654.4	101,058.3
Liabilities directly associated with assets classified as held for sale	3 (c)	6.2	-
Total liabilities		172,391.3	161,775.3
TOTAL EQUITY AND LIABILITIES		409,874.9	407,654.8

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 26, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary & Compliance Officer

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 26, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Notes	₹ in Million	
		Year ended March 31, 2023	Year ended March 31, 2022
(I) Revenue from operations	30	208,121.4	155,859.8
(II) Other income	31	2,790.3	9,579.2
(III) Total income (I + II)		210,911.7	165,439.0
(IV) EXPENSES			
Cost of materials consumed	32	51,656.3	45,849.7
Purchases of stock-in-trade		11,264.6	12,486.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(2,379.3)	(1,831.8)
Employee benefits expense	34	21,569.5	20,007.8
Finance costs	35	4,721.8	3,881.0
Depreciation and amortisation expense	3 (a), 3 (b) & 4 (a)	16,008.7	13,499.5
Other expenses	36	61,784.3	52,662.5
Net (gain) / loss on foreign currency transactions		(502.6)	(2,389.6)
Total expenses (IV)		164,123.3	144,165.1
(V) PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)		46,788.4	21,273.9
(VI) Exceptional item	55 (2)	29,377.9	18,205.3
(VII) PROFIT BEFORE TAX (V - VI)		17,410.5	3,068.6
(VIII) TAX EXPENSE / (CREDIT)			
Current tax	38	7,527.7	(5,535.8)
Deferred tax	9 & 38	(7,024.4)	5,198.3
Deferred tax - exceptional	55 (2)	-	4,406.0
Total tax expense (VIII)		503.3	4,068.5
(IX) PROFIT / (LOSS) FOR THE YEAR (VII - VIII)		16,907.2	(999.9)
(X) OTHER COMPREHENSIVE INCOME			
A) Items that will not be reclassified to profit or loss			
a. Gain / (loss) on remeasurement of the defined benefit plans		113.4	(223.4)
Income tax on above		(39.6)	78.1
b. Gain / (loss) on equity instrument measured at fair value through other comprehensive income		(90.2)	233.9
Income tax on above		31.5	(20.8)
Total - (A)		15.1	67.8

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Notes	₹ in Million	
		Year ended March 31, 2023	Year ended March 31, 2022
B) Items that may be reclassified to profit or loss			
a. Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		(192.4)	(492.4)
Income tax on above		67.2	172.1
b. Gain / (loss) on debt instrument measured at fair value through other comprehensive income		-	(104.4)
Income tax on above		-	-
c. Foreign currency translation reserve [gain / (loss)]		-	199.9
Income tax on above		-	(759.2)
Total - (B)		(125.2)	(984.0)
(X) Total other comprehensive income (A+B)		(110.1)	(916.2)
(XI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR ((X)+X)		16,797.1	(1,916.1)
Earnings per equity share (face value per equity share - ₹ 1)	46		
Basic (in ₹)		7.0	(0.4)
Diluted (in ₹)		7.0	(0.4)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 26, 2023

ANOOP DESHPANDE
Company Secretary & Compliance Officer

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholtime Director
(DIN : 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 26, 2023

Cash Flow Statement

In accordance with the recommendation made by the OIC here below it is reported the cash flow statement in the “indirect scheme” format as per provisions of accounting OIC 10.

	Amount at 31.03.24	Amount at 31.03.23
A. CASH FLOWS FROM OPERATING INCOME		
Result for the year	2.275.825	1.019.843
Income tax	-1.231.298	-322.875
Interest expense (interest income)	176.142	103.619
(Dividends)	-	-
(Gains) losses on disposal of assets	-	-
<i>1. Result for the year before income tax, interests, dividends and gain/losses on the sale</i>	<i>1.220.669</i>	<i>800.587</i>
Adjustments for non-cash items without impact in net working capital	-	-
Founds provisions	4.623.620	4.067.894
Depreciation of fixed assets	16.581	15.345
Devaluation of impairment losses	-	-
Other adjustments for non-cash items	-	-
<i>2. Cash flow before changes in net working capital</i>	<i>5.860.869</i>	<i>4.883.825</i>
Change in net working capital	-	-
Decrease (Increase) in inventories	2.349.928	575.843
Decrease (Increase) in trade receivables	-2.233.919	-2.904.874
Increase (decrease) in trade payables	-1.407.232	656.508
Decrease (Increase) in accrued income and prepaid expenses	23.978	-150
Increase (decrease) in accrued expenses and deferred income	-	-375
Other changes in net working capital	8.048.224	-148.585
<i>3. Cash flow after changes in net working capital</i>	<i>12.641.848</i>	<i>3.062.192</i>
Other adjustments	-	-

	Amount at 31.03.24	Amount at 31.03.23
Interest received (paid)	-	-
(Income taxes paid)	-231.647	-50.828
Dividends received	-	-
(Use of funds)	-5.748.525	-1.745.943
CASH FLOWS OPERATING INCOME(A)	6.661.676	1.265.422
B. CASH FLOWS GENERATED BY INVESTMENT ACTIVITY	-	-
Tangible assets	-	-
(Investments)	-61.620	-51.325
Sale price of divestments	-	-
intangible assets	-	-
(Investments)	-	-
Sale price of divestments	-	-
Financial fixed assets	-	-
(Investments)	-	-
Sale price of divestments	-	-
Financial assets other than fixed assets	-	-
(Investments)	-	-
Sale price of divestments	-	-
Acquisition or disposal of subsidiaries or branches of businesses, net of cash	-	-
FLOW OF FINANCIAL ASSETS INVESTMENT(B)	- 61.620	- 51.325
C. CASH FLOWS GENERATED BY FINANCING ACTIVITY	-	-
Third-party funding	-	-
Increase (decrease) in accounts payable to banks	-	-
Turning funding	-	-
Repayment of loans	-2.300.000	-1.000.000
Equity	-	-
Capital increase in payment	-	-

	Amount at 31.03.24	Amount at 31.03.23
Sale (purchase) of treasury shares	-	-
Dividends (and interim dividends) paid	-	-
<i>CASH FLOWS OF ACTIVITY OF FINANCING(C)</i>	-2.300.000	-1.000.000
Net increase (decrease) in cash	4.300.056	214.097
Cash on 01/04/2022	780.333	566.237
Cash on 31 March 2023	5.080.390	780.333
Change in net financial position	4.300.057	214.097
Unlike quadrature	- 0 -	0

Assets allocated to a specific business

This is to certify that at the date of closure of financial statements there are no assets allocated to a specific transaction, as per n. 20 of the 1st paragraph of art. 2427 of the Civil Code.

Funding for a specific business

This is to certify that at the date of closure of financial statements there is no funding for a specific business, as per n. 21 of the 1st paragraph of art. 2427 of the Civil Code.

Information about the fair value of financial instruments

This is to certify that no derivatives financial contract was signed.

Related party transactions

All related party transactions were carried out at market conditions and the corresponding revenues and costs were in line with those that could have been realized with third parties.

Relations with subsidiaries, related, parent companies and controlled companies do not include atypical and / or unusual transactions and are governed by normal market conditions.

Please refer to the Management Report for details of credit and debit positions as well as revenues and costs arising from all related party transactions.

Events occurred after the closure of Fiscal Year.

According to the art. 2428 paragraph 3, point 5 of the Civil Code, there are no significant events to report.

To date, there are no particular critical issues in the ability to supply customers and honor deadlines, and there have been no worsening in the management of cash flow worthy of reporting.

Proposed allocation of profits or loss coverage

Dear Shareholder,

in light of the above, and after notifying that the indications of the art. 2446 of the Civil Code are not applicable for the Company, the Board of Directors proposes to allocate the profit for the year of € 2.275.825 to retained earnings.

Notes – Final part

Dear Shareholder,

We confirm that these Financial Statements, consisting of Balance Sheet, Income Statement and Notes to the Financial Statements, represent a true and fair view of the company's balance sheet and financial position and correspond to the accounting entries, and we invite you to approve the draft Financial Statements at 31 March 2024 as prepared by the Board of Directors

For the Board of Directors
Hellen de Kloet