PHARMA DYNAMICS PROPRIETARY LIMITED

SUMMARY ANNUAL FINANCIAL STATEMENTS

AT

31 MARCH 2025

(This copy of the Summary Financial Statements is consistent in all aspects with the Audited Annual Financial Statements which is dated 5 May 2025, except that the prescribed officers' remuneration disclosure has been excluded)

PHARMA DYNAMICS PROPRIETARY LIMITED

SUMMARY ANNUAL FINANCIAL STATEMENTS AT 31 MARCH 2025

DIRECTORS

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

* 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	1st 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 summary annual Financial Statements was supervised by P C Engelbrecht.

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APPROVAL OF SUMMARY ANNUAL FINANCIAL STATEMENTS

The summary annual Financial Statements set out on pages 4 to 47 were approved by the board of directors on 5 May 2025 and are signed on its behalf by:

C F ROOS

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Co. Reg. No. 2005/002308/21

Independent Auditor's Report

To the Shareholder of Pharma Dynamics Proprietary Limited

Report on the Summary Financial Statements

Opinion

The summary financial statements of Pharma Dynamics Proprietary Limited, which comprise the summary statement of financial position as at 31 March 2025, 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 46 are derived from the complete audited financial statements of Pharma Dynamics Proprietary Limited for the year ended 31 March 2025.

In our opinion, the accompanying summary financial statements, are consistent, in all material respects with the audited financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Summary financial statements

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

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements for the year ended 31 March 2025 in our report dated 5 May 2025.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 47-page document titled "Pharma Dynamics Proprietary Limited Summary Annual Financial Statements at 31 March 2025", which includes the Report of the directors and Company secretary statement as well as the Unaudited schedule of operating expenses. The other information does not include the summary financial statements and our auditor's report thereon.

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

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

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

Director's responsibility for the summary financial statements

The company's directors are responsible for the preparation of the summary financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Shape the future
with confidence

Auditor's responsibility

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

Ernst & Young Inc.
Director: Craig John Ellis
Chartered Accountant (SA)
Registered Auditor
5 May 2025

PHARMA DYNAMICS PROPRIETARY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2025

The directors have pleasure in submitting the summary annual financial statements for the year ended 31 March 2025.

PERFORMANCE HIGHLIGHTS

The past financial year was a first for Pharma Dynamics on a number of fronts. On the one hand we successfully completed the acquisition of the Medical Nutritional Institute (MNI) product range and incorporated them into the Complimentary Alternative Medicines (CAMS) portfolio of Pharma Dynamics. On the other hand, it was also the year where we implemented a major organizational structure change as the result of Project Eagle. This is the first meaningful restructuring of the commercial teams since the incorporation of the company. We shifted emphasis from a Doctor focussed sales effort to an increased retail focus, ensuring we deliver optimal returns in the growth segments of Over the Counter (OTC) medication and CAMS. The restructure also ensured that we sharpen our focus on speciality type products as key future growth drivers. The organizational changes unfortunately led to the offboarding of 18 individuals, some of whom were then reemployed in different capacities. The overall impact of Project Eagle therefore did not result in large headcount reductions, but rather a redeployed headcount with a renewed focus. One other key impact for 2025 was the introduction of stock replenishment systems by some of the major wholesalers. The impact of these systems has been meaningful, especially at quarter ends where wholesalers used to buy in additional stock. On the positive side, it has now led to a further normalization of the business with a higher level of predictability.

As the result of these challenges and opportunities, we were able to grow Turnover by 5.3% to R 1,518 bn. Overall revenue growth was slightly higher at 5.5% to R 1,543bn. During the past year the strongest growth came from our OTC portfolio, with growth of 22.4%. This growth was fuelled by the introduction of the MNI product portfolio which, in the 7 months since acquisition, contributed R 40,9m to the overall sales effort. We have also seen a strong increase in the contribution of our Anti-Tuberculosis basket, boosting sales revenues by R 49,3m, albeit at much lower margins.

Overall gross margins declined from 48,8% in 2024 to 46,4% in 2025. This decline was driven mainly by a change in the product sales mix as well as increased stock write off costs. These items, combined with the increased cost of goods impact (driven by hard currency inflation and foreign exchange deterioration) had a meaningful impact on overall margins. The combined impact of write off costs and Cost of Goods increases was R 62,7m. Overall margins on our Anti-Tuberculosis basket was also low at 12.3%, compared to the margins of the rest of the portfolio at 51.9%.

As in past years, market conditions in South Africa remain extremely competitive and, in spite of a slowdown in efficiencies at the regulator, we still managed to register 10 products in the past financial year. We introduced 6 new brands, as well as the MNI portfolio in our product offering during 2025 and they collectively contributed R 50,2m to overall sales. Products launched in 2024 also contributed R 42,6m to overall sales reflecting a growth of 112% over their contributions in 2024. New product launches therefore remain extremely important to fuel the future growth of the organization, whilst the growth in the top 10 products start to slow down. We did see positive price growth in the combined top 10 products, but this was mainly driven by Efferflu C Immune Booster (ECIB), whilst products such as Amloc and Bilocor collectively suffered negative pricing impacts of R 12,4m. This is in addition to the R 10m price drop they suffered during 2024. Increasing channel fees also remains a reality as the corporate pharmacy expansion and consolidation continues.

From a portfolio performance perspective, the Cardiovascular portfolio remains the largest overall contributor with sales of R 598,7m reinforcing the position of Pharma Dynamics as the dominant player in this therapeutic area. The portfolio's negative growth of 3.3% is driven by key products showing market declines (Bilocor, Zartan, Pearinda and Carvetrend), while two key products (Tesar and Enap) suffered from out of stocks. These 6 products collectively recorded negative growth of R 41,6m. Although the Cardiovascular portfolio shrunk by R 20,7m in 2025, it still represents 39% of overall turnover.

PHARMA DYNAMICS PROPRIETARY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

PERFORMANCE HIGHLIGHTS (Continued)

The Over-the-Counter portfolio showed encouraging growth of 22.4%, driven by the strong growth of ECIB (40%) as well as the inclusion of the MNI portfolio. Most products in this portfolio showed positive growth, with the exception of Lancap OTC, which showed a decline of R 3,1m. The portfolio showed overall growth of R 64,5m in 2025 and it is now the second largest contributor with sales of R 352,6m.

The Central Nervous System portfolio moved from the 2nd largest sales contributor in 2024 to the third largest contributor in 2025 with overall sales of R 290,1m. Growth was effectively flat as encouraging performances by Peploc, Zolnorem and Truloc were offset by negative sales growth of Lancap. Zoxadon, and Radd, the latter due to a global API shortage. We look forward to this portfolio making an increasing contribution in 2026.

The Intravenous Therapy portfolio suffered the largest overall decline with sales reducing by R 24,8m in 2025. This decline was effectively driven by Dyna Teicoplanin with a sales reduction of R 26,7m. We have had to re-assess the products in this portfolio to discontinue those (such as Meroject) that fail to make a positive margin contribution. There are some green shoots in this portfolio with Altirem showing growth of R 10,7m in 2025. This portfolio still contributed R 101,7m to overall sales.

The Family Healthcare portfolio recorded growth of 11,4% with total sales of R 66,0m. Largest of the growth drivers for 2025 were Minex, Tibilive and Foruri with combined sales growth of R 11,3m, This portfolio remains the smallest contributor to the overall sales effort with a value share of 4.4% .

From a BBBEE perspective, we secured our level 6 in June 2024 largely due to our participation in the Youth Employment Service (YES) programme. As we have opted not to continue pursuing the Equity Equivalence Investment Program (EEIP) to secure ownership points, we will bolster investment in bursaries and YES going forward. This should see us retaining our level 6 certification. Some years back we made an investment of R 9,65m into a Section 12J fund to support our Supplier and Enterprise Development initiatives. As there has continually been challenges with overlapping financial reporting between Pharma Dynamics and the administrators of the Section 12J fund, a decision was made to impair this investment in the 2025 financial year.

In terms of product pricing, the Department of Health announced a maximum medicine price increase of 5.25% for 2025/2026 (6.79% for 2024/2025). This increase, although above inflation, has been welcomed by Industry as an attempt to address rising costs brought on by hard currency inflation and foreign exchange deterioration. The 2025/2026 price increase has been implemented on selected brands after due consideration of competitive market conditions.

Our Scientific Affairs team has continued with their product registration activities, and in the past year we registered ten new products in South Africa as well as fourteen new products in export territories. As the result of the competitive landscape, we launched six of the ten registered products in the past financial year.

Pharma Dynamics ended the financial year as the eighth largest Generics Pharmaceutical company with 28 market leading brands and 16 brands in nr. 2 positions. We remain the nr. 1 Cardiovascular company in South Africa and retain our position as the 12th largest Pharmaceutical company in South Africa.

NATURE OF BUSINESS

The company carries on the business of marketing and sales of pharmaceutical and nutraceutical products. All manufacturing and distribution is contracted out.

PHARMA DYNAMICS PROPRIETARY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

RESULTS OF OPERATIONS

The results of operations for the year are detailed in the statement of comprehensive income on page 7 and are to be read in conjunction with the relevant notes.

SHARE CAPITAL

The authorised and issued share capital has remained unchanged.

PLANT AND EQUIPMENT

There has been no major change in the nature of plant and equipment or in the policy regarding their use.

EMPLOYEES

The company has 175 employees (2024: 174).

DIVIDEND

No dividend was declared or paid for the year ended 31 March 2025. (2024: R nil)

DIRECTORS AND SECRETARY

Particulars of the present directors are given on page 1.

P C Engelbrecht was appointed as company secretary on 1 March 2018.

EVENTS SUBSEQUENT TO YEAR END

There have been no subsequent events after years end that may significantly impact on the company's performance.

AUDITORS

Ernst & Young Inc. will continue in office in accordance with section 90(2) of the Companies Act.

COMPANY SECRETARY STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

I hereby confirm, in terms of the Companies Act, No 71 of 2008, that for the year ended 31 March 2025, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required in terms of this Act and that all such returns are true, correct and up to date.

P C Engelbrecht

5 May 2025

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 R	2024 R
Revenue	2	1 543 438 791	1 462 781 705
Turnover	2	1 517 838 552	1 441 127 806
Cost of sales		(814 242 266)	(738 255 674)
Gross profit		703 596 286	702 872 132
Other income	3	22 378 661	4 477 214
Operating costs		(650 411 807)	(581 939 608)
Profit from operations	3	75 563 140	125 409 738
Interest income	2	25 600 239	21 653 899
Interest expense on lease liabilities		(1 806 520)	(668 595)
Impairment expense	8	(9 650 000)	-
Profit before taxation		89 706 859	146 395 042
Taxation	4	(25 978 436)	(39 307 387)
Profit for the year		63 728 423	107 087 655
Other comprehensive income		-	-
Total comprehensive income for the year		63 728 423	107 087 655

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	Note	2025 R	2024 R
ASSETS			
Non-current assets			
Property, plant and equipment	5	4 645 412	6 405 534
Right of use asset	6	15 529 526	19 588 436
Intangible assets	7	143 698 568	57 574 815
Investments	8	-	9 650 000
Deferred tax	9	9 882 756	5 442 907
		173 756 262	98 661 692
Current assets			
Inventories	10	621 254 263	500 154 882
Trade and other receivables	11	345 237 778	388 606 245
Tax receivable		947 875	1 890 012
Cash and cash equivalents	12	311 396 749	331 564 064
Derivative financial instruments	17	333 455	-
		1 279 170 120	1 222 215 203
Total assets		**1 452 926 382**	**1 320 876 895**
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	13	100 000	100 000
Retained earnings		1 114 055 019	1 050 326 596
		1 114 155 019	1 050 426 596
Non-current liabilities			
Lease liability	14	12 914 990	16 519 701
		12 914 990	16 519 701
Current liabilities			
Trade and other payables	15	306 880 691	237 128 866
Lease liability	14	4 217 680	3 316 511
Derivative financial instruments	17	-	15 848
Provisions	16	14 758 002	13 469 373
		325 856 373	253 930 598
Total equity and liabilities		**1 452 926 382**	**1 320 876 895**

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Ordinary share capital R	Retained earnings R	Total R
Balance at 31 March 2023	100 000	943 238 941	943 338 941
Total comprehensive income for the year	-	107 087 655	107 087 655
Balance at 31 March 2024	100 000	1 050 326 596	1 050 426 596
Total comprehensive income for the year	-	63 728 423	63 728 423
Balance at 31 March 2025	100 000	1 114 055 019	1 114 155 019

PHARMA DYNAMICS PROPRIETARY LIMITED
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 R	2024 R
Cash flows from operating activities			
Cash generated from operations	21.1	134 521 322	163 104 186
Movements in working capital	21.2	(54 795 889)	(108 916 213)
		79 725 433	54 187 973
Interest received		21 854 700	21 438 091
Interest paid		(1 806 520)	(668 595)
Taxation paid	21.3	(29 476 148)	(33 908 444)
Net cash inflow from operating activities		70 297 465	41 049 025
Cash flow from investing activities			
Purchase of property, plant and equipment		(1 376 581)	(5 869 083)
Proceeds from disposal of intangible assets		-	3 600 000
Purchase of intangible assets		(85 630 211)	(10 263 939)
Net cash outflow from investing activities		(87 006 792)	(12 533 022)
Cash flow from financing activities			
Repayment of lease liability		(3 457 988)	(3 635 180)
Net cash outflow from financing activities		(3 457 988)	(3 635 180)
Net movement in cash and cash equivalents		(20 167 315)	24 880 823
Cash and cash equivalents at beginning of year		331 564 064	306 683 241
Cash and cash equivalents at end of year	21.4	311 396 749	331 564 064

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025

1 ACCOUNTING POLICIES

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

1.1 Statement of compliance

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

Basis of preparation

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

The accounting policies below have been applied consistently to all periods presented in the summary annual financial statements, except where the Company has adopted IFRS and IFRIC interpretations and amendments that became effective during the period. There were no new or revised IFRSs and interpretations that had a significant impact on the company's 2025 summary annual financial statements.

1.2 Revenue recognition

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

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

Revenue from the sale of goods
The Company recognises revenue when it has satisfied a performance obligation by transferring goods to a customer.

Performance obligations and timing of revenue recognition

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

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

Determining the transaction price

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (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 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.3 Property, plant and equipment

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

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

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

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

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

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

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

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

1.4 Intangible assets

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

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

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.4 Intangible assets (continued)

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

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

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

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

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

1.5 Impairment of non-financial assets

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

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

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

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

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

PHARMA DYNAMICS PROPRIETARY LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)**

1 ACCOUNTING POLICIES (Continued)

1.6 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain on bargain purchase is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment.

MNI (Medical Nutritional Institute)

With effect from 2 September 2024, the Company acquired the South African operation of the Medical Nutritional Institute Lifestyle (Pty) Ltd (MNI) business, which consists of nine well established consumer brands and related intangible assets.

MNI specialises in the prevention and management of lifestyle related disease. This is done through non-prescription pharmaceutical products using phytochemical (plant based) ingredients that are safe and effective and are trusted by the medical fraternity. The portfolio is a good strategic fit for the Company in terms of product synergies in metabolic disease, as well as patient support platforms. It also adds to the customer brand offering, strengthening the Company's position in this space.

The consideration paid to acquire the MNI business equals an amount of R 80 000 000, based on a thorough due diligence performed on the underlying business. The Company has also opted to purchase the current stock manufactured at date of sale in a separate transaction for a value of R 6 068 461.

Management conducted a valuation of the intangible assets and measured a provisional fair value at R 91 808 733 on acquisition date. A gain on bargain purchase amounting to R 11 808 733 was recognised in profit and loss. This valuation remains subject to changes in the fair value of the separately identifiable intangible assets acquired, which may have an impact to the gain on bargain purchase or lead to the recognition of goodwill. Any such changes, if material, will be reflected as a measurement period adjustment in accordance with IFRS 3.

The intangible assets identified as part of the acquisition include Trademarks and licenses, Dossiers/Marketing rights and Knowhow.

PHARMA DYNAMICS PROPRIETARY LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)**

1 ACCOUNTING POLICIES (Continued)

1.7 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.

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.

1.8 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.

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.9 Financial Instruments

Financial Instruments - initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

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

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

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

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.

PHARMA DYNAMICS PROPRIETARY LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)**

1 ACCOUNTING POLICIES (Continued)

1.9 Financial Instruments (continued)

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:

- 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.

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.9 Financial Instruments (continued)

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. Debtors are taken into account post insurance guarantees on the debtors. 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:

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.

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.9 Financial instruments (continued)

Trade and other payables

Trade payables are obligations to pay for goods that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities as payment is due within 1 year or less. If not, they are presented as non-current liabilities.
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost

Derecognition

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

1.10 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.

1.11 Foreign currency translations

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

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

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

1.12 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.

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.12 Taxes (continued)

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

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

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

Value added tax ("VAT")
Revenues, expenses and assets are recognised excluding VAT except:

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

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

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

1.13 Equity-Settled Employee Share Scheme

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

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.

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.14 Share-based payment transactions

Employees Stock Option Plans ("ESOPs"):

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

Cash-settled Transactions:

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

1.15 Significant accounting judgements and estimates

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

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

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

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

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.15 Significant accounting judgements and estimates (continued)

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

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

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

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

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

1.16 Standards issued but not yet effective

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

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

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

Amendments to IAS 21: Lack of exchangeability

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

PHARMA DYNAMICS PROPRIETARY LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.16 Significant accounting judgements and estimates (continued)

IFRS 18 - Presentation and Disclosure in Financial Statements

Effective for annual periods beginning on or after 1 January 2027, the presentations and disclosure within the summary financial statements which will replace IAS 1. IFRS 18 introduces new categories and subtotals in the statements of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information. The Company is in the process of assessing the impact of the amendment.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

Effective for annual periods beginning on or after 1 January 2027 which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 requires an entity whose summary financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statements of such compliance. The Company is in the process of assessing the impact of the amendment.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

	2025 R	2024 R
2 REVENUE		
Revenue comprises the following:		
Turnover	1 517 838 552	1 441 127 806
Interest income	25 600 239	21 653 899
	1 543 438 791	1 462 781 705
Revenue from contracts with customers is made up as follows:		
Gross sales	1 555 838 891	1 462 751 353
Sales returns, volume discounts and clawbacks	(38 000 339)	(21 623 547)
	1 517 838 552	1 441 127 806

2.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers

	2025 R	2024 R
Types of Customers		
Wholesalers	1 305 168 411	1 215 384 024
Direct Customers	212 670 141	225 743 782
	1 517 838 552	1 441 127 806

Revenue from direct customers is derived from the sale of goods to pharmacies, hospitals, government enterprises and other local and foreign customers

	2025 R	2024 R
Types of goods		
Cardiovascular	598 680 993	619 375 588
Over-the-counter	352 576 536	288 076 541
Central nervous system	290 139 200	289 218 010
Intravenous therapy	101 668 862	126 524 298
Family healthcare	66 038 162	58 497 502
Anti-Tuberculosis	108 734 799	59 435 867
Total revenue from contracts with customers	1 517 838 552	1 441 127 806

2.2 Contract Balances

	2025 R	2024 R
Trade Receivables (Note 11)	328 834 134	379 752 201

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 2025 (Continued)

2 REVENUE (Continued)

2.3 Performance Obligations

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

Sale of goods to customers

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

3 PROFIT FROM OPERATIONS

	2025 **R**	**2024** **R**
Profit from operations is stated after taking the following items into account:		
Other Income		
Gain on bargain purchase	(11 808 733)	-
Royalty Income	(1 854 515)	-
Profit on foreign exchange	(3 877 470)	-
Bad debt recovered	(4 501 595)	(550 425)
Miscellaneous income	(336 348)	(326 789)
Sale of intangible asset	-	(3 600 000)
Expenses		
Amortisation of intangible assets	11 619 807	5 896 199
Impairment of intangible assets	1 729 173	329 927
Auditors remuneration	2 066 566	1 755 655
-current year	1 994 830	1 617 815
-non audit service	71 736	137 840
Depreciation		
-Property, plant and equipment	3 136 703	2 953 002
-Leases	4 813 358	3 695 551
Direct selling	240 251 684	221 511 916
Distribution	46 082 991	43 955 655
Promotion	39 382 132	33 029 702
Loss on foreign exchange	-	1 396 991

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

		2025 R	2024 R
3	**PROFIT FROM OPERATIONS (Continued)**		
	Employee costs		
	Directors emoluments		
	-Executive	8 291 998	7 155 683
	-Salaries and wages	162 824 016	139 710 254
	-Commissions	13 160 817	7 175 513
	-Motor vehicle allowances	15 127 815	14 795 555
	-Staff recruitment fees	645 160	843 735
	-Staff training and welfare	3 865 803	3 209 096
	-Employee Stock Ownership Plan (ESOP)	845 125	1 421 046
4	**TAXATION**		
	Current income tax charge	30 418 285	39 040 836
	Current year	30 469 647	39 260 110
	Prior year over provision	(51 362)	(219 274)
	Deferred tax		
	Relating to origination and reversal of temporary differences	(4 439 849)	266 551
		25 978 436	39 307 387
	Tax rate reconciliation	%	%
	Normal rate of taxation	27.00	27.00
	Prior year over provision	(0.06)	(0.15)
	Non deductible expenses	3.12	-
	Non-taxable income	(3.55)	-
	Other reconciling items	2.45	-
	Effective rate	28.96	26.85

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

5 PROPERTY, PLANT AND EQUIPMENT

	2025			
	Furniture and fittings R	**Office equipment R**	**Computer equipment R**	**Total R**
Beginning of year assets at cost	814 734	1 254 391	8 397 210	10 466 335
Accumulated depreciation	(455 651)	(471 246)	(3 133 904)	(4 060 801)
Carrying value	359 083	783 145	5 263 306	6 405 534
Current year movements				
-additions	65 383	68 397	1 242 801	1 376 581
-transfers	-	(31 282)	31 282	-
cost	-	(189 874)	189 874	-
accumulated depreciation	-	158 593	(158 593)	-
-disposals and retirements	-	-	-	-
cost	(255 029)	(64 948)	(1 685 051)	(2 005 028)
accumulated depreciation	255 029	64 948	1 685 051	2 005 028
-depreciation	(111 819)	(392 025)	(2 632 859)	(3 136 703)
Balance at end of year	312 647	428 235	3 904 530	4 645 412
Made up as follows:				
Balance at end of year				
-assets at cost	625 088	1 067 966	8 144 836	9 837 890
-accumulated depreciation	(312 441)	(639 731)	(4 240 306)	(5 192 478)
Carrying value	312 647	428 235	3 904 530	4 645 412

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

6 RIGHT OF USE ASSET

	2025	
	Property	**Total**
	R	**R**
Beginning of year		
-assets at cost	21 497 042	21 497 042
-accumulated depreciation	(1 908 604)	(1 908 604)
Carrying value	19 588 438	19 588 438
Current year movements		
-additions	754 446	754 446
-depreciation	(4 813 358)	(4 813 358)
Balance at end of year	15 529 526	15 529 526

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

7 INTANGIBLE ASSETS

	2025			2024		
	Cost R	Accumulated amortisation R	Carrying Value R	Cost R	Accumulated amortisation R	Carrying Value R
Purchase Dossiers/Licence Agreements	181 776 533	(44 154 353)	137 622 180	88 117 367	(35 363 142)	52 754 225
-Registered *	162 957 973	(44 154 353)	118 803 620	73 502 171	(35 363 142)	38 139 029
-Pending registration #	18 818 560	-	18 818 560	14 615 196	-	14 615 196
Computer software	11 824 360	(5 747 972)	6 076 388	10 679 381	(5 858 791)	4 820 590
	193 600 893	(49 902 325)	143 698 568	98 796 748	(41 221 933)	57 574 815

* 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:

2025	Carrying value at beginning of year R	Additions R	Impairment R	Disposals R	Amortisation R	Carrying value at end of year
Purchase Dossiers/Licence Agreements	52 754 225	96 601 201	(1 729 173)	-	(10 004 073)	137 622 180
Computer software	4 820 590	2 871 532	-	-	(1 615 734)	6 076 388
	57 574 815	99 472 733	(1 729 173)	-	(11 619 807)	143 698 568
2024						
Purchase Dossiers/Licence Agreements	43 286 791	15 003 773	(329 927)	(701 070)	(4 505 342)	52 754 225
Computer software	5 130 745	1 080 702	-	-	(1 390 857)	4 820 590
	48 417 536	16 084 475	(329 927)	(701 070)	(5 896 199)	57 574 815

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

	2025 R	2024 R
8 INVESTMENTS		
Investment	-	9 650 000

Set out below is the movement in investments

	2025 R	2024 R
Opening balance	9 650 000	9 650 000
Impairment	(9 650 000)	-
Closing balance	-	9 650 000

Following the annual impairment review, the Company has made the decision to impair the investment. An impairment expense of R 9 650 000 has subsequently been recognised in the statement of comprehensive income.

	Statement of financial position		Statement of comprehensive income	
	2025 R	2024 R	2025 R	2024 R
9 DEFERRED TAX				
Analysis of deferred tax				
Deferred tax assets/(liabilities)				
Intangibles	(2 508 699)	(1 047 820)	(1 460 879)	333 283
Expected credit losses	173 047	870 418	(697 371)	762 772
Provision for sales return	303 917	309 120	(5 203)	205 198
Provision for obsolete stock	5 642 589	1 266 826	4 375 763	(2 155 074)
Prepaid expenses	(1 825 194)	(1 644 085)	(181 109)	(550 943)
Provisions	7 655 685	5 593 275	2 062 410	1 143 348
Right-of-use asset	(4 184 411)	(5 260 604)	1 076 193	(4 273 172)
Lease liability	4 625 822	5 355 777	(729 955)	4 268 037
	9 882 756	5 442 907	4 439 849	(266 551)

	2025 R	2024 R
10 INVENTORIES		

The amounts attributable to the different categories are as follows:

	2025 R	2024 R
Raw materials	1 792 068	2 235 669
Work in progress	7 785 057	4 001 807
Finished goods	611 677 138	493 917 406
	621 254 263	500 154 882

The amount of write-downs of inventory recognised as expenses R 51 972 351 (2024: R 19 018 777) which is recognised in cost of sales. During the period, the provision for obsolete stock amounted to R 20 898 479 (2024: R 4 691 948). 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 2025 (Continued)

	2025 R	2024 R
11 TRADE AND OTHER RECEIVABLES		
Interest receivable	5 600 541	1 855 002
Trade receivables	328 834 134	379 752 201
Deposits	589 087	723 587
Prepayments	6 763 912	6 275 455
VAT	3 450 104	-
	345 237 778	388 606 245

	2022	2021
Trade receivables is made up as follows:		
Gross trade receivables	329 688 689	384 050 560
Expected credit losses	(854 555)	(4 298 359)
Net trade receivables	328 834 134	379 752 201

Information about the credit exposures are disclosed in note 19.

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

Opening balance	(4 298 359)	(531 584)
Reversal of prior year provision	4 298 359	531 584
Write-off	854 555	4 512 446
Additions	(1 709 110)	(8 810 805)
Closing balance	(854 555)	(4 298 359)

	2025 R	2024 R
12 CASH AND CASH EQUIVALENTS		
Bank and cash	29 168 318	76 866 934
Short term deposits	282 228 431	254 697 130
Cash and cash equivalents	311 396 749	331 564 064

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

13 SHARE CAPITAL

	2025 R	2024 R
Authorised		
1 000 000 ordinary shares of R1 each	1 000 000	1 000 000
Issued		
100 000 ordinary shares of R1 each	100 000	100 000
Reconciliation of number of shares in issue		
Issued shares at 1 April	100 000	100 000
Shares Issued	-	-
Issued shares at 31 March	100 000	100 000

14 LEASES

	2025 R	2024 R
Long Term Lease Liability		
-Property	12 914 990	16 519 701
	12 914 990	16 519 701
Short Term Lease Liability		
-Property	4 217 680	3 316 511
	4 217 680	3 316 511

	2025		2024	
	Minimum payments R	Present value of payments R	Minimum payments R	Present value of payments R
Within one year	5 684 320	4 217 680	5 082 458	3 316 511
After one year but not more than five years	14 660 181	12 914 990	19 659 623	16 519 701
Total minimum lease payments	20 344 501	17 132 670	24 742 081	19 836 212
Less amounts representing finance charges	(3 211 831)	-	(4 905 869)	-
Present value of minimum lease payments	17 132 670	17 132 670	19 836 212	19 836 212

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

	2025 R	2024 R
14 LEASES (continued)		
The following are the amounts recognised in profit or loss:		
Depreciation expense of right of use of asset	4 813 358	3 695 551
Interest expense on lease liability	1 806 520	668 595
Total amount recognised in profit or loss	6 619 878	4 364 146
Set out below are the carrying amounts of lease and the movements during the period:		
Opening balance	19 836 212	4 028 669
Additions	754 446	19 442 723
Interest	1 806 520	668 595
Payments	(5 264 508)	(4 303 775)
	17 132 670	19 836 212

	2025 R	2024 R
15 TRADE AND OTHER PAYABLES		
Trade payables *	262 084 894	137 069 591
Other payables	3 919 080	13 733 111
Accruals ^	40 876 717	79 510 507
VAT	-	6 815 656
	306 880 691	237 128 866

*Included in trade payables is amounts owing to related parties. Refer to note 18 for details.
^In the prior year, included in the accruals balance is an amount of R 28 073 347 relating to stock in transit. In the current year, management have recorded this as part of the Trade payables balance, and no longer raising it as an accrual, as it was determined that risk and rewards transfer to the company based on International Commercial Terms once the goods are en route to final destinations in South Africa.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

16 PROVISIONS

	2025 R	2024 R
Opening balance	13 469 373	8 212 751
Utilised	(13 469 373)	(8 212 751)
Additions	14 758 002	13 469 373
	14 758 002	13 469 373

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 9 414 325 (2024: R 6 719 477) has been utilised against the 2024 financial year provision and R 10 441 055 (2024: R 9 414 325) has been added to the 2025 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 1 144 890 (2024: R 384 896) has been utilised against the 2024 financial year provision and R 1 125 618 (2024: R 1 144 890) has been added to the 2025 provision.

Incentives payable

Included in provisions are incentives payable of R 3 191 329 (2024: R 2 910 158). During the current financial year, R 2 910 158 (2024: R 1 108 378) has been utilised against the 2024 financial year provision and R 3 191 329 (2024: R 2 910 158) has been added to the 2025 provision.

17 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.

	2025 R	2024 R
Foreign exchange contract	333 455	(15 848)

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

18 RELATED PARTIES

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

Ultimate holding Company

Lupin Ltd (Incorporated in India)

Holding Company

Nanomi B.V. (incorporated in the Netherlands)

Subsidiaries of ultimate holding Company

Lupin Atlantis Holdings
Lupin Inc
Lupin Management Inc

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

	2025			
	Lupin Ltd R	Lupin Atlantis Holdings R	Lupin Inc R	Lupin Management Inc R
Expenditure				
-Management Fee	-	1 746 859	-	674 022
-Inventory Purchases	208 354 465	-	-	-
-Consultancy Fees	2 446 121	-	-	-
-Legal fees	-	-	2 537 636	-
Reimbursement by related party				
-Equity Settled Employee Share Scheme	1 030 460	-	-	-
-IT Expenses	1 807 629	-	-	-
Assets/Liabilities				
-Amount owing to Related Parties	110 194 792	456 159	-	-

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Assets	Note	At amortised cost R	Fair value through profit or loss R	Non-financial assets R	Total R
2025					
Trade and other receivables	11	338 473 866	-	6 763 912	345 237 778
Cash and cash equivalents	12	311 396 749	-	-	311 396 749
Derivative financial instruments	17	-	333 455	-	333 455
Total		649 870 615	333 455	6 763 912	656 967 982
2024					
Trade and other receivables	11	382 330 790	-	6 275 455	388 606 245
Cash and cash equivalents	12	331 564 064	-	-	331 564 064
Investments	8	-	9 650 000	-	9 650 000
Total		713 894 854	9 650 000	6 275 455	729 820 309

Liabilities	Note	At amortised cost R	Fair value through profit or loss R	Non-financial assets R	Total R
2025					
Trade and other payables	15	266 003 974	-	40 876 717	306 880 691
Lease liabilities	14	17 132 670	-	-	17 132 670
Total		283 136 644	-	40 876 717	324 013 361
2024					
Trade and other payables	15	178 876 050	-	58 252 815	237 128 865
Lease liabilities	14	19 836 212	-	-	19 836 212
Derivative financial instruments	17	-	15 848	-	15 848
Total		198 712 262	15 848	58 252 815	256 980 925

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

19.1 Credit risk

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

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

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates, such as regulated price increases and various other economic factors impacting the business, are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Credit risk is split into two categories, namely trade receivable exposure with government and private sector, when calculating ECL. This approach was adopted by the Company in the current year.

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

	2025 **R**	**2024** **R**
Investec	67%	75%
Standard Bank	33%	25%

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 2025 for Standard Bank and Investec is P-1.za.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

19.1 Credit risk (continued)

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

31 March 2025			**Days past due**			
	Outstanding Total	**Current**	**31 -60 Days**	**61 -90 Days**	**91 -120 Days**	**More than 121 Days**
Expected credit loss rate		0.1727%	5.9626%	0.8518%	100.0000%	0.0000%
Estimated total gross carrying amount at default	329 688 689	320 186 173	3 616 001	3 525 933	56 063	2 304 519
Expected credit loss	854 555	552 850	215 609	30 032	56 064	-

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

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

	2025	**2024**
	R	**R**
Trade receivables, deposits and interest receivable	335 023 762	382 330 790
Short term deposits (refer Note 12)	282 228 431	254 697 130
Bank and cash	29 168 318	76 866 934
	646 420 511	713 894 854

19.2 Liquidity risk

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

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

19.2 Liquidity risk (continued)

	Weighted average interest rate %	Carrying amount R	Contractual cash flows R	6 months or less R	More than 6 months R
2025					
Non interest bearing liabilities					
-trade payables		266 003 974	(266 003 974)	(266 003 974)	-
Interest bearing liabilities					
-lease liability	9.65	17 132 670	(20 344 501)	(3 126 935)	(17 217 566)
- FEC liability		(333 455)	333 455	333 455	-
		282 803 189	(286 015 020)	(268 797 454)	(17 217 566)

	Weighted average interest rate %	Carrying amount R	Contractual cash flows R	6 months or less R	More than 6 months R
2024					
Non interest bearing liabilities					
-trade payables		178 876 050	(178 876 050)	(178 876 050)	-
Interest bearing liabilities					
-lease liability	9.59	19 836 212	(24 742 081)	(2 514 740)	(22 227 341)
- FEC liability		15 848	(15 848)	(15 848)	-
		198 728 110	(203 633 979)	(181 406 638)	(22 227 341)

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

19.2 Liquidity risk (continued)

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

	2025	**2024**
	R	**R**
Total facilities:		
Credit card	1 520 000	1 520 000
Foreign exchange contracts	38 000 000	18 000 000
Fleet management	800 000	800 000
Vehicle and asset finance	2 500 000	2 500 000
Letter of credit	5 000 000	5 000 000
	47 820 000	27 820 000
Unutilised Borrowing Facility:		
Credit card	1 280 833	961 150
Foreign exchange contracts	38 333 455	17 984 152
Fleet management	181 796	157 449
Vehicle and asset finance	2 500 000	2 500 000
Letter of credit	5 000 000	5 000 000
	47 296 084	26 602 751

19.3 Market risk

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

19.3.1 Foreign currency risk management

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

The Company had foreign liabilities at 31 March 2025 amounting to: EUR 2 718 781 (2024: EUR 2 243 567) and USD 6 300 286 (2024: USD 2 999 723). These amounts total R 169 953 829
(2024: R 102 688 094) 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.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

19.3.1 Foreign currency risk management (continued)

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

	Movement in foreign currency rate*	Effect on profit before tax (and equity) R
2025		
EURO	15%	7 988 406
US Dollar	15%	17 504 669

*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
2024		
EURO	15%	6 914 947
US Dollar	15%	8 488 267

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 at 31 March 2025 amounting to: EUR 625 000 (2024: EUR 584 000), USD 338 188 (2024: USD 960 000) and GBP 20 000 (2024: GBP 15 000) with a nominal value of R 18 835 818 (2024: R 30 651 429).

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

19.3.2 Interest rate risk management

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

The Company measures sensitivity to interest rates as the effect of a change in the Reserve Bank repo rate on profit before tax based on the Company's exposure at period end. The Company regards a 1% (2024: 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 R	Effect on profit before tax (and equity) R
2025	+100	2 822 284
	-100	(2 822 284)
2024	+100	2 546 971
	-100	(2 546 971)

19.4 Capital risk management

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

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

The Company's overall risk management strategies remain unchanged from 2024.

20 COMMITMENTS

	2025 R	2024 R
2024	-	3 189 926
2025	-	4 341 316
2026	15 316 854	9 748 017
2027	6 671 054	-
2028	4 009 796	-
	25 997 704	17 279 259

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 2025 (Continued)

	2025 R	2024 R

21 NOTES TO THE STATEMENT OF CASH FLOWS

21.1 Cash generated from operations

Reconciliation of profit before taxation to cash generated from operations:

	2025 R	2024 R
Profit before taxation	89 706 859	146 395 042
Adjusted for:		
Depreciation	7 950 061	6 648 553
Impairment of investment	9 650 000	-
Interest income	(25 600 239)	(21 653 899)
Interest expense	1 806 520	668 595
Movement in provision for bad debts	(3 443 804)	3 766 775
Movement in provisions	1 288 630	5 256 622
Impairment of intangible assets	1 729 173	329 927
Amortisation	11 619 807	5 896 199
Write down of inventory	51 972 351	19 018 777
Unrealised profit on foreign currency	(349 303)	(315 543)
Profit on sale of intangible assets	-	(3 600 000)
Gain on bargain purchase	(11 808 733)	-
Other non cash flow items	-	693 138
Operating profit before working capital changes	134 521 322	163 104 186

21.2 Movement in working capital changes

	2025 R	2024 R
Increase in inventory	(173 071 732)	(27 983 757)
Decrease/(increase) in trade and other receivables	50 557 811	(63 520 003)
Increase/(decrease) in trade and other payables	67 718 032	(17 412 453)
	(54 795 889)	(108 916 213)

21.3 Reconciliation of taxation paid during year

	2025 R	2024 R
Balance at beginning of the year	1 890 012	7 022 404
Current tax recognised in the statement of comprehensive income	(30 418 285)	(39 040 836)
Balance at end of the year	(947 875)	(1 890 012)
Total tax paid	(29 476 148)	(33 908 444)

21.4 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:

	2025 R	2024 R
Cash and cash equivalents	311 396 749	331 564 064

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

22 DIRECTORS' EMOLUMENTS

	Executive Director Cornelius Frederik Roos	
	2025	**2024**
	R	**R**
Cash Salary	4 404 958	3 973 741
Medical Aid	58 533	62 348
Provident Fund	762 444	682 154
Trauma	12 295	13 702
Bonuses and performance related payments	2 137 429	1 338 678
Other Allowances	84 652	74 279
Car Allowances	252 000	250 000
Leave Paid	-	291 150
Employee Stock Ownership Plan (ESOP)	579 687	469 631
	8 291 998	7 155 683

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

23 EVENTS SUBSEQUENT TO YEAR END

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

24 BUSINESS COMBINATION

MNI (Medical Nutritional Institute)

With effect from 2 September 2024, the Company acquired the South African operation of the Medical Nutritional Institute Lifestyle (Pty) Ltd (MNI) business, which consists of nine well established consumer brands and related intangible assets.

MNI specialises in the prevention and management of lifestyle related disease. This is done through nonprescription pharmaceutical products using phytochemical (plant based) ingredients that are safe and effective and are trusted by the medical fraternity. The portfolio is a good strategic fit for the Company in terms of product synergies in metabolic disease, as well as patient support platforms. It also adds to the customer brand offering, strengthening the Company's position in this space.

The consideration paid to acquire the MNI business equals an amount of R 80 000 000, based on a thorough due diligence performed on the underlying business. The Company has also opted to purchase the current stock manufactured at date of sale in a separate transaction for a value of R 6 068 461. Acquisition-related costs of R 3 537 757 was incurred during the current financial year. These expenses are included in operating costs in the statement of comprehensive income.

Management conducted a valuation of the intangible assets and measured a fair value at R 91 808 733 on acquisition date. A gain on bargain purchase amounting to R 11 808 733 was recognised as other income in profit and loss.

The intangible assets identified as part of the acquisition include Trademarks and licenses, Dossiers/Marketing rights and Knowhow.

PHARMA DYNAMICS PROPRIETARY LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
AT 31 MARCH 2025 (Continued)

24 BUSINESS COMBINATION (CONTINUED)

The following table summarised the allocation of purchase price consideration, for the fair values of the assets acquired, liabilities assumed and the gain on bargain purchase.

	31 March 2025 **R**
Purchase Consideration paid (A)	**80 000 000**
Fair Value of Assets Acquired :	
Non-Current	
Intangible Assets	
Product Related Intangibles	76 759 427
Trademarks	15 049 306
Total Assets [i]	**91 808 733**
Total Liabilities [ii]	-
Total identifiable Net Assets [i-ii] (B)	**91 808 733**
Gain on bargain purchase (A-B)	**(11 808 733)**
Cash outflow arising on acquisition	
Purchase consideration paid in cash	80 000 000
Total	**80 000 000**

* In addition to the above consideration, the Company has also opted to purchase the current stock manufactured at date of sale in a separate transaction for a value of R 6 068 461.

Acquisition-related costs recognised in operating costs amounted to R 3 537 757 for the current year.

Summary of post-acquisition revenue and gain of the acquired assets included in the Consolidated Statement of Profit and Loss for the year ended 31 March 2025

	2025 **R**
Revenue	41 373 534
Profit/(Loss) considered in the Consolidated Statement of Profit and Loss	10 118 735

PHARMA DYNAMICS PROPRIETARY LIMITED
UNAUDITED SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED 31 MARCH 2025

Expenditure	**2025 R**	**2024 R**
Advertising	20 279 957	20 849 212
Agency fees	2 424 173	2 386 385
Amortisation of intangible assets	11 619 807	5 896 199
Auditor’s remuneration	2 066 566	1 755 655
Bad debts	854 555	4 512 446
Bank charges	375 508	420 028
BEE charges	10 102 658	6 309 387
Broker administration costs	166 434	161 244
Cellphones	1 969 445	1 823 322
Commissions	13 160 817	7 175 513
Computer expenses	7 281 219	5 927 664
Consulting fees	11 610 453	7 432 998
Courier and postage	1 172 222	1 985 298
Depreciation – Property, plant and equipment	3 136 703	2 953 002
Depreciation – Leases	4 813 358	3 695 551
Direct selling	240 251 684	221 511 916
Distribution	46 082 991	43 955 655
Employee Stock Ownership Plan (ESOP)	845 125	1 421 046
Electricity and water	308 039	236 891
Entertainment	88 220	139 326
Group life and disability	2 336 396	2 132 369
Human resources	-	2 030 400
Impairment of intangible assets	1 729 173	329 927
Insurance	1 799 803	1 948 643
Legal fees	3 321 782	473 730
Loss on foreign exchange	-	1 396 991
Motor vehicle expenses	8 553 873	8 718 486
Relocation costs	177 248	-
Printing and stationery	288 807	261 920
Project development costs	142 438	72 722
Promotion	39 382 132	33 029 702
Rates	246 932	234 864
Recruitment fees	645 160	843 735
Refreshments	883 160	1 722 687
Rent	1 669 433	2 422 040
Repairs and maintenance	254 027	360 332
Regulatory expenses	7 323 393	7 627 817
Salaries and wages (including directors emoluments)	186 243 829	161 661 492
Samples	273 406	389 226
Staff training	3 865 803	3 209 096
Subscriptions	546 490	556 774
Telephone and fax	561 286	451 468
Trademark and patent	451 948	379 635
Trauma cover	305 858	350 815
Travel	4 825 615	4 009 607
Quality assurance	5 973 881	6 776 392
Total Operating Expenses	**650 411 807**	**581 939 608**