

PHYTOTHERAPIC SOLUTIONS S.L.
BALANCE SHEET AS AT 31 Mar 2026
All amounts are in Euros

Particulars	Note No.	As at 31st Mar 2026	As at 31st Mar 2025
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	-	-
(b) Intangible Assets	4	17.823	9.044
(c) Intangible Assets under development	4	-	12.248
(d) Financial Assets			
(i) Loans	6	1.132.183	1.340.831
(ii) Others	5	800	800
Total Non-current assets		1.150.806	1.362.924
2 Current assets			
(a) Inventories	7	1.099.230	1.419.121
(b) Financial Assets			
(i) Trade receivables	8	1.123.784	1.028.917
(ii) Cash and cash equivalents	9	1.036.331	240.053
(c) Other current assets	10	38.527	82.055
Total Current assets		3.297.873	2.770.146
TOTAL ASSETS		4.448.679	4.133.070
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	30.000	30.000
(b) Other Equity	12	3.889.887	3.522.392
Retained Earnings		3.320.195	2.952.700
Other Reserves		569.692	569.692
Total Equity		3.919.887	3.552.392
2 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings			
(ii) Trade payables	13	324.605	411.371
(iii) Other Current Financial Liabilities	14	9.800	9.293
(b) Other current liabilities	15	98.570	35.806
(c) Current tax liabilities (Net)	16	95.818	124.207
Total Current Liabilities		528.792	580.678
TOTAL EQUITY AND LIABILITIES		4.448.679	4.133.070

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

As per our report of event date
BDO Auditores S.L.P.
Auditors & Consultants

Place: Barcelona, Spain
Date: 6-5-2026

BDO Auditores, S.L.P.



PHYTOTHERAPIC SOLUTIONS, S.L.
NIF: B-64423064

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Eusebi Viza Viña
Director

Ramon Viza Viña
Director

PHYTOTHERAPIC SOLUTIONS S.L.
PROFIT AND LOSS FOR THE QUARTER ENDED 31 Mar 2026
All amounts are in Euros

Particulars	Note No	Period ended Mar 2026	Period ended Mar 2025
(I) Revenue From Operations	17	3.763.719	3.759.237
(II) Other Income	18	45.479	42.999
(III) Total Income (I+ II)		3.809.199	3.802.236
(IV) EXPENSES			
Cost of materials consumed	19	2.528.080	2.468.281
Changes in inventories of finished goods and work-in-progress & intermediates	20	(12.172)	(153.841)
Employee benefits expense	21	77.532	67.988
Finance costs	22	1.677	2.086
Depreciation and amortization expense	23	3.469	222
Other expenses	24	287.963	491.405
Total expenses (IV)		2.886.549	2.876.142
(V) Profit before tax (III- IV)		922.649	926.094
(VI) Tax expense:	25		
(1) Current tax		205.154	215.937
(2) Deferred tax		-	-
(VII) Profit after tax		717.495	710.157
The accompanying notes are an integral part of the financial statements.			
As per our report of event date BDO Auditores S.L.P. Auditors & Consultants Place : Barcelona, Spain Date : 6-5-2026  PHYTOTHERAPIC SOLUTIONS, S.L. NIF: B-64423064 FOR AND ON BEHALF OF THE BOARD OF DIRECTORS Eusebi Vila Viña Director Ramon Vila Viña Director			

BDO Auditores, S.L.P.

PHYTOTHERAPIC SOLUTIONS S.L.

Statement of cash flows for the Year ended 31 March, 2026

All amounts are in Euro

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Cash flow from Operating Activities :		
Profit before tax	922.649	926.094
Adjustments for:		
Add: Interest	1.677	2.086
Add: Depreciation	3.469	222
Add: Provision for Bad debt		
Operating profit before working capital changes	927.796	928.402
Change in working Capital		
<u>Increase (-)/Decrease(+) in Current Asset</u>		
(Increase)/Decrease in Inventories	319.890	(675.555)
(Increase)/Decrease in trade receivables	(94.867)	(236.418)
(Increase)/Decrease in other current assets	43.528	(30.674)
<u>Increase /(Decrease) in Current Liabilities</u>		
Increase /(Decrease) in trade payables	(86.767)	43.890
Increase /(Decrease) in other financial liabilities	507	-
Increase /(Decrease) in other current liabilities	62.764	31.446
Current tax liabilities (Net)		
Net change in working capital	245.055	(867.310)
Cash generated from operations	1.172.851	61.092
Direct taxes (paid)/refund (net)	(233.543)	(228.261)
Net cash generated from operating activities	939.307	(167.169)
Cash Flow from Investing activities		
Purchase of fixed assets	-	(6.752)
Sale of Investment	-	-
Dividend paid to Share holders	(350.000)	(200.000)
Net cash used in investing activities	(350.000)	(206.752)
Cash flow from Financing activities		
Repayment of Short-term borrowings		
Interest and other borrowing cost paid	(1.677)	(2.086)
Loans and advances made/ repaid	208.648	(881.361)
Net cash used in investing activities	206.971	(883.448)
Net increase/(decrease) in cash and cash equivalents during the period	796.278	(1.257.368)
Opening Cash & cash equivalent at the beginning of the period	240.053	1.497.421
Cash and cash equivalents at the end of the period	1.036.331	240.053
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash on hand	-	-
Balances with banks	1.036.331	240.053
Cash and cash equivalents as per Balance Sheet	1.036.331	240.053
Diff	-	-
The accompanying notes are an integral part of the financial statements.		
As per our report of event date BDO Auditores S.L.P. Auditors & Consultants	FOR AND ON BEHALF OF THE BOARD OF DIRECTORS	
BDO Auditores, S.L.P.		
Place : Barcelona, Spain Date: 6-5-2026	PHYTOTHERAPIC SOLUTIONS, S.L. NIF: B-64423064	Eusebi Vila Viña Director
		Ramon Vila Viña Director

PHYTOTHERAPIC SOLUTIONS S.L.

Notes to the financial statements for the Year ended 31 March, 2026

All amounts are in Euros

Note 3 & 4: Property, plant and equipment & Intangible Assets

Particulars	As at 31 Mar, 2026	As at 31 March, 2025
Carrying Amount of:		
Computers	-	-
Registration Fees	13.942	3.170
Software	3.881	5.874
Total	17.823	9.044

Particulars	Computers	Registration Fees	Software	Total
Cost or deemed cost				
Balance as on 01 April, 2024	2.081	-	-	2.081
Addition	-	3.288	6.113	9.401
Balance as on 01 April, 2025	2.081	3.288	6.113	11.482
Addition	-	12.248	-	12.248
Balance as on 31 March, 2026	2.081	15.536	6.113	17.617

Particulars	Computers	Registration Fees	Software	Total
Accumulated depreciation and impairment				
Balance as on 01 April, 2024	2.081	-	-	2.081
Depreciation / amortisation expense for the year		118	239	357
Balance as on 01 April, 2025	2.081	118	239	2.438
Depreciation / amortisation expense for the year		1.476	1.993	3.469
Balance as on 31 March, 2026	2.081	1.594	2.232	5.907

Particulars	Computers	Registration Fees	Software	Total
Balance as on 01 April, 2025	-	3.170	5.874	9.044
Balance as on 31 March, 2026	-	13.942	3.881	17.823

PHYTOTHERAPIC SOLUTIONS S.L.

Notes to the financial statements for the Year ended 31 Mar 2026

All amounts are in Euros

Note no	Particulars	As at 31st Mar 2026	As at 31st Mar 2025
3	Property, plant and equipment		
	Computers	0	0
		-	-
4	Intangible Assets		
	Registration fees	0	12.248
	Registers	13.942	3.170
	Software license	3.881	5.874
5	Other Non-Current Financial Assets		
	Security Deposits	800	800
	Security Deposits to related parties		
		800	800
6	Non-Current Loans		
	Unsecured, considered good		
	Loans to related party	1.132.183	1.340.831
	Prepaid expenses		
	Margin Money		
		1.132.183	1.340.831
7	Inventories		
	(At lower of cost and net realisable value)		
	Raw materials and packing materials	695.171	1.027.233
	Work-in-progress and intermediates	104.394	186.406
	Finished goods	299.665	205.482
	Goods in transit	0	0
		1.099.230	1.419.121
8	Trade receivables		
	(a) Unsecured, considered good	1.123.784	1.028.917
	(b) Unsecured, considered doubtful	0	0
		1.123.784	1.028.917
	Less: Provision for doubtful debts	0	0
		1.123.784	1.028.917
9	Cash and cash equivalents		
	Cash on hand	0	0
	Balances with banks		
	- In current accounts	1.036.331	240.053
		1.036.331	240.053
10	Other current assets		
	Advance to supplier	0	0
	Balances with government authorities	31.015	70.047
	Prepaid expenses	7.512	12.008
	Advance Income-Tax including tax deducted at source	0	0
		38.527	82.055

Note no	Particulars	As at 31st Mar 2026	As at 31 Mar 2025
11	Share capital		
	Equity share capital	30000	30.000
		30.000	30.000
12	a) Retained Earnings	2952700	2.442.543
	Add: Profit /(Loss) for the year	717.495	710.157
	Less: Dividend	(350.000)	(200.000)
		3.320.195	2.952.700
	b) Reserves		
	ii) Other Reserves		
	General reserve	558179	558.179
	Capital reserve	11512	11.512
	Translation reserve	0	-
		569.692	569.692
	Other Equity (Total)	3.889.887	3.522.392
13	Trade payable		
	Trade payable	243464	359.344
	Trade payable - Related Parties	81141	52.027
		324.605	411.371
14	Other Current Financial Liabilities		
	(i) Payroll Payables	9.800	9.293
		9.800	9.293
15	Other Current Liabilities		
	Other payables		
	(i) Statutory remittances	5570	4.784
	(iii) Advances from customers	93000	31.022
		98.570	35.806
16	Current tax liabilities (Net)		
	Provision for taxation (Net of Advance Tax)	95818	124.207
		95.818	124.207

PHYTOTHERAPIC SOLUTIONS S.L.

Notes to the financial statements for the Year ended 31 Mar 2026

All amounts are in Euros

10	Note no	
(a) Equity share capital		
(i) Authorised Share Capital		
3000 share of Euro 10 each		
(ii) Issued Share Capital		
3000 share of Euro 10 each		
Notes :		
(i) Reconciliation of the number of shares and		
Balance at the beginning of the reporting year		
Changes in equity share capital during the year		
Balance at the end of the reporting year		
(ii) Terms / Rights attached to Equity Shares		
In the Event of liquidation of the company, the		
(iii) Details of Shares held by each share holder holding more than 5% shares		
Name of Share Holders		
Vila Viña Participacions S.L.		
(b) Other Equity		
Balance at the beginning of the reporting year		
Add: Profit for the year		
Less : Dividend paid		
Balance at the end of the reporting year		

PHYTOTHERAPIC SOLUTIONS S.L.

Notes to the financial statements for the Year ended 31 Mar 2026

All amounts are in Euros

Note no	Particulars	Period ended Mar 2026	Period ended Mar 2025
17	Revenue from operations		
	Sale of products	3.706.183	3.666.686
	Other operating revenues	57.537	92.551
		3.763.719	3.759.237
18	Other Income		
	Interest income	45.479	42.356
	Other non-operating income	-	643
	Net gain on foreign currency transactions and translation	-	-
		45.479	42.999
19	Cost of materials consumed		
	Opening stock	1.027.233	505.519
	Add: Purchases	2.196.018	2.989.995
	Consolidation adjustment	-	-
	Less: Closing stock	695.171	1.027.233
		2.528.080	2.468.281
20	Changes in inventories of finished goods and work-in-progress & intermediates		
	Opening stock		
	Work-in-progress and intermediates	186.406	135.303
	Finished goods	205.482	102.743
	Trading Goods		
		391.888	238.047
	Consolidation Adjustment		
	Work-in-progress and intermediates		
	Finished goods		
	Trading Goods		
	Closing stock		
	Work-in-progress and intermediates	104.394	186.406
	Finished goods	299.665	205.482
	Trading Goods		
		404.059	391.888
	Net (increase) / decrease	-12.172	-153.841
21	Employee benefits expense		
	Salaries and wages	58.326	52.063
	Contribution to provident and other funds	19.206	15.925
	Staff welfare expenses	-	-
		77.532	67.988
22	Finance costs		
	Interest expense	-	-
	Other borrowing costs	1.677	2.086
	Other finance expenses	-	-
		1.677	2.086

23 Depreciation and amortization expense

Tangible assets	-	-
Intangible assets	3.469	222
	<u>3.469</u>	<u>222</u>

24 Other expenses

Travel expenses	253	-
Communication expenses	1.799	3.142
Legal and Professional charges	113.015	108.000
Rent	5.977	5.846
Analytical charges	35.001	7.716
Repairs to others	339	665
Insurance	5.670	5.850
Advertisement and selling expenses	86.905	134.852
Marketing Expenses	22.261	198.505
Rates and taxes	3.375	2.487
Net loss on foreign currency transactions and translation	7.532	-5.354
Other expenses	5.836	29.698
	<u>287.963</u>	<u>491.405</u>

25 Tax expense

Current tax	205.154	215.937
Deferred tax	-	-
	<u>205.154</u>	<u>215.937</u>



PHYTOTHERAPIC SOLUTIONS S.L.

Notes to the financial statements for the year ended 31 March, 2026

All amounts are in Euros

Note

25 Earning per Share

Particulars	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Net profit / (loss) for the period as per statement of profit and loss	717.495	710.157
Net profit / (loss) for the period attributable to the equity shareholders	717.495	710.157
Weighted average number of equity shares	3.000	3.000
Earnings / (Loss) per share - Basic	239,16	236,72
Earnings / (Loss) per share - Diluted	239,16	236,72

26 Segment Information

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational ructure and the internal reporting syem.

Primary Segment : Business Segment

The Company through its subsidiaries is primarily engaged in the business of manufacturing, trading and marketing of Pharmecutical products. Considering the nature of the business and the financial reporting of the company, the company has only one business segment as the primary reportable segment.

I Revenue From Operations

	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Asia	44.280	114.869
Europe	2.675.443	2.035.896
Rest of the World	1.043.996	1.608.473
Grand Total	3.763.719	3.759.237

II Total Assets

	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Asia	-	-
Europe	3.874.554	3.883.478
Rest of the World	574.125	249.592
Total Segment Assets	4.448.679	4.133.070

27 Contingent liabilities and commitments

There are no contigent liabilities and commitments as at 31 March 2025 and 31 March 2026.

28 Foreign currency exposure

There are no foreign currency exposure as at 31 March 2025 and 31 March 2026.

29 Reconciliations of tax expenses and details of deferred tax balances

A) Income tax expense recognised in the statement of profit and loss

i) Income tax expense recognised in the statement of profit and loss

	Year ended 31 March 2026	Year ended 31 March 2025
Current tax	205,154	215,937
Total (I)	205,154	215,937
Deferred tax charge		
Origination and reversal of temporary differences	-	-
Total (II)	-	-
Provision for tax of earlier years written back (III)	-	-
Total (IV = I+II+III)	205,154	215,937
ii) Tax on other comprehensive income		
Re-measurement (gains) / losses on defined benefit plans	-	-
Total (V)	-	-
Total (IV+V)	205,154	215,937

The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

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

B) Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Group is as follows:

	31 March 2026	31 March 2025
Profit before tax	922,649	926,094
Statutory income tax rate	25.00%	25.00%
Tax as per applicable tax rate	230,662	231,524
- Exempted income/Disallowed Expense	25,508	15,586
Income tax expenses charged to the statement of profit and loss	205,154	215,937
Effective tax rate	22,24%	23,32%

30 Financial instruments

The carrying value / fair value of financial instruments by categories are as follows:

A)	Carrying value and fair value	
	31 March 2026	31 March 2025
Financial assets		
Measured at amortised cost		
Trade receivables	1.123.784,03	1.028.917,20
Cash and cash equivalents	1.036.331,17	240.052,91
Other financial assets	800,00	800,00
Loans	1.132.183,10	1.340.831,44
Total	3.293.098,30	2.610.601,55
Financial liabilities		
Measured at amortised cost		
Trade payables	324.605	411.371
Other financial liabilities	9.800	9.293
Total	334.404,29	420.664,42

The company's principal financial liabilities comprise trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, and cash and deposits that derive directly from its operations.

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

B) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation.

The company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2025 and 31 March 2026:

Particulars	As at 31 March 2026			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	324.605	-	-	324.605

Particulars	As at 31 March 2025			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	411.371	-	-	411.371

C) Capital management

For the purpose of company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the company. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31 March 2024, there is no breach of covenant attached to the borrowings.

The company manages its capital to ensure that entities in the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (offset by cash and bank balances) and total equity of the company.

The company's gearing ratio at end of each reporting year is as follows:

	31 March 2026	31 March 2025
Debt (i)	-	-
Cash and bank balances (ii)	1.036.331	240.053
Other bank balances (iii) (margin money)	-	-
Other non-current financial assets (margin money) (iv)	-	-
Current investment (iv)	-	-
Net debt [(i) - { (ii)+(iii)+(iv) }]	(1.036.331)	(240.053)
Equity attributable to owners of the Company	3.919.887	3.552.392
Gearing ratio	NA	NA

- (i) Debt is defined as long-term (including current maturity on long-term borrowings), short-term borrowings and judicial recovery.
(ii) Other bank balance exclude the bank balance towards unpaid dividend.
(iii) Gearing ratio : Net debt / Equity.

PHYTOTHERAPIC SOLUTIONS S.L.

Notes to the financial statements for the year ended 31 March, 2026

All amounts are in Euros

1 Related Party Disclosures:**A List of related parties:****i) Holding company:**

Vila Viña Participacions S.L.

Alivira Animal Health Limited, Ireland (Holding company of Vila Viña Participacions S.L.)

Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)

Sequent Scientific Limited, India (Ultimate Holding Company)

ii) Fellow Subsidiary :

Laboratorios Karizoo, S.A.

Laboratorios Karizoo S.A. De C.V.

Comercial Vila Veterinaria De Lleida S.L

iii) Other Group Subsidiaries :

Alivira Italia S.R.L

Bremer Pharma Gmbh

Alivira SA

Alivira BV

N-Vet AB

Provet Veterinerlik Urunleri Tic. Ltd. Sti

Tomkim Ilac Premiks San. ve Tic. A.S

Alivira (France)

Alivira UA Limited

Alivira Animal Health UK Ltd

Alivira Saude Animal Brasil Participacoes Ltda

Evanvet Distribuidora De Produtos Veterinarios Ltda (Name changed from 'Evance Saude Animal Ltda)

Alivira Saude Animal Ltda. (Name changed from Interchange Veterinária Indústria E Comércio Ltda)

B. Transaction during the period

Nature of Transactions	Year ended 31 March 2026	Year ended 31 March 2025
(i) Sales		
Laboratorios Karizoo, S.A.	1.453.735	1.211.643
Laboratorios Karizoo S.A. De C.V.	436.578	217.928
Alivira Saude Animal Ltda.	-	53.280
Alivira Italia S.R.L	86.881	119.799
Bremer Pharma Gmbh	31.075	52.250
(ii) Purchases		
Laboratorios Karizoo, S.A.	206.018	162.783
Alivira Italia S.R.L	-	5.980
(iii) Job Work Charges		
Laboratorios Karizoo, S.A.	173.402	211.358
(iv) Marketing expense		
Laboratorios Karizoo S.A. De C.V.	-	-
Laboratorios Karizoo, S.A.	12.000	12.000
Alivira Animal Health Limited, Ireland	-	-
Alivira Italia S.R.L	-	139.788
(v) Analytical Charges		
Laboratorios Karizoo, S.A.	61.651	61.076

(vi) Rent Expenses		
Laboratorios Karizoo, S.A.	5.977	5.846
(vii) Other Expense		
Vila Viña Participacions S.L.	2.500	2.441
Alivira Animal Health Limited, Ireland	-	8.813
Laboratorios Karizoo, S.A.	6.364	5.833
(viii) Service charge Paid		
Laboratorios Karizoo, S.A.	6.063	5.940
(ix) Dividend Paid		
Vila Viña Participacions S.L.	350.000	200.000
(x) Management fees Expenses		
Vila Viña Participacions S.L.	30.704	29.700
(x) Commission Expense		
Alivira SA	3.980	8.259
Alivira Italia S.R.L	208.060	30.000
(xi) Interest Received		
Laboratorios Karizoo, S.A.	13.020	2.456
Alivira Animal Health Limited, Ireland	32.459	39.900
(xii) Loan Given		
Laboratorios Karizoo, S.A.	1.000.000	-
Alivira Animal Health Limited, Ireland	-	1.150.000

C. Balance as at balance sheet date:

Nature of Transactions	Year ended 31 March 2026	Year ended 31 March 2025
(i) Trade payables		
Laboratorios Karizoo, S.A.	49.731	46.673
Laboratorios Karizoo S.A. De C.V.	-	-
Alivira Animal Health Limited, Ireland	-	-
Alivira Italia S.R.L	31.410	4.000
Alivira SA	-	1.354
(ii) Trade Receivables		
Laboratorios Karizoo, S.A.	186.763	252.943
Alivira Italia S.R.L	13.256	30.850
Alivira Saude Animal Ltda.		41.800
Bremer Pharma Gmbh		336.894
Laboratorios Karizoo S.A. De C.V.	662.172	
(iii) Loan given		
Laboratorios Karizoo, S.A.	880.000	187.000
Laboratorios Karizoo, S.A. (Interest payable on loan)	2.229	130
Alivira Animal Health Limited, Ireland	249.946	1.153.702

As per our report of event date

BDO Auditores S.L.P.
Auditors & Consultants

Place : Barcelona, Spain

Date :



PHYTOTHERAPIC SOLUTIONS, S.L.
NIF: B-64423064

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Eusebi Vila Viña
Director

Ramón Vila Viña
Director

PHYTOTHERAPIC SOLUTIONS S.L.
Notes forming part of the financial statements

Note

1 Legal status and principal activities

Phytotherapeutic Solutions S.L. ("The Company") incorporated in 2006 is a company specialized in the development, manufacture and marketing of animal nutrition additives from essential oils, plant extracts and organic acids, using modern manufacturing processes that allow us to obtain the highest quality products.
The corporate office is located in Caldes de Montbui, Barcelona (Spain).

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The Financial Statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at revalued amounts.

The financial statements of Phytotherapeutic Solutions S.L. ('the Company') have been prepared, in accordance with with Spanish accounting standards. The Financial Statements have been prepared on accrual basis.

Effective 1 June 2016, Alivira Animal Health Limited, Ireland (step down subsidiary of Sequent Scientific Limited) acquired stake of 60% in Vila Vina Participacions SL which is the holding company of Phytotherapeutic Solutions S.L.

The financial statements are prepared for the period 1 April 2019 to 31 March 2020 for the purpose of consolidation with its ultimate holding Company 'Sequent Scientific Limited'

2.2 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprise its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than the subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets to the date the asset is ready for its intended use. Exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.3 Depreciation

Depreciation is provided under the straight-line method based on the useful lives:

<u>Nature of Asset</u>	<u>Useful life in periods (range)</u>
Plant and Machinery	2 - 25
Vehicles	2 - 8

2.4 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial period even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten periods from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.5 Inventory

Inventories comprises of raw materials, Work in progress and finished goods. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis as follows :-

(i) Raw materials & packing material :

At purchase cost including other cost incurred in bringing materials to their present location and condition

(ii) Work in process, intermediates & Finished goods :

At material cost, conversion cost and appropriate share of production overheads

2.6 Revenue recognition

The Group presents revenue net of indirect taxes in its Statement of Profit and Loss.

Sale of goods

Revenue from sale of products is presented in the income statement within Revenue from operations. The Group presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, and of customer discounts.

Revenue is recognised when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognized when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates/incentives is estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts are recognized in the period in which the underlying sales are recognized. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers.

Services

Income from technical service, support services and other management fees is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Income from analytical service is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists. Revenue is recognised net of taxes and discounts.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest and dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established.

2.7 Employee benefits

Short term employee benefits are accrued based on the terms of employment when services are rendered by the employees and charged as an expense to the statement of profit and loss.

There are no carry forward of leave balances.

2.8 Foreign currency transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the period-end rates. Non monetary items of the Company are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the period.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

2.9 Taxes on income

Income Tax comprises the current tax provision. Current tax is the amount of tax payable on the taxable income for the period.

2.10 Earnings per share (EPS)

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the period. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

2.11 Provisions and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

2.12 Use of estimates

The preparation of the financial statements in conformity with the Accounting Standards generally accepted in India requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in preparation of financial statement are prudent and reasonable. Actual results could differ from those estimates and the estimates are recognised in the period in which the results are known/materialise.

2.13 Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system.

2.14 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.15 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

2.17 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.