

**Zydus Healthcare SA (Pty) Ltd**

**(Registration number 1998/014338/07)**  
**Trading as Zydus Healthcare SA (Pty) Ltd**

**Financial statements**  
**for the year ended 31 December 2023**

## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Pharmaceutical industry
<b>Directors</b>	IF Oliver NY Shah
<b>Registered office</b>	22 Karee Street Southdowns office park Centurion, Gauteng South Africa 0157
<b>Postal address</b>	Postnet Suite 100 Private Bag X32 Highveld Park 0169
<b>Bankers</b>	Standard Chartered Bank ABSA Standard Bank
<b>Auditors</b>	GNR Auditors Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	1998/014338/07
<b>Tax reference number</b>	9167004814
<b>Preparer</b>	The financial statements were independently compiled by: ADVA Auditors Incorporated



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The reports and statements set out below comprise the financial statements presented to the shareholder:

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The following supplementary information does not form part of the financial statements and is unaudited:	
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<b>Level of assurance</b>	

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008.



## Zydus Healthcare SA (Pty) Ltd

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### Directors' Responsibilities and Approval

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The directors are required by the Companies Act of South Africa, 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year ended 31 December 2023 and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash-flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 6 - 7.

The financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the directors on 16 May 2024 and were signed on its behalf by:

#### Approval of financial statements

IF Oliver



T Malmanga

16 May 2024



A Dhanira





# Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

## Directors' Report

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The directors have pleasure in submitting their report on the financial statements of Zydus Healthcare SA (Pty) Ltd for the year ended 31 December 2023.

### 1. Nature of business

Zydus Healthcare SA (Pty) Ltd was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

### 2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

### 3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

### 4. Directors

The directors in office at the date of this report are as follows:

Directors	Changes
IF Oliver V Shiva	Resigned Wednesday, 17 May 2023
RS Sundarraaj	Appointed Monday, 01 May 2023; resigned Wednesday, 13 December 2023
NY Shah	Resigned Thursday, 07 March 2024
A Dhaniraj	Appointed Thursday, 07 March 2024
T Meimanga	Appointed Thursday, 07 March 2024

### 5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 7. Auditors

GNR Auditors will continue in office in accordance with section 90 of the Companies Act of South Africa, 71 of 2008.

## Zydus Healthcare SA (Pty) Ltd

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Financial Statements for the year ended 31 December 2023

### Directors' Report

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#### 8. Secretary

The company had no secretary during the year.

The financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the directors on 16 May 2024, and were signed on its behalf by:

#### Approval of financial statements

  
\_\_\_\_\_  
IF Oliver

  
\_\_\_\_\_  
A. Dhafiraj

  
\_\_\_\_\_  
T Msimanga





Chartered Accountants (SA)  
Registered Auditors

☎ 018 293 2726  
☎ 018 462 8039 (Klerksdorp)  
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Peter Mokaba Avenue 86  
Potchefstroom  
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✉ 20395  
Noordbrug  
2522

## Independent Auditor's Report

To the Shareholder of Zydus Healthcare SA (Pty) Ltd

### Opinion

We have audited the financial statements of Zydus Healthcare SA (Pty) Ltd (the company) set out on pages 9 to 22, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zydus Healthcare SA (Pty) Ltd as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Zydus Healthcare SA (Pty) Ltd financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of South Africa, 71 of 2008 and the supplementary information as set out on pages 23 to 24, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

### Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

A Rademeyer, AL. Ndl, CA Rademeyer, M Rademeyer  
PR803681



## Independent Auditor's Report

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
GNM Auditors  
M Rademeyer  
Partner  
Chartered Accountants (SA)  
Registered Auditors

16 May 2024



## Practitioner's Compilation Report

To the Management of Zydus Healthcare SA (Pty) Ltd

We have compiled the financial statements of Zydus Healthcare SA (Pty) Ltd, as set out on pages 9 - 22, based on information you have provided. These financial statements comprise the statement of financial position of Zydus Healthcare SA (Pty) Ltd as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

A handwritten signature in black ink, appearing to be 'R. [unclear]', is written over a horizontal line.

16 May 2024

ADVA Auditors Incorporated  
Partner

# Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

## Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4,114,413	198,117
Investments in subsidiaries	3	63,997,517	63,997,517
Loans to group companies	4	90,117,511	90,117,511
Other assets	5	12,062,373	12,168,880
Deferred tax	6	1,710,585	1,501,236
		<u>172,002,399</u>	<u>167,983,061</u>
<b>Current Assets</b>			
Inventories	7	48,647,259	49,483,518
Trade and other receivables	8	182,395,978	121,442,141
Other assets	5	2,254,841	3,292,938
Current tax receivable		1,318,100	-
Cash and cash equivalents	9	19,582,421	18,714,392
		<u>254,198,599</u>	<u>192,932,989</u>
<b>Total Assets</b>		<u>426,200,998</u>	<u>360,916,050</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	10	140,504,149	140,504,149
Reserves	11	(33,217,210)	(33,217,210)
Retained income		38,126,321	38,650,525
		<u>145,413,260</u>	<u>145,937,464</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from group companies	4	61,193,097	55,137,688
<b>Current Liabilities</b>			
Trade and other payables	14	199,648,478	144,212,047
Other current liabilities	12	16,603,589	11,990,600
Current tax payable		-	829,512
Provisions	13	3,342,574	2,808,739
		<u>219,594,641</u>	<u>159,840,898</u>
<b>Total Liabilities</b>		<u>280,787,738</u>	<u>214,978,586</u>
<b>Total Equity and Liabilities</b>		<u>426,200,998</u>	<u>360,916,050</u>

## Zydus Healthcare SA (Pty) Ltd

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### Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue	15	472,364,323	411,258,812
Cost of sales	16	(160,999,126)	(154,421,117)
<b>Gross profit</b>		<b>311,365,197</b>	<b>256,837,695</b>
Other income	17	202,775	470,969
Operating expenses		(302,771,302)	(243,773,321)
<b>Operating profit</b>		<b>8,796,670</b>	<b>13,535,343</b>
Interest revenue	19	408,699	1,309,466
Finance costs	20	(9,981,713)	(486,411)
<b>(Loss) profit before taxation</b>		<b>(776,344)</b>	<b>14,358,398</b>
Taxation	21	252,140	(4,075,960)
<b>(Loss) profit for the year</b>		<b>(524,204)</b>	<b>10,282,418</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(524,204)</b>	<b>10,282,418</b>





## Zydus Healthcare SA (Pty) Ltd

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### Statement of Changes in Equity

Figures in Rand	Share capital	FCTR Reserve	Retained income	Total equity
<b>Balance at 31 December 2021</b>	<b>140,504,149</b>	<b>(33,217,210)</b>	<b>28,368,107</b>	<b>135,655,046</b>
Profit for the year	-	-	10,282,418	10,282,418
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>10,282,418</b>	<b>10,282,418</b>
<b>Balance at 31 December 2022</b>	<b>140,504,149</b>	<b>(33,217,210)</b>	<b>38,650,525</b>	<b>145,937,464</b>
Loss for the year	-	-	(524,204)	(524,204)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(524,204)</b>	<b>(524,204)</b>
<b>Balance at 31 December 2023</b>	<b>140,504,149</b>	<b>(33,217,210)</b>	<b>38,126,321</b>	<b>145,413,260</b>

Note(s)

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## Zydus Healthcare SA (Pty) Ltd

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### Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash receipts from customers		434,415,969	431,362,827
Cash paid to suppliers and employees		(427,579,488)	(430,761,985)
Cash generated from operations	22	6,836,501	600,842
Tax paid	23	(2,104,821)	(3,528,000)
<b>Net cash from operating activities</b>		<b>4,731,686</b>	<b>(2,925,158)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(4,218,030)	(118,285)
Proceeds from sale of property, plant and equipment	2	71,992	55,404
Interest Income		408,699	1,309,488
<b>Net cash from investing activities</b>		<b>(3,737,339)</b>	<b>1,246,685</b>
<b>Cash flows from financing activities</b>			
Finance costs		(126,312)	(123,332)
<b>Total cash movement for the year</b>		<b>868,029</b>	<b>(1,801,905)</b>
Cash and cash equivalents at the beginning of the year		18,714,392	20,516,297
<b>Total cash at end of the year</b>	9	<b>19,582,421</b>	<b>18,714,392</b>

# Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

## Accounting Policies

### 1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period except for otherwise mentioned.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use for performing various business operations or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight line	Over period of the lease
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.2 Investments in subsidiaries

Investments in subsidiaries are measured at cost.

## Zydus Healthcare SA (Pty) Ltd

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Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Accounting Policies

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#### 1.3 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### 1.4 Tax

##### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

##### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

#### 1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

#### 1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that any other assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

## Zydus Healthcare SA (Pty) Ltd

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Financial Statements for the year ended 31 December 2023

### Accounting Policies

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#### 1.6 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

#### 1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

#### 1.8 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

#### 1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding VAT.

Interest is recognised, in profit or loss, using the effective interest rate method.

#### 1.10 Other liability

Zydus Healthcare SA (Pty) Ltd (Distributor) has entered into supply and distribution agreement with Zydus Lifesciences Limited (ultimate holding company)(Principal).

The agreement stipulates that the price of the products supplied to the distributor by the principal shall be readjusted on a quarterly basis to bring the EBITA of the distributor in line with the arm's length margin earned by comparable uncontrolled companies in the territory of the distributor.

The adjustment to be made in the form of overall price (True up) will be worked out mutually in order to maintain the EBITA outcome for the distributor to be within the range of comparable companies in a manner which satisfies the arm's length criteria under the transfer pricing regulations of both India and South Africa.



## ZyduS Healthcare SA (Pty) Ltd

(Registration number: 1988/014338/07)

Trading as ZyduS Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand

2023

2022

#### 2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Leasehold improvements	2,582,032	(467,493)	2,114,539	389,177	(389,177)	-
Furniture and fixtures	1,754,834	(73,081)	1,681,753	587,170	(551,027)	16,143
Motor vehicles	319,161	(319,161)	-	319,161	(319,161)	-
Office equipment	344,410	(193,039)	151,371	185,416	(178,408)	7,008
IT equipment	511,296	(344,546)	166,750	522,812	(347,846)	174,966
<b>Total</b>	<b>5,511,733</b>	<b>(1,387,320)</b>	<b>4,114,413</b>	<b>1,983,736</b>	<b>(1,785,619)</b>	<b>198,117</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	-	2,192,852	-	(78,313)	2,114,539
Furniture and fixtures	16,143	1,754,832	-	(89,222)	1,681,753
Office equipment	7,008	158,997	-	(14,634)	151,371
IT equipment	174,966	111,349	(7,019)	(112,546)	166,750
	<b>198,117</b>	<b>4,218,030</b>	<b>(7,019)</b>	<b>(294,716)</b>	<b>4,114,413</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	48,351	-	(32,208)	16,143
Office equipment	12,806	-	(5,798)	7,008
IT equipment	133,032	118,284	(76,350)	174,966
	<b>194,189</b>	<b>118,284</b>	<b>(114,356)</b>	<b>198,117</b>

#### 3. Investments in subsidiaries

Name of subsidiary	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Unlisted Investment - Alidac Pharmaceuticals SA (Pty) Ltd.	100.00 %	100.00 %	63,697,517	63,697,517
Unlisted Investment - Script Management Services (Pty) Ltd	100.00 %	100.00 %	300,000	300,000
			<b>63,997,517</b>	<b>63,997,517</b>

#### 4. Loans to (from) group companies

Alidac Pharmaceuticals SA (Pty) Ltd No fixed terms of repayment exists at year end.	90,117,511	90,117,511
ZyduS International PVT Ltd The loan has no fixed repayment terms and interest rates are linked to EURO LIBOR.	(61,193,097)	(55,137,688)
	<b>28,924,414</b>	<b>34,979,823</b>

## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand	2023	2022
<b>4. Loans to (from) group companies (continued)</b>		
<b>Net loans to (from) group companies</b>		
Non-current assets	90,117,511	90,117,511
Non-current liabilities	(61,193,097)	(55,137,688)
	<u>28,924,414</u>	<u>34,979,823</u>
<b>5. Other assets</b>		
<b>Other non-current assets</b>		
Deposits	828,692	824,999
Interest receivable	10,953,681	10,953,681
Loan - BEE Compliance	280,000	390,000
	<u>12,062,373</u>	<u>12,168,680</u>
<b>Other current assets</b>		
Customs VAT	-	1,782,783
VAT refund receivable	1,401,887	870,113
Prepaid expense	852,954	640,042
	<u>2,254,841</u>	<u>3,292,938</u>
<b>Total other assets</b>	<u>14,317,214</u>	<u>15,461,618</u>
<b>6. Deferred tax</b>		
The major components of the deferred tax balance are as follows:		
<b>Reconciliation of deferred tax asset/(liability)</b>		
At beginning of year	1,501,236	1,841,948
<b>Recognised in profit or loss:</b>		
Rate change adjustment - normal tax	(137,334)	-
Increases (decrease) in tax loss available for set off against future taxable income	235,559	-
Movement in temporary differences on inventory provision	(170,345)	(521,033)
Movement in temporary differences on salary related provisions	281,469	180,321
<b>At end of year</b>	<u>1,710,585</u>	<u>1,501,236</u>
<b>7. Inventories</b>		
Finished goods	50,892,744	52,159,911
	<u>50,892,744</u>	<u>52,159,911</u>
Inventories (write-downs)	(2,045,485)	(2,676,393)
	<u>48,847,259</u>	<u>49,483,518</u>
<b>8. Trade and other receivables</b>		
Trade receivables	181,378,767	120,711,138
Other receivables	1,017,211	731,003
	<u>182,395,978</u>	<u>121,442,141</u>



## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand	2023	2022
<b>9. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	19,582,421	18,714,392
<b>10. Share capital</b>		
<b>Authorised number of shares</b>		
Ordinary shares	70,000,000	70,000,000
Preference shares	10,000,000	10,000,000
	<b>80,000,000</b>	<b>80,000,000</b>
<b>Issued number of shares</b>		
Ordinary shares	57,704,149	57,704,149
Preference shares	5,877,000	5,877,000
	<b>63,581,149</b>	<b>63,581,149</b>
<b>Issued</b>		
Ordinary	57,704,149	57,704,149
Preference	82,800,000	82,800,000
	<b>140,504,149</b>	<b>140,504,149</b>
<b>11. FCTR Reserve</b>		
Reported as at 31 December	(33,217,210)	(33,217,210)
<b>12. Other current liabilities</b>		
Interest payable	15,316,635	11,516,643
Other	149,655	473,957
Customs VAT	1,137,299	-
	<b>16,603,589</b>	<b>11,990,600</b>



## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand 2023 2022

#### 13. Provisions

##### Reconciliation of provisions - 2023

	Opening balance	Created/(reversed) during the year	Closing balance
Provisions for leave pay	508,641	(373,845)	134,796
Provision for annual bonus and incentives	2,300,098	907,690	3,207,778
	<b>2,808,739</b>	<b>533,835</b>	<b>3,342,574</b>

##### Reconciliation of provisions - 2022

	Opening balance	Created/(reversed) during the year	Closing balance
Provisions for leave pay	49,746	458,895	508,641
Provision for annual bonus and incentives	2,012,000	288,098	2,300,098
	<b>2,061,746</b>	<b>746,993</b>	<b>2,808,739</b>

#### Net provisions

#### 14. Trade and other payables

Trade payables	120,582,808	109,412,737
Other payables	79,085,670	34,799,310
	<b>199,648,478</b>	<b>144,212,047</b>

#### 15. Revenue

Sale of goods	382,136,983	319,349,516
Out-Licensing	80,168,590	85,373,501
Tender Sales	9,926,691	6,741,870
Other	132,079	(208,075)
	<b>472,364,323</b>	<b>411,258,812</b>

#### 16. Cost of sales

Sale of goods		
Cost of goods sold	160,999,126	154,421,117

#### 17. Other income

Profit on sale of assets	84,973	55,404
SETA Refund	137,802	80,975
Sundry balances written back	-	334,590
	<b>202,775</b>	<b>470,969</b>

#### 18. Auditor's remuneration

Audit Fees	454,100	447,000
Consulting	12,300	9,350
	<b>466,400</b>	<b>456,350</b>

## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand	2023	2022
<b>19. Investment revenue</b>		
Interest revenue		
Interest income	408,699	1,309,466
<b>20. Finance costs</b>		
Bank charges	105,185	113,303
ERF (gain)/loss	7,341,887	44,055
Interest expense - ZIPL	2,513,514	319,024
Bank interest	21,147	10,029
	<b>9,981,713</b>	<b>486,411</b>
<b>21. Taxation</b>		
<b>Major components of the tax (income) expense</b>		
<b>Current taxation</b>		
South African normal tax - year	-	3,735,268
South African normal tax - prior period (over) under provision	(42,791)	-
	<b>(42,791)</b>	<b>3,735,268</b>
<b>Deferred taxation</b>		
South African deferred tax - current year	(209,349)	340,712
	<b>(252,140)</b>	<b>4,075,980</b>
<b>22. Cash generated from operations</b>		
Net (loss) profit before taxation	(776,344)	14,358,398
<b>Adjustments for:</b>		
Depreciation, amortisation, impairments and reversals of impairments	294,716	114,357
Profit on sale of assets and liabilities	(64,973)	(55,404)
Movement in loans to or from group companies	6,055,409	30,429
Finance cost: Non-cash	9,855,401	363,079
Finance cost	126,312	123,332
Investment received	(408,699)	(1,309,466)
<b>Changes in working capital:</b>		
(Increase) decrease in inventories	836,259	(8,405,166)
(Increase) decrease in trade and other receivables	(60,953,836)	20,104,015
Movement in other current- and non-current assets	1,144,405	(2,740,029)
Movement in other current- and non-current liabilities	(5,242,411)	(3,896,592)
Increase (decrease) in trade and other payables	55,436,427	(18,833,104)
Movement in provisions	533,835	746,993
	<b>6,836,501</b>	<b>600,842</b>
<b>23. Tax paid</b>		
Balance at beginning of the year	(829,512)	(620,244)
Current tax for the year recognised in profit or loss	42,791	(3,735,268)
Balance at end of the year	(1,318,100)	829,512
	<b>(2,104,821)</b>	<b>(3,526,000)</b>

## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand	2023	2022
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#### 24. Related parties

##### Relationships

Ultimate holding company

Holding company

Subsidiaries

Zydus Lifesciences Limited

Zydus Worldwide DMCC

Alidac Pharmaceuticals SA (Pty) Ltd (formerly known

as Simrayla Pharmaceuticals (Pty) Ltd)

Script Management Services (Pty) Ltd

Zydus International Pvt. Ltd.

Zydus Hospira Oncology Pvt. Ltd.

Other group companies

**Related party balances and transactions with entities with control, joint control or significant influence over the company**

##### Related party balances

##### Loan accounts - Owning (to) by related parties

Alidac Pharmaceuticals SA (Pty) Ltd

90,117,511

90,117,511

Zydus International PVT Ltd

(61,193,097)

(55,137,688)

##### Amounts included in Trade receivable (Trade Payable) regarding related parties

Zydus Lifesciences Limited

(118,738,413)

(53,036,984)

Zydus Lifesciences Limited - Regulatory cost

13,313,735

1,312,662

Script Management Services (Pty) Ltd

(1,503,593)

(10,757,257)

##### True up adjustment (payable)/ receivable

Zydus Lifesciences Limited

(5,895,251)

(23,759,555)

Zydus Lifesciences Limited- True up Receivable

43,964,408

25,735,472

##### Amounts included in Interest Receivable (Interest Payable) regarding related parties

Alidac Pharmaceuticals SA (Pty) Ltd

10,953,681

10,953,681

Zydus International PVT Ltd

(15,316,635)

(11,516,643)

##### Investments in subsidiaries

Script Management Services (Pty) Ltd

300,000

300,000

Alidac Pharmaceuticals SA (Pty) Ltd

63,697,517

63,697,517

##### Share capital

Zydus Worldwide DMCC

(140,504,149)

(140,504,149)

## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Notes to the Financial Statements

Figures in Rand	2023	2022
<b>24. Related parties (continued)</b>		
<b>Related party transactions</b>		
<b>Interest paid to (received from) related parties</b>		
Zydus International PVT Ltd	2,513,514	319,024
<b>Purchases from (sales to) related parties</b>		
Zydus Lifesciences Limited	129,933,230	107,319,464
<b>Administration fees paid to (received from) related parties</b>		
Script Management Services (Pty) Ltd	54,100	54,000
<b>Data fees expense to related parties</b>		
Script Management Services (Pty) Ltd	125,535,832	103,836,721
<b>True up expense (income)</b>		
Zydus Lifesciences Limited	(15,339,974)	3,394,702
Zydus Hospira Oncology Pvt. Ltd.	-	243,642
<b>Directors' remuneration</b>		
V Shiva	749,299	2,578,087
NY Shah	731,795	1,193,307
RS Sundarraj	2,155,830	-



## Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2023

### Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
<b>Revenue</b>			
Sale of goods		382,136,963	319,349,516
Other		132,079	(206,075)
Out-Licensing		80,168,590	85,373,601
Tender Sales		9,926,691	6,741,870
	15	<u>472,364,323</u>	<u>411,258,812</u>
<b>Cost of sales</b>			
Opening stock		(49,483,518)	(41,078,352)
Purchases and adjustments		(160,162,887)	(162,826,283)
Closing stock		48,647,259	49,483,518
	16	<u>(160,999,126)</u>	<u>(164,421,117)</u>
<b>Gross profit</b>		<b>311,365,197</b>	<b>256,837,695</b>
<b>Other income</b>			
SETA Refund		137,802	80,975
Sundry balances written back		-	334,590
Profit on disposal of fixed assets		64,973	55,404
		<u>202,775</u>	<u>470,969</u>
<b>Operating expenses</b>			
Administration and management fees	18	(54,100)	(54,000)
Auditors remuneration		(466,400)	(456,350)
Consulting and professional fees		(78,739)	(108,685)
Consulting fees - BEE		(3,836,566)	(2,355,216)
Delivery expenses		(41,202,205)	(34,761,796)
Depreciation, amortisation and impairments		(294,716)	(114,357)
Distribution fees		(12,417,448)	(11,309,940)
Employee Benefits		(336,560)	(418,408)
Employee Cost - Stipend/ Learner		(460,028)	(927,637)
Employee costs		(47,711,514)	(40,605,309)
HR Admin Fees		(903,636)	(918,839)
IT expenses		(2,398,259)	(2,042,149)
Insurance		(980,422)	(443,978)
Lease rentals on operating lease		(1,797,817)	(1,355,475)
Loss on exchange differences		(1,249,245)	(9,579,368)
Market research: IMS Data Fees		(2,761,714)	(1,911,281)
Market research: Other expenses		(137,383,981)	(96,024,918)
Marketing expense: Sponsorships		(3,447,071)	(1,721,861)
Marketing expenses: CRM		(455,669)	(930,276)
Marketing expenses: Product information		(4,163,565)	(4,582,337)
Marketing expenses: Sales promotion		(3,156,600)	(7,304,582)
Marketing expenses: Seminar & Conferences		(1,418,537)	(1,477,653)
Other expenses		(5,496,174)	(2,888,604)
Regulatory and lab testing		(3,947,412)	(2,497,342)
Repairs and maintenance		(166,415)	(189,920)
Sales incentives		(9,562,026)	(4,586,120)
Staff welfare		(420,710)	(853,031)
Subscriptions		(163,409)	(355,937)
Telephone and fax		(1,010,698)	(879,772)
Travel - local		(15,028,766)	(12,116,180)
		<u>(302,771,302)</u>	<u>(243,773,321)</u>

**Zydus Healthcare SA (Pty) Ltd**  
 (Registration number: 1998/014338/07)  
 Trading as Zydus Healthcare SA (Pty) Ltd  
 Financial Statements for the year ended 31 December 2023

**Detailed Income Statement**

Figures in Rand	Note(s)	2023	2022
Operating profit		8,796,670	13,535,343
Interest income	19	408,699	1,309,466
Finance costs		(9,981,713)	(486,411)
		<b>(9,573,014)</b>	<b>823,056</b>
(Loss) profit before taxation		<b>(776,344)</b>	<b>14,358,398</b>
Taxation	21	252,140	(4,075,980)
<b>(Loss) profit for the year</b>		<b>(524,204)</b>	<b>10,282,418</b>

Handwritten signatures and initials, including a large stylized signature and several smaller initials.