

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY ANNUAL FINANCIAL STATEMENTS
AT
31 MARCH 2022

(This copy of the Summary Financial Statements is consistent in all aspects with the Audited Annual Financial Statements which is dated 5 May 2022, except that the prescribed officers' remuneration disclosure has been excluded)

PHARMA DYNAMICS PROPRIETARY LIMITED**SUMMARY ANNUAL FINANCIAL STATEMENTS AT 31 MARCH 2022****DIRECTORS**

CF Roos
 T R Volle*#
 S Makharia*##
 S Mumtaz*##
 D Chakravorty*##

* Non-executive director

Foreign resident

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

The preparation of the annual financial statements was supervised by P C Engelbrecht.

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APPROVAL OF SUMMARY ANNUAL FINANCIAL STATEMENTS

The summary annual financial statements set out on pages 4 to 44 were approved by the board of directors on 5 May 2022 and are signed on its behalf by:

C F ROOS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF PHARMA DYNAMICS PROPRIETARY LIMITED

Report on the Summary Financial Statements

Introduction

The summary annual financial statements of Pharma Dynamics Proprietary Limited, which comprise the summary statement of financial position as at 31 March 2022, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and the related notes, set out on pages 7 to 43 are derived from the audited annual financial statements of Pharma Dynamics Proprietary Limited for the year ended 31 March 2022.

Opinion

In our opinion, the accompanying summary annual financial statements, are consistent, in all material respects with the said audited annual financial statements in accordance with the requirements of the Companies Act of South Africa applicable to summary financial statements.

Summary financial statements

The summary annual financial statements do not contain all the disclosure required for annual financial statements by International Financial Reporting Standards and the Companies Act of South Africa as applicable to annual financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited annual financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited annual financial statements for the year ended 31 March 2022 in our report dated 5 May 2022.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 44-page document titled "Pharma Dynamics Proprietary Limited Audited Annual Financial Statements at 31 March 2022", which includes the Report of the Directors and the Company Secretary Statement as required by the Companies Act of South Africa as well as the unaudited schedule of operating expenses. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the summary annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the summary annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Director's responsibility for the summary financial statements

The company's directors are responsible for the preparation of the summary annual financial statements in accordance with the requirements of the Companies Act of South Africa applicable to summary financial statements.

Auditor's responsibility

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

Ernst & Young Inc.
Director: Tina Lesley Rookledge
Registered Auditor
Chartered Accountant (SA)

Cape Town
5 May 2022

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 R	2021 R
Revenue	2	<u>1 381 580 468</u>	<u>1 297 069 736</u>
Turnover	2	1 375 251 365	1 294 996 943
Cost of sales		<u>(612 392 708)</u>	<u>(583 942 562)</u>
Gross profit		762 858 657	711 054 381
Other income		1 047 231	2 089 717
Operating costs		<u>(521 568 281)</u>	<u>(481 295 895)</u>
Profit from operations	3	242 337 607	231 848 203
Interest income	2	6 329 103	2 072 793
Interest expense on lease liabilities		(508 093)	(481 703)
Interest expense		<u>(2 115)</u>	<u>(307 175)</u>
Profit before taxation		248 156 502	233 132 118
Taxation	4	<u>(69 062 183)</u>	<u>(65 830 552)</u>
Profit for the year		179 094 319	167 301 566
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>179 094 319</u></u>	<u><u>167 301 566</u></u>

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2022

	Note	2022 R	2021 R
ASSETS			
Non-current assets			
Property, plant and equipment	5	3 172 531	3 159 733
Right of use asset	6	4 647 560	7 786 587
Investments	8	9 650 000	8 500 000
Intangible assets	7	44 666 521	37 405 253
Deferred tax	9	2 406 288	3 404 016
		<u>64 542 900</u>	<u>60 255 589</u>
Current assets			
Inventories	10	358 104 775	311 569 009
Trade and other receivables	11	324 179 649	319 374 453
Tax receivable		3 859 690	-
Cash and cash equivalents	12	136 163 004	152 303 299
Short term investments	13	145 000 000	-
		<u>967 307 118</u>	<u>783 246 761</u>
Total assets		<u>1 031 850 018</u>	<u>843 502 350</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	14	100 000	100 000
Retained earnings		815 910 387	636 816 068
		<u>816 010 387</u>	<u>636 916 068</u>
Non-current liabilities			
Lease liability	15	2 127 591	5 036 655
		<u>2 127 591</u>	<u>5 036 655</u>
Current liabilities			
Trade and other payables	16	193 719 664	187 189 477
Tax payable		-	1 488 546
Lease liability	15	2 909 064	3 708 860
Derivative financial instruments	18	2 685 066	481 449
Provisions	17	14 398 246	8 681 295
		<u>213 712 040</u>	<u>201 549 627</u>
Total equity and liabilities		<u>1 031 850 018</u>	<u>843 502 350</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Ordinary share capital R	Retained earnings R	Total R
Balance at 31 March 2020	100 000	469 514 502	469 614 502
Total comprehensive income for the year	-	<u>167 301 566</u>	<u>167 301 566</u>
Balance at 31 March 2021	100 000	636 816 068	636 916 068
Total comprehensive income for the year	-	<u>179 094 319</u>	<u>179 094 319</u>
Balance at 31 March 2022	<u>100 000</u>	<u>815 910 387</u>	<u>816 010 387</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 R	2021 R
Cash flows from operating activities			
Cash generated from operations	22.1	273 256 462	242 981 040
Movements in working capital	22.2	<u>(60 894 986)</u>	<u>(126 962 671)</u>
		212 361 476	116 018 369
Interest received		4 178 545	5 915 317
Interest paid		(510 208)	(788 816)
Taxation paid	22.3	<u>(73 412 691)</u>	<u>(57 908 011)</u>
Net cash inflow from operating activities		<u>142 617 122</u>	<u>63 236 859</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		(1 793 745)	(2 973 540)
Proceeds from disposal of intangible assets		1 000 000	-
Purchase of intangible assets		(8 104 812)	(7 860 285)
Increase in short term investments		(145 000 000)	-
Increase in investments		<u>(1 150 000)</u>	<u>-</u>
Net cash outflow from investing activities		<u>(155 048 557)</u>	<u>(10 833 825)</u>
Cash flow from financing activities			
Repayment of lease liability		(3 708 860)	(5 106 722)
Repayment of short term borrowings		<u>-</u>	<u>(36 428 299)</u>
Net cash outflow from financing activities		<u>(3 708 860)</u>	<u>(41 535 021)</u>
Net movement in cash and cash equivalents		(16 140 295)	10 868 013
Cash and cash equivalents at beginning of year		<u>152 303 299</u>	<u>141 435 286</u>
Cash and cash equivalents at end of year	22.4	<u><u>136 163 004</u></u>	<u><u>152 303 299</u></u>

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022

1 ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below:

1.1 Statement of compliance

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

Basis of preparation

The annual financial statements are prepared on the historical cost basis, except where stated otherwise in the accounting policies below.

The accounting policies below have been applied consistently to all periods presented in the annual financial statements, except where the Company has adopted IFRS and IFRIC interpretations and amendments that became effective during the period.

1.2 Revenue recognition

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

Finance income

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

Revenue from the sale of goods

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

Performance obligations and timing of revenue recognition

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

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

Determining the transaction price

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

PHARMA DYNAMICS PROPRIETARY LIMITED**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)****1 ACCOUNTING POLICIES (Continued)****1.2 Revenue recognition (continued)**

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

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

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

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

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

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

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

Provision for sale returns

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

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

Practical expedients applied

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

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

PHARMA DYNAMICS PROPRIETARY LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)**

1 ACCOUNTING POLICIES (Continued)

1.3 Property, plant and equipment

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

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

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

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

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

Motor vehicles	20.00%
Furniture and fittings	16.67%
Office equipment	20.00%
Computer equipment	33.33%
Computer software	50.00%
Leasehold improvements	20.00%
SAP Software	50.00 %

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

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

1.4 Intangible assets

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

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

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.4 Intangible assets (continued)

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

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

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

The expected useful lives are as follows:

- Trademarks	10 years
- Dossiers purchased / Licence agreements	10 years

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

1.5 Impairment of non-financial assets

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

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

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

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

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

1.6 Leases

The Company is party to lease contracts for:

- Buildings

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.6 Leases (continued)

i) Right-of-use asset

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

ii) Lease liabilities

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

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

1.7 Inventories

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

1.8 Financial Instruments

Financial Instruments - initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

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

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

PHARMA DYNAMICS PROPRIETARY LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)**

1 ACCOUNTING POLICIES (Continued)

1.8 Financial Instruments (continued)

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

Cash and cash equivalents

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

Short term investments

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

Financial assets at fair value through profit or loss

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

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

This category includes derivative instruments and investments.

Derecognition

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.8 Financial Instruments (continued)

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

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

Impairment of Financial Assets

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

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

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

ii) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

PHARMA DYNAMICS PROPRIETARY LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)**

1 ACCOUNTING POLICIES (Continued)

1.8 Financial instruments (continued)

Financial liabilities at fair value through profit or loss

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

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

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

Trade and other payables

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

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

Derecognition

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

1.9 Provisions

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

1.10 Foreign currency translations

Functional and presentation currency

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

Transactions and balances

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.10 Foreign currency translations (continued)

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

1.11 Taxes

Current tax

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

Deferred tax

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

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

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

Value added tax ("VAT")

Revenues, expenses and assets are recognised excluding VAT except:

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

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

Withholdings Tax ("DWT")

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

1.12 Equity-Settled Employee Share Scheme

Share options in Lupin Limited are granted to directors and key employees of Pharma Dynamics. The scheme in operation is classified as equity-settled. The equity-settled scheme allows certain employees the option to acquire ordinary shares in Lupin Limited. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at grant date of the equity-settled share-based payment is

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.12 Equity-Settled Employee Share Scheme (continued)

charged as an employee-share option expense on a straight-line basis over the period that the employee becomes unconditionally entitled to the options, based on management of Lupin Limited's estimate of the shares that will vest and adjusted for the effect of non-market vesting conditions. These share options are not subsequently revalued.

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

1.13 Significant accounting judgements and estimates

Judgements

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

Depreciation rates

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

Amortisation rates

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

Estimation uncertainty

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

Impairment of Intangibles

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

Incremental Borrowing Rate

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS AT 31 MARCH 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.13 Significant accounting judgements and estimates (continued)

Bonus provision

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

Stock obsolescence provision

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

Customer returns

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

Expected credit loss (ECL)

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

1.14 Standards issued but not yet effective

IFRS, Amendments and IFRIC interpretations issued but not yet effective

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

Amendments to IAS 8: Classification of liabilities as Current or Non-current

Effective for annual periods beginning on or after 1 January 2023, the classification of liabilities as current or non-current; Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. This amendment has no significant impact on the financial statements of the Company.

Amendments to IAS 8: Definition of Accounting estimates

Effective for annual periods beginning on or after 1 January 2023, the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors; Narrow-scope amendments to IAS 8 to provide clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. This amendment has no significant impact on the financial statements of the Company.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

Effective for annual periods beginning on or after 1 January 2023, the replacement of term "significant" with "material" as this is defined in IFRS and is widely understood by users of the financial statements. This amendment has no significant impact on the financial statements of the Company.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
2 REVENUE		
Revenue comprises the following:		
Turnover	1 375 251 365	1 294 996 943
Interest income	6 329 103	2 072 793
	<u>1 381 580 468</u>	<u>1 297 069 736</u>
Revenue from contracts with customers is made up as follows:		
Gross sales	1 412 620 201	1 320 867 755
Sales returns, volume discounts and clawbacks	(37 368 836)	(25 870 812)
	<u>1 375 251 365</u>	<u>1 294 996 943</u>
2.1 Disaggregated Revenue Information		
Set out below is the disaggregation of the Company's revenue from contracts with customers		
Types of Customers		
Wholesalers	1 145 885 046	1 052 917 460
Direct Customers	229 366 319	242 079 483
	<u>1 375 251 365</u>	<u>1 294 996 943</u>
Revenue from direct customers is derived from the sale of goods to pharmacies, hospitals, government enterprises and other local and foreign customers		
Types of goods		
Cardiovascular	615 913 960	598 295 287
Over-the-counter	361 821 663	360 591 370
Central nervous system	235 610 647	208 878 987
Intravenous therapy	104 886 374	96 055 335
Family healthcare	41 244 408	24 067 005
Anti-Tuberculosis	15 774 313	7 108 959
Total revenue from contracts with customers	<u>1 375 251 365</u>	<u>1 294 996 943</u>
2.2 Contract Balances		
Trade Receivables (Note 11)	306 955 313	295 306 596
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.		

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

2 REVENUE (Continued)

2.3 Performance Obligations

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

Sales of goods to customers

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

	2022	2021
	R	R
3 PROFIT FROM OPERATIONS		
Profit from operations is stated after taking the following items into account:		
Expenses		
Amortisation of intangible assets	3 584 380	1 475 221
Impairment of intangible assets	738 291	556 742
Auditors remuneration	1 491 127	1 176 278
-current year	1 435 127	973 978
-non audit service	56 000	202 300
Depreciation		
-Property, plant and equipment	1 992 051	2 925 549
-Leases	3 139 027	3 882 085
Write-off of property, plant and equipment	-	101 482
Direct Selling	171 850 953	170 661 862
Distribution	41 943 776	39 957 197
Promotion	35 121 579	24 026 660
(Profit)/Loss on foreign exchange	5 253 379	(1 531 705)
Employee costs		
Directors emoluments		
-Executive	7 133 251	12 077 275
-Salaries and wages	112 596 718	106 769 729
-Commissions	14 305 544	10 396 585
-Motor vehicle allowances	12 050 100	12 294 320
-Staff recruitment fees	456 915	104 757
-Staff training and welfare	3 210 755	1 763 446
-Employee Stock Ownership Plan (ESOP)	1 062 296	1 055 186

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
4 TAXATION		
Current income tax charge	68 064 455	65 204 314
Current year	68 340 981	64 723 572
Prior year (over)/under provision	(276 526)	480 742
Deferred tax		
Relating to origination and reversal of temporary differences	997 728	626 238
	69 062 183	65 830 552
Tax rate reconciliation	%	%
Normal rate of taxation	28.00	28.00
Change in income tax rate	(0.04)	-
Prior year (over)/under provision	(0.11)	0.21
Non deductible expenses	0.12	0.09
Allowances not claimed through profit and loss	(0.14)	(0.06)
Effective rate	27.83	28.24

On 23 February 2022, the Finance Minister noted in the Budget Speech (as announced in the 2021 Budget Speech) that there will be a reduction in the corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

5 PROPERTY, PLANT AND EQUIPMENT

	2022				
	Furniture and fittings R	Office equipment R	Computer equipment R	Computer software R	Total R
Beginning of year assets at cost	1 402 499	205 736	4 512 706	-	6 120 941
Accumulated depreciation	(914 362)	(100 132)	(1 946 714)	-	(2 961 208)
Carrying value	488 137	105 604	2 565 992	-	3 159 733
Current year movements					
-additions	-	194 115	1 835 256	-	2 029 371
-disposals and retirements	-	-	(24 522)	-	(24 522)
cost	(448 333)	(14 185)	(1 762 500)	-	(2 225 018)
accumulated depreciation	448 333	14 185	1 737 978	-	2 200 496
-depreciation	(210 268)	(63 020)	(1 718 763)	-	(1 992 051)
Balance at end of year	277 869	236 699	2 657 963	-	3 172 531
Made up as follows:					
Balance at end of year					
-assets at cost	954 166	385 666	4 585 462	-	5 925 294
-accumulated depreciation	(676 297)	(148 967)	(1 927 499)	-	(2 752 763)
Carrying value	277 869	236 699	2 657 963	-	3 172 531
	2021				
	Furniture and fittings R	Office equipment R	Computer equipment R	Computer software R	Total R
Beginning of year assets at cost	2 549 591	1 282 630	3 368 599	4 965 199	12 166 019
Accumulated depreciation	(1 790 253)	(203 074)	(2 451 147)	(1 734 641)	(6 179 115)
Carrying value	759 338	1 079 556	917 452	3 230 558	5 986 904
Current year movements					
-additions	5 298	11 998	1 882 233	1 074 011	2 973 540
-disposals and retirements	(2 416)	-	-	-	(2 416)
cost	(1 152 392)	(93 245)	(1 696 099)	-	(2 941 736)
accumulated depreciation	1 149 976	93 245	1 696 099	-	2 939 320
-depreciation	(247 530)	(41 401)	(1 204 795)	(1 431 823)	(2 925 549)
-reclassification	(26 553)	(944 549)	971 102	(2 872 746)	(2 872 746)
Balance at end of year	488 137	105 604	2 565 992	-	3 159 733
Made up as follows:					
Balance at end of year					
-assets at cost	1 402 499	205 736	4 512 706	-	6 120 941
-accumulated depreciation	(914 362)	(100 132)	(1 946 714)	-	(2 961 208)
Carrying value	488 137	105 604	2 565 992	-	3 159 733

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

6 RIGHT OF USE ASSET

	2022		
	Property R	Motor vehicles R	Total R
Beginning of year			
-assets at cost	11 200 516	-	11 200 516
-accumulated depreciation	(3 413 929)	-	(3 413 929)
Carrying value	7 786 587	-	7 786 587
Current year movements			
-depreciation	(3 139 027)	-	(3 139 027)
Balance at end of year	<u><u>4 647 560</u></u>	<u><u>-</u></u>	<u><u>4 647 560</u></u>

	2021		
	Property R	Motor vehicles R	Total R
Beginning of year			
-assets at cost	8 155 880	787 009	8 942 889
-accumulated depreciation	(3 826 122)	(644 850)	(4 470 972)
Carrying value	4 329 758	142 159	4 471 917
Current year movements			
-additions	7 295 821	-	7 295 821
-disposals	(57 628)	(41 438)	(99 066)
-depreciation	(3 781 364)	(100 721)	(3 882 085)
Balance at end of year	<u><u>7 786 587</u></u>	<u><u>-</u></u>	<u><u>7 786 587</u></u>

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

7 INTANGIBLE ASSETS	2022			2021			
	Cost R	Accumulated amortisation R	Carrying Value R	Cost R	Accumulated amortisation R	Reclassification R	Carrying Value R
Purchase Dossiers/Licence Agreements	68 485 052	(27 889 979)	40 595 073	60 717 857	(26 185 350)	-	34 532 507
-Registered *	50 533 160	(27 889 979)	22 643 181	40 321 724	(26 185 350)	-	14 136 374
-Pending registration #	17 951 892	-	17 951 892	20 396 133	-	-	20 396 133
Computer software	7 315 578	(3 244 130)	4 071 448	-	-	2 872 746	2 872 746
	75 800 630	(31 134 109)	44 666 521	60 717 857	(26 185 350)	2 872 746	37 405 253

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

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

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

	2022					Reclassification	Carrying value at end of year
	Carrying value at beginning of year R	Additions R	Impairment R	Disposals R	Amortisation R		
Purchase Dossiers/Licence Agreements	34 532 507	10 142 350	(738 291)	(1 074 164)	(2 267 329)	-	40 595 073
Computer software	2 872 746	2 515 753	-	-	(1 317 051)	-	4 071 448
	37 405 253	12 658 103	(738 291)	(1 074 164)	(3 584 380)	-	44 666 521
	2021						
Purchase Dossiers/Licence Agreements	28 704 186	7 860 284	(556 742)	-	(1 475 221)	-	34 532 507
Computer software	-	-	-	-	-	2 872 746	2 872 746
	28 704 186	7 860 284	(556 742)	-	(1 475 221)	2 872 746	37 405 253

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
8 INVESTMENTS		
Investment	9 650 000	8 500 000

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

	Statement of financial position		Statement of comprehensive income	
	2022	2021	2022	2021
	R	R	R	R
9 DEFERRED TAX				
Analysis of deferred tax				
Deferred tax assets/(liabilities)				
Property, plant and equipment	-	-	-	39 804
Intangibles	(1 026 972)	(880 846)	(146 126)	(410 843)
Expected credit losses	36 464	161 580	(125 116)	(92 222)
Provision for sales return	256 249	156 186	100 063	(441 710)
Provision for obsolete stock	346 573	1 245 635	(899 062)	(181 358)
Prepaid expenses	(3 670 674)	(3 400 618)	(270 056)	163 184
Provisions	6 269 208	5 713 539	555 669	452 407
Right-of-use asset	(1 164 456)	(2 040 204)	875 748	(719 668)
Lease liability	1 359 896	2 448 744	(1 088 848)	594 349
Employee Stock Ownership Plan (ESOP)	-	-	-	(30 181)
	<u>2 406 288</u>	<u>3 404 016</u>	<u>(997 728)</u>	<u>(626 238)</u>

	2022	2021
	R	R
10 INVENTORIES		
The amounts attributable to the different categories are as follows:		
Raw materials	1 432 647	712 388
Work in progress	1 810 070	2 888 113
Finished goods	<u>354 862 058</u>	<u>307 968 508</u>
	<u>358 104 775</u>	<u>311 569 009</u>

The amount of write-downs of inventory recognised as expenses R 14 035 211 (2021: R 3 762 010) which is recognised in cost of sales. During the period, the provision for obsolete stock amounted to R 1 283 603 (2021: R 4 448 695). Inventory is written off due to the goods being damaged or expired.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
11 TRADE AND OTHER RECEIVABLES		
Interest receivable	2 379 688	229 130
Trade receivables	306 955 313	295 306 596
Deposits	451 659	1 180 601
Prepayments	14 392 989	22 658 126
	<u>324 179 649</u>	<u>319 374 453</u>

Trade receivables is made up as follows:

Gross trade receivables	307 135 384	296 076 024
Expected credit losses	(180 071)	(769 428)
Net trade receivables	<u>306 955 313</u>	<u>295 306 596</u>

Information about the credit exposures are disclosed in note 20.

Set out below is the movement in the allowance for expected credit losses.

Opening balance	(769 428)	(1 208 581)
Reversal of prior year provision	518 573	337 709
Write-off	70 784	101 444
Closing balance	<u>(180 071)</u>	<u>(769 428)</u>

	2022	2021
	R	R
12 CASH AND CASH EQUIVALENTS		
Bank and cash	5 910 376	13 785 052
Short term deposits	130 252 628	138 518 247
Cash and cash equivalents	<u>136 163 004</u>	<u>152 303 299</u>

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

	2022	2021
	R	R
13 SHORT TERM INVESTMENTS		
Short term investments - bank	<u>145 000 000</u>	<u>-</u>

Consists of a six month fixed deposit at an interest rate of 4.7% that matures on 31 May 2022.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

		2022	2021
		R	R
14 SHARE CAPITAL			
Authorised			
1 000 000 ordinary shares of R1 each		<u>1 000 000</u>	<u>1 000 000</u>
Issued			
100 000 ordinary shares of R1 each		<u>100 000</u>	<u>100 000</u>
Reconciliation of number of shares in issue			
Issued shares at 1 April		100 000	100 000
Shares Issued		<u>-</u>	<u>-</u>
Issued shares at 31 March		<u>100 000</u>	<u>100 000</u>
		2022	2021
		R	R
15 LEASES			
Long Term Lease Liability			
-Property		<u>2 127 591</u>	<u>5 036 655</u>
		<u>2 127 591</u>	<u>5 036 655</u>
Short Term Lease Liability			
-Property		<u>2 909 064</u>	<u>3 708 860</u>
		<u>2 909 064</u>	<u>3 708 860</u>
	2022		2021
	Minimum	Present	Minimum
	payments	value of	payments
	R	payments	R
	R	R	R
Within one year	3 159 610	2 909 064	4 216 954
After one year but not more than five years	<u>2 196 844</u>	<u>2 127 591</u>	<u>5 356 454</u>
Total minimum lease payments	5 356 454	5 036 655	9 573 408
Less amounts representing finance charges	<u>(319 799)</u>	<u>-</u>	<u>(827 893)</u>
Present value of minimum lease payments	<u>5 036 655</u>	<u>5 036 655</u>	<u>8 745 515</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
15 LEASES (continued)		
The following are the amounts recognised in profit or loss:		
Depreciation expense of right of use of asset	3 139 027	3 882 085
Interest expense on lease liability	508 093	481 641
Total amount recognised in profit or loss	<u>3 647 120</u>	<u>4 363 726</u>
Set out below are the carrying amounts of lease and the movements during the period:		
Opening balance	8 745 515	6 556 416
Additions	-	7 295 821
Interest	508 093	481 641
Payments	<u>(4 216 953)</u>	<u>(5 588 363)</u>
	<u>5 036 655</u>	<u>8 745 515</u>
	2022	2021
	R	R
16 TRADE AND OTHER PAYABLES		
Trade payables *	117 463 377	96 465 264
Other payables	4 783 559	7 116 285
Accruals ^	64 975 450	78 575 839
VAT	<u>6 497 278</u>	<u>5 032 089</u>
	<u>193 719 664</u>	<u>187 189 477</u>

*Included in trade payables is amounts owing to related parties. Refer to note 19 for details.

^ Included in accruals is an amount of R 29 719 351 (2021: R 48 394 279) relating to stock in transit. Risk and rewards has transferred to the company based on International Commercial Terms and the goods are on route to final destinations in South Africa.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
17 PROVISIONS		
Opening balance	8 681 295	12 425 803
Utilised	(8 123 487)	(10 290 461)
Additions	<u>13 840 438</u>	<u>6 545 953</u>
	<u><u>14 398 246</u></u>	<u><u>8 681 295</u></u>

Provisions consist of:

Incentive bonus

Incentive bonuses are based on year end audited results. These bonuses are paid out once the annual financial statements have been signed off. During the current financial year R 7 145 277 (2021: R 8 234 823) has been utilised against the 2021 financial year provision and R 8 946 985 (2021: R 7 145 277) has been added to the 2022 provision.

Provision for Sale Returns

Provision for sale returns are based on the total sales amount and is measured at the amount the Company ultimately expects it will return to the customer. During the current financial year R 557 808 (2021: R 2 135 242) has been utilised against the 2021 financial year provision and R 949 071 (2021: 557 808) has been added to the 2022 provision.

Incentives payable

Included in provisions are incentives payable of R 4 502 190 (2021: R 978 210). During the current financial year, R 978 210 (2021: R 2 055 638) has been utilised against the 2021 financial year provision and R 4 502 190 (2021: R 978 210) has been added to the 2022 provision.

	2022	2021
	R	R
18 DERIVATIVE FINANCIAL INSTRUMENTS		
All foreign exchange contracts are derivative financial instruments and are classified at fair value through profit and loss. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs and are classified in Level 2 of the fair value hierarchy.		
Foreign exchange contract	(2 685 066)	(481 449)

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

19 RELATED PARTIES

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

Ultimate holding Company

Lupin Ltd (Incorporated in India)

Holding Company

Nanomi B.V. (incorporated in the Netherlands)

Subsidiaries of ultimate holding Company

Lupin Atlantis Holdings

Entities controlled by Pharma Dynamics directors

Pharma Disease Management Solutions (Pty) Ltd (PDMS). This entity is no longer a related party in the current year.

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

	Lupin Ltd	2022 Lupin Atlantis Holdings SA	Nanomi B.V
	R	R	R
Expenditure			
-Rental Paid	-	-	-
-Management Fee	-	1 199 168	-
-Inventory Purchases	83 947 022	-	-
Reimbursement by related party			
-Equity Settled Employee Share Scheme	1 062 296	-	-
-IT Expenses	604 708	-	-
-Consultancy Fees	2 578 793	-	-
-Management Fees	1 199 168	-	-
-SAP Concur	70 176	-	-
Reimbursement to related party			
-Recovery of Travel Expenses	46 642	-	-
-Samples	319 112	-	-
-Consultancy Fees	1 246 283	-	-
Assets/Liabilities			
-Amount owing by Related Parties	1 213 822	-	-
-Amount owing to Related Parties	35 377 164	316 815	-

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

19 RELATED PARTIES (Continued)

	2021			
	Lupin Ltd	Lupin Atlantis	Nanomi	PDMS
	R	Holdings SA	B.V	R
		R	R	
Expenditure				
-Rental paid	-	-	-	3 730 551
-Management fee	-	1 512 220	-	-
-Inventory purchases	69 703 995	-	-	-
Reimbursement by related party				
-Recovery of travel expenses				
-Equity settled Employee Share Scheme	1 055 186	-	-	-
-IT expenses	729 282	-	-	-
-Compliance consulting	431 981	-	-	-
Reimbursement from related party				
-Recovery of travel expenses	132 406	-	-	-
-Samples	1 444 574	-	-	-
-Consultancy Fees	2 414 692	-	-	-
Assets/Liabilities				
-Amount owing by related parties	3 991 672	-	-	-
-Amount owing to related parties	20 288 694	285 884	-	-

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Assets	Note	At amortised cost R	Fair value through profit and loss R	Non-financial assets R	Total R
2022					
Trade and other receivables	11	309 786 660	-	14 392 989	324 179 649
Cash and cash equivalents	12	136 163 004	-	-	136 163 004
Short-term investments	13	145 000 000	-	-	145 000 000
Investments	8	-	9 650 000	-	9 650 000
Total		<u>590 949 664</u>	<u>9 650 000</u>	<u>14 392 989</u>	<u>614 992 653</u>
2021					
Trade and other receivables	11	296 716 327	-	22 658 126	319 374 453
Cash and cash equivalents	12	152 303 299	-	-	152 303 299
Investments	8	-	8 500 000	-	8 500 000
Total		<u>449 019 626</u>	<u>8 500 000</u>	<u>22 658 126</u>	<u>480 177 752</u>
Liabilities	Note	At amortised cost R	Fair value through profit and loss R	Non-financial assets R	Total R
2022					
Trade and other payables	16	151 966 287	-	41 753 377	193 719 664
Lease liabilities	15	5 036 655	-	-	5 036 655
Derivative financial instruments	18	-	2 685 066	-	2 685 066
Total		<u>157 002 942</u>	<u>2 685 066</u>	<u>41 753 377</u>	<u>201 441 385</u>
2021					
Trade and other payables	16	151 975 828	-	35 213 649	187 189 477
Lease liabilities	15	8 745 515	-	-	8 745 515
Derivative financial instruments	18	-	481 449	-	481 449
Total		<u>160 721 343</u>	<u>481 449</u>	<u>35 213 649</u>	<u>196 416 441</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

20.1 Credit risk

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

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

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

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

	2022	2021
	R	R
Investec	73%	0%
Standard Bank	27%	100%

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

The short-term credit ratings per Moody's rating agency as at 31 March 2022 for Standard Bank and Investec is P-1.za.

Interest bearing loans

	2022	2021
	R	R
Opening balance	-	36 428 299
Additional loans	-	-
Repayment of loan	-	(36 428 299)
Closing balance	<u>-</u>	<u>-</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

20.1 Credit risk (continued)

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

31 March 2022	Outstanding Total	Current	Days past due			
			31 -60 Days	61 -90 Days	91 -120 Days	More than 121 Days
Expected credit loss rate		0.0170%	1.5257%	2.9266%	2.3412%	1.1697%
Estimated total gross carrying amount at default	307 135 384	300 525 383	1 855 436	1 830 208	1 106 222	1 818 135
Expected credit loss	180 071	51 036	28 308	53 562	25 898	21 267

31 March 2021	Outstanding Total	Current	Days past due			
			31 -60 Days	61 -90 Days	91 -120 Days	More than 121 Days
Expected credit loss rate		0.0351%	0.6816%	4.0940%	29.8730%	12.1029%
Estimated total gross carrying amount at	296 076 024	288 445 072	3 073 382	1 134 773	1 049 009	2 373 788
Expected credit loss	769 428	101 355	20 948	46 458	313 370	287 297

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

	2022 R	2021 R
Trade receivables, deposits and interest receivable	309 786 660	296 716 327
Short term deposits (refer Note 12)	130 252 628	138 518 247
Bank and cash	5 910 376	13 785 052
Short term investments	145 000 000	-
	<u>590 949 664</u>	<u>449 019 626</u>

20.2 Liquidity risk

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

20.2 Liquidity risk (continued)

	Weighted average interest rate %	Carrying amount R	Contractual cash flows R	6 months or less R	More than 6 months R
2022					
Non interest bearing liabilities					
-trade payables	-	151 966 287	(151 966 287)	(151 966 287)	-
Interest bearing liabilities					
-lease liability	7.10	5 356 454	(5 036 655)	(1 522 163)	(3 514 492)
- FEC liability		2 685 066	(2 685 066)	(2 685 066)	-
		<u>160 007 807</u>	<u>(159 688 008)</u>	<u>(156 173 516)</u>	<u>(3 514 492)</u>
	Weighted average interest rate %	Carrying amount R	Contractual cash flows R	6 months or less R	More than 6 months R
2021					
Non interest bearing liabilities					
-trade payables	-	151 975 828	(151 975 828)	(150 519 769)	(1 456 059)
Interest bearing liabilities					
-lease liability	7.21	9 573 408	(8 745 515)	(2 797 813)	(6 775 595)
- FEC liability		481 449	(481 449)	(481 449)	-
		<u>162 030 685</u>	<u>(161 202 792)</u>	<u>(153 799 031)</u>	<u>(8 231 654)</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

20.2 Liquidity risk (continued)

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

	2022	2021
	R	R
Total facilities:		
Credit card	1 520 000	1 520 000
Foreign exchange contracts	18 000 000	18 000 000
Fleet management	400 000	400 000
Vehicle and asset finance	2 500 000	2 500 000
Letter of credit	5 000 000	5 000 000
Lending	-	100 000 000
	<u>27 420 000</u>	<u>127 420 000</u>
Unutilised Borrowing Facility:		
Credit card	1 411 072	1 440 003
Foreign exchange contracts	15 314 934	17 518 551
Fleet management	-	51 807
Vehicle and asset finance	2 500 000	2 500 000
Letter of credit	5 000 000	5 000 000
Lending	-	100 000 000
	<u>24 226 006</u>	<u>126 510 361</u>

The R 100 000 000 lending facility (2021) was structured as a bank overdraft. This facility expired on 31 March 2021 and has not been renewed.

20.3 Market risk

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

20.3.1 Foreign currency risk management

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

The Company had foreign liabilities at 31 March 2022 amounting to: EUR 2 631 643 (2021: EUR 2 629 807), USD 2 436 688 (2021: USD 1 517 729) and GBP 85 869 (2021: GBP 189 563). These amounts total R 79 419 922 (2021: R 72 202 366) and are included as part of trade and other payables per the statement of financial position.

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

20.3.1 Foreign currency risk management (continued)

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

	Movement in foreign currency rate*	Effect on profit before tax (and equity) R
2022		
EURO	15%	6 370 734
Pound Sterling	15%	245 118
US Dollar	15%	5 296 726

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

	Movement in foreign currency rate*	Effect on profit before tax (and equity) R
2021		
EURO	15%	1 551 528
Pound Sterling	15%	583 095
US Dollar	15%	2 787 534

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

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

There were FEC contracts of R 2 685 066 as at 31 March 2022 (2021: R 481 449) with a nominal value of R 76 227 035 (2021: R 40 671 169).

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

20.3.2 Interest rate risk management

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

The Company measures sensitivity to interest rates as the effect of a change in the Reserve Bank repo rate on profit before tax based on the Company's exposure at period end. The Company regards a 1% (2021: 1%) change in the Reserve Bank repo rate as being reasonably possible at period end. The sensitivity of the Company's profit before tax due to a reasonably possible change in interest rates, with all other variables held constant, through the impact on cash and cash equivalents is therefore as follows:

	Movement in basis points	Effect on profit before tax (and equity)
	R	R
2022	+100	1 302 526
	-100	(1 302 526)
2021	+100	1 385 182
	-100	(1 385 182)

20.4 Capital risk management

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

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

The Company's overall risk management strategies remain unchanged from 2021.

21 COMMITMENTS	2022	2021
	R	R
2022	-	9 247 066
2023	5 455 263	1 608 699
2024	3 285 259	5 163 270
2025	2 629 458	3 389 092
2026	692 969	-
	<u>12 062 949</u>	<u>19 408 127</u>

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

	2022	2021
	R	R
22 NOTES TO THE STATEMENT OF CASH FLOWS		
22.1 Cash generated from operations		
Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	248 156 502	233 132 118
Adjusted for:		
Depreciation	5 131 078	6 807 634
Write off of property, plant and equipment	(2 229)	101 482
Interest income	(6 329 103)	(2 072 731)
Interest expense	510 208	788 878
Movement in provision for bad debts	(518 573)	(337 709)
Movement in provisions	5 716 951	(3 797 116)
Impairment of intangible assets	738 291	556 742
Amortisation	3 584 380	1 475 221
Write down of inventory	14 035 211	3 762 010
Unrealised loss on foreign currency	2 194 788	2 623 409
Bad debt recovered	(632 341)	(409 083)
Other non cash flow items	671 299	350 185
Operating profit before working capital changes	<u>273 256 462</u>	<u>242 981 040</u>
22.2 Movement in working capital changes		
Increase in inventory	(60 570 977)	(119 784 197)
(Increase)/decrease in trade and other receivables	(2 065 281)	8 606 124
Increase/(decrease) in trade and other payables	1 741 272	(15 784 598)
	<u>(60 894 986)</u>	<u>(126 962 671)</u>
22.3 Reconciliation of taxation paid during year		
Balance at beginning of the year	(1 488 546)	5 807 757
Current tax recognised in the statement of comprehensive income	(68 064 455)	(65 204 314)
Balance at end of the year	<u>(3 859 690)</u>	<u>1 488 546</u>
Total tax paid	<u>(73 412 691)</u>	<u>(57 908 011)</u>
22.4 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:		
Cash and cash equivalents	<u>136 163 004</u>	<u>152 303 299</u>

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2022 (Continued)

23 DIRECTORS' EMOLUMENTS

	Executive Director Cornelius Frederik Roos		Executive Director Thomas Scott *	
	2022	2021	2022	2021
	R	R	R	R
Cash Salary	3 433 101	3 211 809	-	1 424 384
Medical Aid	49 935	49 646	-	65 822
Provident Fund	558 287	528 775	-	211 292
Trauma	20 507	18 319	-	7 269
Bonuses and performance related payments	2 086 268	2 113 517	-	512 281
Other Allowances	62 596	46 364	-	25 968
Car Allowances	240 000	240 000	-	121 500
Payment for severance benefit	-	-	-	3 298 568
Employee Stock Ownership Plan (ESOP)	682 557	-	-	201 761
	<u>7 133 251</u>	<u>6 208 430</u>	<u>-</u>	<u>5 868 845</u>

Refer to page 1 for list of directors of the Company. All individuals not listed as a director are considered prescribed officers of the Company

* On 31 December 2020 Thomas Scott resigned as Executive Director and the employment of the Company.

24 EVENTS SUBSEQUENT TO YEAR END

No material facts or circumstances have occurred between the accounting date and the date the financial statements were issued.

PHARMA DYNAMICS PROPRIETARY LIMITED
UNAUDITED SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED 31 MARCH 2022

Expenditure	2022 R	2021 R
Advertising	14 162 421	11 818 362
Amortisation of intangible assets	3 584 380	1 475 221
Auditor's remuneration	1 491 127	1 176 278
Bad debts	70 784	101 444
Bank charges	442 904	615 359
BEE charges	48 324 215	48 195 864
Broker administration costs	144 262	151 904
Cellphones	1 236 267	1 255 620
Commissions	14 305 544	10 396 585
Computer expenses	4 722 173	3 728 642
Consulting fees	7 132 746	3 589 350
Courier and postage	1 313 889	929 745
Depreciation – Property, plant and equipment	1 992 051	2 925 549
Depreciation – Leases	3 139 027	3 882 085
Direct selling	171 850 953	170 661 862
Distribution	41 943 776	39 957 197
Employee Stock Ownership Plan (ESOP)	1 062 296	1 055 186
Electricity and water	205 615	142 130
Entertainment	165 327	93 082
Group life and disability	1 409 323	1 291 094
Human resources	1 346 964	1 218 959
Impairment of intangible assets	738 291	556 742
Insurance	2 088 904	1 526 669
Legal fees	17 478	616 261
Licences	-	6 409
Loss on foreign exchange	5 253 379	-
Write-off of property, plant and equipment	-	101 482
Motor vehicle expenses	5 383 429	3 925 591
Office renovation	400	-
Relocation costs	133	17 239
Penalties	315 678	-
Printing and stationery	165 208	265 721
Promotion	35 121 579	24 026 660
Rates	175 620	219 026
Recruitment fees	456 915	104 757
Refreshments	532 307	243 295
Rent	1 749 239	817 115
Repairs and maintenance	419 122	504 498
Regulatory expenses	4 720 156	2 772 540
Salaries and wages (including directors emoluments)	131 780 069	131 141 324
Samples	392 683	384 835
Staff training	3 210 755	1 763 446
Subscriptions	435 862	560 000
Telephone and fax	634 710	624 742
Trademark and Patent	326 782	515 351
Trauma cover	471 808	438 752
Travel	943 269	663 803
Quality Assurance	6 188 461	4 838 119
Total Operating Expenses	521 568 281	481 295 895