

Interim Financial Statements (Un-audited)
For the period July - December 2020



Beximco Pharmaceuticals Limited

**Financial Statements (Un-audited)
Consolidated**

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Financial Position (Un-audited)
As at December 31, 2020

| | Notes | December 31, 2020 | Taka '000 June 30, 2020 |
|---|-------|-------------------|----------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment- Carrying Value | 4 | 37,372,535 | 37,069,663 |
| Right-of-use Assets | | 35,341,190 | 35,000,810 |
| Intangible Assets | | 234,574 | 240,164 |
| Goodwill | | 1,238,826 | 1,275,561 |
| Other Investment | 5 | 546,691 | 546,691 |
| Other Non-current Assets | | 11,254 | 3,751 |
| | | - | 2,686 |
| Current Assets | | | |
| Inventories | 6 | 13,816,614 | 13,049,079 |
| Spares & Supplies | | 6,769,702 | 5,944,769 |
| Accounts Receivable | | 858,381 | 775,529 |
| Loans, Advances and Deposits | 7 | 2,909,203 | 3,305,451 |
| Cash and Cash Equivalents | 8 | 2,884,723 | 2,388,313 |
| | | 394,605 | 635,017 |
| TOTAL ASSETS | | 51,189,149 | 50,118,742 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Equity Attributable to the Owners of the Company | | | |
| Issued Share Capital | | 34,103,871 | 32,495,121 |
| Share Premium | | 4,461,120 | 4,055,564 |
| Excess of Issue Price over Face Value of GDRs | | 5,269,475 | 5,269,475 |
| Capital Reserve on Merger | | 1,689,637 | 1,689,637 |
| Revaluation Surplus | | 294,951 | 294,951 |
| Unrealized Gain/(Loss) | | 1,123,076 | 1,125,768 |
| Retained Earnings | | 8,429 | 926 |
| | | 21,257,183 | 20,058,800 |
| Non-Controlling Interest | | 313,866 | 302,329 |
| TOTAL EQUITY | | 34,417,737 | 32,797,450 |
| Non-Current Liabilities | | | |
| Long Term Borrowings-Net of Current Maturity | 9 A | 5,951,596 | 5,963,327 |
| Liability for Gratuity and WPPF & Welfare Funds | | 1,408,265 | 1,651,590 |
| Deferred Tax Liability | | 2,348,485 | 2,144,053 |
| | | 2,194,846 | 2,167,684 |
| Current Liabilities and Provisions | | | |
| Short Term Borrowings | | 10,819,816 | 11,357,965 |
| Long Term Borrowings-Current Maturity | 9 B | 6,359,665 | 7,398,361 |
| Creditors and Other Payables | | 1,169,234 | 1,454,312 |
| Accrued Expenses | | 1,198,349 | 1,397,817 |
| Dividend Payable / Unclaimed Dividend | 10 | 847,009 | 739,513 |
| Income Tax Payable | | 689,788 | 82,075 |
| | | 555,771 | 285,887 |
| TOTAL EQUITY AND LIABILITIES | | 51,189,149 | 50,118,742 |

Osman Kaiser Chowdhury
Director

A B Siddiqur Rahman
Director

Nazmul Hassan
Managing Director

Mohammad Ali Nawaz
Chief Financial Officer

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the Period July-December 2020

| | Notes | July - December 2020 | July - December 2019 | October - December 2020 | October - December 2019 |
|---|-----------|----------------------------|----------------------------|-------------------------------|-------------------------------|
| | | | | | Taka '000 |
| Net Revenue | | 14,400,189 | 12,495,526 | 7,474,259 | 6,192,191 |
| Cost of Goods Sold | 11 | (7,568,599) | (6,687,655) | (3,932,210) | (3,325,974) |
| Gross Profit | | 6,831,590 | 5,807,871 | 3,542,049 | 2,866,217 |
| Operating Expenses | | (3,364,722) | (3,049,977) | (1,744,949) | (1,541,859) |
| Administrative Expenses | 12 | (403,632) | (388,704) | (206,306) | (200,227) |
| Selling, Marketing and Distribution Expenses | 13 | (2,961,090) | (2,661,273) | (1,538,643) | (1,341,632) |
| Profit from Operations | | 3,466,868 | 2,757,894 | 1,797,100 | 1,324,358 |
| Other Income | 14 | 169,913 | 136,765 | 75,817 | 76,645 |
| Finance Cost | | (502,855) | (532,325) | (269,459) | (228,287) |
| Profit Before Contribution to WPPF & Welfare Funds | | 3,133,926 | 2,362,334 | 1,603,458 | 1,172,716 |
| Contribution to WPPF & Welfare Funds | | (151,915) | (114,467) | (78,529) | (57,316) |
| Profit Before Tax | | 2,982,011 | 2,247,867 | 1,524,929 | 1,115,400 |
| Income Tax Expenses | | (755,712) | (532,521) | (382,971) | (269,929) |
| Current Tax | | (727,652) | (528,146) | (368,973) | (257,488) |
| Deferred Tax | 15 | (28,060) | (4,375) | (13,998) | (12,441) |
| Profit After Tax | | 2,226,299 | 1,715,346 | 1,141,958 | 845,471 |
| Profit/(Loss) Attributable to: | | | | | |
| Owners of the Company | | 2,208,684 | 1,706,419 | 1,134,206 | 841,659 |
| Non-controlling interest | | 17,615 | 8,927 | 7,752 | 3,812 |
| | | 2,226,299 | 1,715,346 | 1,141,958 | 845,471 |
| Other Comprehensive Income-Unrealized Gain/(Loss) | | 7,503 | (1,444) | 5,606 | (773) |
| Total Comprehensive Income | | 2,233,802 | 1,713,902 | 1,147,564 | 844,698 |
| Total Comprehensive Income Attributable to: | | | | | |
| Owners of the Company | | 2,216,187 | 1,704,975 | 1,139,812 | 840,886 |
| Non-controlling interest | | 17,615 | 8,927 | 7,752 | 3,812 |
| | | 2,233,802 | 1,713,902 | 1,147,564 | 844,698 |
| Earnings Per Share (EPS)/Restated EPS | 16 | 4.95 | 3.83 | 2.54 | 1.89 |
| Number of Shares Used to Compute EPS | Nos. | 446,112,089 | 446,112,089 | 446,112,089 | 446,112,089 |

Osman Kaiser Chowdhury
Director

A B Siddiquir Rahman
Director

Nazmul Hassan
Managing Director

Mohammad Ali Nawaz
Chief Financial Officer

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Changes in Equity (Un-audited)
For the Period July-December 2020

As at December 31, 2020

Taka' 000

| | Share Capital | Share Premium | Excess of Issue Price over Face Value of GDRs | Capital Reserve on Merger | Revaluation Surplus | Unrealized Gain/(Loss) | Retained Earnings | Equity attributable to the Owners of the Company | Non-Controlling Interests | Total Equity |
|--|------------------|------------------|---|---------------------------|---------------------|------------------------|-------------------|--|---------------------------|--------------------|
| Balance as on July 01, 2020 | 4,055,564 | 5,269,475 | 1,689,637 | 294,951 | 1,125,768 | 926 | 20,058,800 | 32,495,121 | 302,329 | 32,797,450 |
| Total Comprehensive Income: | | | | | | | | | | |
| Profit/(Loss) for the Period | - | - | - | - | - | - | 2,208,684 | 2,208,684 | 17,615 | 2,226,299 |
| Other Comprehensive Income/(Loss) | - | - | - | - | - | 7,503 | - | 7,503 | - | 7,503 |
| Transactions with the Shareholders: | | | | | | | | | | |
| Cash Dividend | - | - | - | - | - | - | (608,335) | (608,335) | (6,078) | (614,413) |
| Stock Dividend | 405,556 | - | - | - | - | - | (405,556) | - | - | - |
| Adjustment for Depreciation on Revalued Assets | - | - | - | - | (3,590) | - | 3,590 | - | - | - |
| Adjustment for Deferred Tax on Revalued Assets | - | - | - | - | 898 | - | - | 898 | - | 898 |
| Balance as on December 31, 2020 | 4,461,120 | 5,269,475 | 1,689,637 | 294,951 | 1,123,076 | 8,429 | 21,257,183 | 34,103,871 | 313,866 | 34,417,737 |
| Number of Shares | | | | | | | | | | 446,112,089 |
| Net Asset Value (NAV) Per Share | | | | | | | | | | Tk. 76.45 |

As at December 31, 2019

Taka' 000

| | Share Capital | Share Premium | Excess of Issue Price over Face Value of GDRs | Capital Reserve on Merger | Revaluation Surplus | Unrealized Gain/(Loss) | Retained Earnings | Equity attributable to the Owners of the Company | Non-Controlling Interests | Total Equity |
|--|------------------|------------------|---|---------------------------|---------------------|------------------------|-------------------|--|---------------------------|--------------------|
| Balance as on July 01, 2019 | 4,055,564 | 5,269,475 | 1,689,637 | 294,951 | 1,131,853 | 2,504 | 17,144,333 | 29,588,317 | 276,007 | 29,864,324 |
| Total Comprehensive Income: | | | | | | | | | | |
| Profit/(Loss) for the Period | - | - | - | - | - | - | 1,706,419 | 1,706,419 | 8,927 | 1,715,346 |
| Other Comprehensive Income/(Loss) | - | - | - | - | - | (1,444) | - | (1,444) | - | (1,444) |
| Transactions with the Shareholders: | | | | | | | | | | |
| Cash Dividend | - | - | - | - | - | - | (608,335) | (608,335) | (3,473) | (611,808) |
| Adjustment for Depreciation on Revalued Assets | - | - | - | - | (4,057) | - | 4,057 | - | - | - |
| Balance as on December 31, 2019 | 4,055,564 | 5,269,475 | 1,689,637 | 294,951 | 1,127,796 | 1,060 | 18,246,474 | 30,684,957 | 281,461 | 30,966,418 |
| Number of Shares | | | | | | | | | | 405,556,445 |
| Net Asset Value (NAV) Per Share | | | | | | | | | | 75.66 |

Osman Kaiser Chowdhury
Director

A B Siddiqur Rahman
Director

Nazmul Hassan
Managing Director

Mohammad Ali Nawaz
Chief Financial Officer

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Cash Flows (Un-audited)
For the Period July-December 2020

| | Notes | July - December 2020 | Taka '000 July - December 2019 |
|---|----------|-------------------------|--------------------------------------|
| Cash Flows from Operating Activities : | | | |
| Receipts from Customers and Others | | 14,968,135 | 12,970,054 |
| Payments to Suppliers and Employees | | (11,819,166) | (8,533,250) |
| Cash Generated from Operations | | 3,148,969 | 4,436,804 |
| Interest Paid | | (502,855) | (532,325) |
| Interest Received | | 1,318 | 15,547 |
| Income Tax Paid | | (457,768) | (212,520) |
| Net Cash Generated from Operating Activities | 17 | 2,189,664 | 3,707,506 |
| Cash Flows from Investing Activities : | | | |
| Acquisition of Property, Plant and Equipment | | (864,972) | (1,309,616) |
| Intangible Assets | | (8,819) | (13,065) |
| Disposal of Property, Plant and Equipment | | 21,171 | 3,342 |
| Decrease in Short Term Investment | | - | 127,785 |
| Net Cash Used in Investing Activities | | (852,620) | (1,191,554) |
| Cash Flows from Financing Activities : | | | |
| Net Increase /(Decrease) in Long Term Borrowings | | (532,178) | (750,702) |
| Net Increase/(Decrease) in Short Term Borrowings | | (1,038,577) | (1,875,555) |
| Dividend Paid | | (6,701) | (3,862) |
| Net Cash (Used in) / from Financing Activities | | (1,577,456) | (2,630,119) |
| Increase/(Decrease) in Cash and Cash Equivalents | | (240,412) | (114,167) |
| Cash and Cash Equivalents at Beginning of Period | | 635,017 | 610,494 |
| Effect of exchange rate changes on Cash and Cash Equivalents* | | - | 606 |
| Cash and Cash Equivalents at End of Period | 8 | 394,605 | 496,933 |
| Net Operating Cash Flow Per Share | | 4.91 | 9.14 |

*The Company used Janata Bank's end of periods US Dollar-BDT exchange rates as on 31 December 2020 which remained unchanged with the exchange rates as at 30 June 2020. As such there was no effect of exchange rates in the cash flow.

| | | | | |
|--|---|--|--|--|
|  Osman Kaiser Chowdhury Director |  A B Siddiqui Rahman Director |  Nazmul Hassan Managing Director |  Mohammad Ali Nawaz Chief Financial Officer |  Mohammad Asad Ullah, FCS Executive Director & Company Secretary |
|--|---|--|--|--|

Beximco Pharmaceuticals Limited and its Subsidiaries
Selected Notes to the Financial Statements (Un-audited)
For the Period July 2020 -December 2020

1. Reporting Entity

1.1 About the Company

Beximco Pharmaceuticals Limited (BPL/ the Company) was incorporated as a public limited Company in Bangladesh in 1976. It is a leading manufacturer of pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs). The Company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange on its debut in 1995. In 2005, BPL took over Beximco Infusions Ltd., a listed company engaged in manufacturing and marketing of intravenous fluids and got enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange through issuance of Global Depository Receipts (GDRs). In 2018, BPL acquired 85.22% shares of Nuvista Pharma Limited – a non-listed pharmaceutical company in Bangladesh specializing in hormones and steroid drugs and took over control of its management. Shares of the Company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and its GDRs in AIM of the London Stock Exchange.

The registered office of the Company is located at House No. 17, Road No. 2, Dhanmondi R/A, Dhaka. The industrial units are located at Tongi and Kaliakoir of Gazipur district – vicinities close to the capital city Dhaka. The manufacturing facilities of the Company are certified by leading global regulatory authorities including United States Food and Drug Administration (USFDA).

1.2 The Subsidiaries

Nuvista Pharma Limited (NPL)

Nuvista Pharma, formerly Organon (Bangladesh) Ltd., was a subsidiary of Netherlands based Organon International. It was originally incorporated as a private limited company. In 2006 the foreign holding of the company was sold out to Bangladeshi management and was renamed as Nuvista Pharma Limited. The Company through amendments to its memorandum of association in 2011 converted it into a public limited company. In April 2018, Beximco Pharmaceuticals Limited acquired majority shareholdings in Nuvista Pharma Limited (NPL) and through this acquisition BPL has become the immediate and ultimate parent of the company.

Beximco Pharma API Limited

Beximco Pharma API Limited was formed as a private limited company in December 2017 with a paid up capital of Taka 20 million divided into 2 million shares of Taka 10 each, fully held by BPL. The company intends to set up a facility at API Industrial Park to manufacture Active Pharmaceutical Ingredients (APIs) for domestic and international markets. The company is still in the initial phase of establishment.

1.3 Nature of Business

BPL is engaged in manufacturing and marketing of generic pharmaceuticals formulation products covering a wide range of therapeutic categories. It offers products in different dosage forms including Solid, Liquid, Cream and Ointment, Suppositories, Metered Dose Inhaler, Dry Powder Inhaler, Nasal Spray, Sterile, Lyophilized Injectable, Large Volume Intravenous Fluids. Besides formulation products BPL also manufactures Active Pharmaceutical Ingredients (APIs) and renders contract manufacturing services to other companies. Products of the company are sold in domestic and international markets.

NPL produces various pharmaceutical products including oral contraceptives, hormone, steroid, anti-histamine, anti-fibrinolytic, anti-infective, cardiac, gastrointestinal, musculoskeletal, respiratory, vitamin & mineral supplement and women's health products which are sold in the local market.

Both BPL and NPL provides contract manufacturing services.

2. Basis of Preparation of Financial Statements

These interim financial statements should be read in conjunction with the Financial Statements for the Year ended June 30, 2020 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. These financial statements have been prepared in a condensed form with selected notes following IAS 34: Interim Financial Reporting. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

3. Significant Accounting Policies

3.1 Basis of Consolidation

The financial statements of the subsidiaries-Nuvista Pharma Limited and Beximco Pharma API Limited, have been consolidated with those of Beximco Pharmaceuticals Limited in accordance with IFRS 10: Consolidated Financial Statements.

The Company acquired 85.22% shares of the issued paid up capital of Nuvista Pharma Limited. This ownership interest is adequate enough to establish control over NPL and thus BPL meets the conditions as stated in IFRS 10: Consolidated Financial Statements to consider NPL as a subsidiary.

Beximco Pharma API Limited (BPAL) was formed with a paid up capital of Tk.20,000,000 divided into 2,000,000 shares of Tk.10 each, all of which excepting 10 shares are held by Beximco Pharmaceuticals Ltd (BPL). Beximco Pharma API Ltd thus meets the conditions stated in IFRS 10: Consolidated Financial Statements to consider it as a subsidiary.

3.2 Inter-Company Transactions

Assets, Liabilities, Equity, Income, Expenses and Cash Flows arising out of transactions between the Company and the subsidiary have been eliminated in full in the Consolidated Financial Statements.

3.3. Non-Controlling Interests (NCIs)

Non-Controlling Interests (NCIs) at the date of acquisition has been measured at fair value of the net assets of the acquired company in proportion to the shares of the entitled holders. Profit or Loss and Other Comprehensive Income subsequent to the acquisition has been allocated to the Owners of the Company and to the NCIs and also disclosed in the financial statements.

3.4. Valuation of Goodwill

Goodwill has been determined in accordance with IFRS 3: Business Combination. This represents the excess of the aggregate of Purchase Consideration and the acquisition-date fair value of NCI's share in the net assets over the acquisition-date fair value of the net assets of the subsidiary.

3.5 Investment in Associates

Investment in Associates has been accounted for using the Equity method as per IAS 28: Investment in Associates and Joint Ventures.

| | As at December 31, 2020 | Taka '000 As at June 30, 2020 |
|--|----------------------------|-------------------------------------|
| 4. Property, Plant & Equipment - Carrying Value | | |
| Land | 4,067,830 | 4,067,830 |
| Building and Other Constructions | 8,099,453 | 7,822,271 |
| Plant and Machinery | 16,653,275 | 15,766,994 |
| Furniture and Fixtures | 337,249 | 330,454 |
| Transport and Vehicle | 830,378 | 827,287 |
| Office Equipment | 628,570 | 616,852 |
| | 30,616,755 | 29,431,688 |
| Less :Accumulated Depreciation | (10,669,166) | (10,220,348) |
| Net Book Value | 19,947,589 | 19,211,340 |
| Capital Work in Progress | 15,393,601 | 15,789,470 |
| Carrying Value | 35,341,190 | 35,000,810 |
| 5. Other Investment | | |
| Bangladesh Export Import Co. Ltd. | 9,685 | 2,182 |
| Central Depository Bangladesh Ltd. (CDBL) | 1,569 | 1,569 |
| | 11,254 | 3,751 |
| 6. Inventories | | |
| Finished Goods | 1,380,041 | 1,128,728 |
| Raw and Packing Materials (Including Work in Process, Laboratory Chemicals, R & D Materials and Material in Transit) | 5,318,695 | 4,746,573 |
| Physician Sample | 70,966 | 69,468 |
| | 6,769,702 | 5,944,769 |
| 7. Loans, Advances and Deposits | | |
| Clearing & Forwarding | 255,029 | 281,675 |
| VAT | 405,984 | 441,075 |
| Security Deposit and Earnest Money | 167,677 | 83,542 |
| Lease Deposit | 10,822 | 10,822 |
| Capital Expenditure / Project | 110,868 | 209,723 |
| Expenses | 366,960 | 263,194 |
| Bank Guarantee Margin | 33,712 | 35,585 |
| Advance against Salary | 180,648 | 161,307 |
| Motor Cycle | 150,045 | 154,443 |
| Raw & Packing Material * | 924,276 | 442,658 |
| Overseas Liaison Office | 38,575 | 40,724 |
| Others | 240,127 | 263,565 |
| | 2,884,723 | 2,388,313 |

* Includes advance paid for import of COVID-19 Vaccine.

| | As at December 31, 2020 | Taka '000 As at June 30, 2020 |
|---|----------------------------|-------------------------------------|
| 8. Cash and Cash Equivalents | | |
| (a) Cash in Hand (Including Imprest Cash) | 257,573 | 170,479 |
| (b) Cash at Bank: | | |
| Current and FC Account | 97,631 | 426,156 |
| FDR Account | 39,401 | 38,382 |
| | 394,605 | 635,017 |

9. Long Term Borrowings

A. Net of Current Maturity

| | | |
|--|------------------|------------------|
| Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany | 1,224,856 | 1,437,979 |
| Lease Liability | 183,409 | 208,860 |
| Dhaka Bank Limited | - | 4,751 |
| | 1,408,265 | 1,651,590 |

B. Current Maturity

| | | |
|--|------------------|------------------|
| Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany | 934,057 | 937,110 |
| Lease Liability | 104,460 | 108,115 |
| Term Loan- AB Bank Limited | 130,717 | 377,803 |
| Dhaka Bank Limited | - | 31,284 |
| | 1,169,234 | 1,454,312 |

C.Exchange fluctuation loss of Tk. 3,775,291 has been incurred on conversion of outstanding foreign currency loan to functional currency at the exchange rate prevailing on the date of Statement of Financial Position.

10. Dividend Payable / Unclaimed Dividend

The cash dividend declared for the year 2019-20 were approved by the shareholders in the Annual General Meeting held on December 19, 2020. The Dividend Payable/Unclaimed dividend as on December 31, 2020 consists of Tk. 608,335K payable for the year 2019-20 and the balance Tk. 81,453K for prior years unclaimed to date. The unclaimed dividend included in Creditors and Other Payables in the prior period has been reclassified in this financial statement.

| | For the Period July - December 2020 | For the Period July - December 2019 |
|--|---|---|
| 11. Cost of Goods Sold | | |
| Work-in-Process (Opening) | 294,258 | 455,531 |
| Materials Consumed | 6,038,741 | 4,847,748 |
| Factory Overhead Consumed | 1,858,471 | 1,750,026 |
| Total Manufacturing Cost | 8,191,470 | 7,053,305 |
| Work-in-Process (Closing) | (207,829) | (337,139) |
| Cost of Goods Manufactured | 7,983,641 | 6,716,166 |
| Finished Goods (Opening) | 1,128,728 | 1,255,181 |
| Finished Goods available | 9,112,369 | 7,971,347 |
| Cost of Physician Sample transferred to Sample Stock | (163,729) | (116,477) |
| Finished Goods (Closing) | (1,380,041) | (1,167,215) |
| | 7,568,599 | 6,687,655 |

| | Taka '000 | |
|---|---|---|
| | For the Period July - December 2020 | For the Period July - December 2019 |
| 12. Administrative Expenses | | |
| Salary & Allowances | 239,763 | 219,313 |
| Repairs & Maintenance | 27,253 | 25,521 |
| Travelling & Conveyance | 13,032 | 13,386 |
| Company Secretarial, Regulatory Fee and AGM Expense | 12,149 | 17,675 |
| Depreciation | 16,595 | 17,273 |
| Security Expenses | 6,226 | 4,622 |
| Other Expenses | 88,614 | 90,914 |
| | 403,632 | 388,704 |
| 13. Selling, Marketing and Distribution Expenses | | |
| Salary & Allowances | 1,144,980 | 1,035,326 |
| Travelling & Conveyance | 301,851 | 300,270 |
| Market Research & New Products | 24,639 | 34,407 |
| Sample Expenses | 213,749 | 195,762 |
| Literature and News Letter | 121,743 | 107,617 |
| Events, Programs & Campaigns | 96,329 | 92,004 |
| Brand Development | 61,188 | 43,993 |
| Sales Promotion Expenses | 63,250 | 65,159 |
| Distribution Commission | 215,252 | 178,117 |
| Delivery Expense | 200,938 | 178,855 |
| Depreciation and Amortization | 78,055 | 71,901 |
| Export Insurance, Freight and C & F Expenses | 71,291 | 139,728 |
| Security Expenses | 9,124 | 8,922 |
| Allowance for Bad Debts | 1,525 | 1,783 |
| Other Expenses | 357,176 | 207,429 |
| | 2,961,090 | 2,661,273 |
| 14. Other Income | | |
| Interest Income | 1,318 | 15,546 |
| Cash Incentive on Export | 145,235 | 49,822 |
| Royalty | 21,248 | 77,825 |
| Exchange Rate Fluctuation Gain/(loss) | 452 | (6,994) |
| Profit/(Loss) on Sale / Retirement of Fixed Assets | - | (6) |
| Sale of Product Dossier | 989 | - |
| Miscellaneous Income | 671 | 572 |
| | 169,913 | 136,765 |

| | For the Period July - December 2020 | Taka '000 For the Period July - December 2019 |
|---|---|--|
| 15. Deferred Tax Expense /(Income) | | |
| Deferred Tax is arrived at as follows : | | |
| Property, Plant & Equipment (Difference in book value & Tax base) | 9,830,702 | 9,540,139 |
| Deferred Liability (Gratuity) | (1,248,669) | (1,109,802) |
| Allowance for Bad Debts | (8,079) | - |
| Temporary Difference | 8,573,954 | 8,430,337 |
| Tax Rate | | |
| Deferred Tax Liability at end of the period | 2,194,846 | 2,140,385 |
| Deferred Tax Liability at beginning of the period | 2,167,684 | 2,118,775 |
| Change in Deferred Tax Liability | 27,162 | 21,610 |
| Deferred Tax on Revaluation Surplus | 898 | (17,235) |
| Deferred Tax Expense/(Income) | 28,060 | 4,375 |

16. Earnings Per Share (EPS)/Restated EPS

Consolidated EPS of comparative July-December 2019 period (Prior Period) has been restated for the issuance of 10% stock dividend for the year 2019-20. Additionally, Other Income reported for the Prior Period was rectified in line with the year-end audited financial statements for an amount of Tk.20,027K being an inter-company transaction. The Statements of Cash flow and Retained Earnings has been adjusted accordingly. Comparative Prior Period EPS without such correction would have been Taka 3.87 instead of Taka 3.83 as reported.

17. Reconciliation of Net Profit with Cash Flows from Operating Activities

| | | |
|---|------------------|------------------|
| Profit After Tax | 2,226,299 | 1,715,346 |
| Adjustment to reconcile net profit to net cash Generated from Operating Activities : | | |
| Non-Cash Expenses : | 762,690 | 610,589 |
| Depreciation | 484,645 | 502,437 |
| Amortization | 45,553 | 37,198 |
| Gratuity & WPPF | 204,432 | 66,579 |
| Deferred tax | 28,060 | 4,375 |
| Non-operating items: | 3,770 | 9,746 |
| Exchange rate fluctuation loss on Foreign Currency Bank Loan | 3,775 | 10,346 |
| (Profit)/Loss on sale of Fixed Assets | (5) | 6 |
| Effect of exchange rate changes on Cash and Cash Equivalents | - | (606) |
| Changes in Working Capital | (803,095) | 1,371,825 |
| Inventories | (824,933) | 452,629 |
| Spares & Supplies | (82,852) | 79,973 |
| Accounts Receivable | 396,248 | 254,099 |
| Loans, Advances & Deposits | (493,724) | 248,576 |
| Advance Income Tax | - | 35,681 |
| Creditors and Other Payables | (175,407) | (33,013) |
| Accrued Expenses | 107,689 | 53,934 |
| Income Tax Payable | 269,884 | 279,946 |
| Net Cash Generated from Operating Activities | 2,189,664 | 3,707,506 |

18. Related Party Transaction

| Name of Related Parties | Nature of Transactions | Value of Transaction | Balance at period end |
|-------------------------|---|-----------------------|-----------------------|
| I & I Services Ltd.* | Local Delivery Distribution Commission | 13,942,436 215,252 | 1,781,441 |

* I & I Services Ltd. provides local distribution services to BPL.

19. Significant Deviations

Operating cash flow per share declined as compared to July-December 2019 because the Company had to maintain higher inventory to protect against any supply chain disruptions due to the COVID-19 and to support the organic business growth. Additionally, the Company paid a significant amount as advance to Serum Institute for the import of COVID-19 vaccine.

20. Events after the reporting period:

20.1 As per agreement with the Serum Institute of India Pvt. Ltd ("SII") and the Government of Bangladesh ("GOB"), the Company has imported 5 (five) million doses of the Oxford University/AstraZeneca SARS-CoV-2 vaccine, AZD1222 for onward delivery to GOB.

20.2 The Company has entered into a binding commitment with Sanofi group for the acquisition of 54.6% stake in Sanofi Bangladesh Limited ("Sanofi Bangladesh"). The acquisition is subject to approval by the Foreign Exchange Investment Department of Bangladesh Bank and completing the Share Purchase Agreement.

Osman Kaiser Chowdhury
Director

A B Siddiquir Rahman
Director

Nazmul Hassan
Managing Director

Mohammad Ali Nawaz
Chief Financial Officer

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Financial Statements (Un-audited)
Beximco Pharmaceuticals Ltd.

Beximco Pharmaceuticals Limited
Statement of Financial Position (Un-audited)
As at December 31, 2020

| | | | Taka '000 |
|---|-------|-------------------|-------------------|
| | Notes | December 31, 2020 | June 30, 2020 |
| ASSETS | | | |
| Non-Current Assets | | | |
| | | 36,590,172 | 36,240,980 |
| Property, Plant and Equipment- Carrying Value | 3 | 33,610,506 | 33,244,656 |
| Right-of-use Assets | | 234,574 | 237,100 |
| Intangible Assets | | 559,326 | 580,961 |
| Investment in Subsidiaries | | 2,145,186 | 2,145,186 |
| Investment In Associates | | 29,326 | 29,326 |
| Other Investments | 4 | 11,254 | 3,751 |
| Current Assets | | | |
| | | 13,143,229 | 12,438,793 |
| Inventories | 5 | 6,314,221 | 5,528,438 |
| Spares & Supplies | | 815,430 | 735,704 |
| Accounts Receivable | | 2,832,860 | 3,213,666 |
| Loans, Advances and Deposits | 6 | 2,818,460 | 2,345,040 |
| Cash and Cash Equivalents | 7 | 362,258 | 615,945 |
| TOTAL ASSETS | | 49,733,401 | 48,679,773 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | | |
| | | 33,898,729 | 32,356,359 |
| Issued Share Capital | | 4,461,120 | 4,055,564 |
| Share Premium | | 5,269,475 | 5,269,475 |
| Excess of Issue Price over Face Value of GDRs | | 1,689,637 | 1,689,637 |
| Capital Reserve on Merger | | 294,951 | 294,951 |
| Revaluation Surplus | | 1,123,076 | 1,125,768 |
| Unrealized Gain/(Loss) | | 8,429 | 926 |
| Retained Earnings | | 21,052,041 | 19,920,038 |
| Non-Current Liabilities | | | |
| | | 5,654,104 | 5,692,973 |
| Long Term Borrowings-Net of Current Maturity | 8 A | 1,408,265 | 1,641,924 |
| Liability for Gratuity and WPPF & Welfare Funds | | 2,178,049 | 2,015,304 |
| Deferred Tax Liability | | 2,067,790 | 2,035,745 |
| Current Liabilities and Provisions | | | |
| | | 10,180,568 | 10,630,441 |
| Short Term Borrowings | | 6,035,093 | 6,987,531 |
| Long Term Borrowings-Current Maturity | 8 B | 1,169,234 | 1,421,497 |
| Creditors and Other Payables | | 1,052,554 | 1,267,070 |
| Accrued Expenses | | 729,813 | 609,401 |
| Dividend Payable / Unclaimed Dividend | 9 | 689,448 | 81,793 |
| Income Tax Payable | | 504,426 | 263,149 |
| TOTAL EQUITY AND LIABILITIES | | 49,733,401 | 48,679,773 |



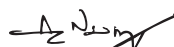
Osman Kaiser Chowdhury
Director



A B Siddiqui Rahman
Director



Nazmul Hassan
Managing Director



Mohammad Ali Nawaz
Chief Financial Officer



Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Beximco Pharmaceuticals Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the Period July-December 2020

| | Notes | July - December 2020 | July - December 2019 | October - December 2020 | October - December 2019 |
|---|-------|----------------------------|----------------------------|-------------------------------|-------------------------------|
| | | | | Taka '000 | |
| Net Sales Revenue | | 13,196,162 | 11,505,635 | 6,853,828 | 5,690,793 |
| Cost of Goods Sold | 10 | (6,995,893) | (6,211,152) | (3,636,178) | (3,080,909) |
| Gross Profit | | 6,200,269 | 5,294,483 | 3,217,650 | 2,609,884 |
| Operating Expenses | | (3,018,689) | (2,745,976) | (1,568,975) | (1,379,867) |
| Administrative Expenses | 11 | (352,020) | (348,593) | (179,788) | (175,465) |
| Selling, Marketing and Distribution Expenses | 12 | (2,666,669) | (2,397,383) | (1,389,187) | (1,204,402) |
| Profit from Operations | | 3,181,580 | 2,548,507 | 1,648,675 | 1,230,017 |
| Other Income | 13 | 282,560 | 221,218 | 151,738 | 129,663 |
| Finance Cost | | (492,702) | (498,789) | (265,976) | (213,014) |
| Profit Before Contribution to WPPF & Welfare Funds | | 2,971,438 | 2,270,936 | 1,534,437 | 1,146,666 |
| Contribution to WPPF & Welfare Funds | | (141,497) | (108,140) | (73,068) | (54,603) |
| Profit Before Tax | | 2,829,941 | 2,162,796 | 1,461,369 | 1,092,063 |
| Income Tax Expenses | | (687,637) | (487,494) | (347,295) | (252,028) |
| Current Tax | | (654,694) | (481,721) | (330,667) | (239,642) |
| Deferred Tax | 14 | (32,943) | (5,773) | (16,628) | (12,386) |
| Profit after Tax | | 2,142,304 | 1,675,302 | 1,114,074 | 840,035 |
| Other Comprehensive Income - Unrealized Gain/(Loss) | | 7,503 | (1,444) | 5,606 | (773) |
| Total Comprehensive Income | | 2,149,807 | 1,673,858 | 1,119,680 | 839,262 |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| Earnings Per Share (EPS)/Restated EPS | 4.80 | 3.76 | 2.50 | 1.88 |
| Number of Shares Used to Compute EPS | 446,112,089 | 446,112,089 | 446,112,089 | 446,112,089 |

| | | | | |
|--|--|--|--|--|
|  Osman Kaiser Chowdhury Director |  A B Siddiquir Rahman Director |  Nazmul Hassan Managing Director |  Mohammad Ali Nawaz Chief Financial Officer |  Mohammad Asad Ullah, FCS Executive Director & Company Secretary |
|--|--|--|--|--|

Beximco Pharmaceuticals Limited
Statement of Changes in Equity (Un-audited)
For the Period July-December 2020

As at December 31, 2020

Taka' 000

| | Share Capital | Share Premium | Excess of Issue Price over Face Value of GDRs | Capital Reserve on Merger | Revaluation Surplus | Unrealized Gain/(Loss) | Retained Earnings | Total | |
|--|---------------|---------------|---|---------------------------|---------------------|------------------------|-------------------|------------|-------------|
| Balance as on July 01, 2020 | 4,055,564 | 5,269,475 | 1,689,637 | 294,951 | 1,125,768 | 926 | 19,920,038 | 32,356,359 | |
| Total Comprehensive Income | | | | | | | | | |
| Profit for the Year | - | - | - | - | - | - | 2,142,304 | 2,142,304 | |
| Other Comprehensive Income/(Loss) | - | - | - | - | - | 7,503 | - | 7,503 | |
| Transactions with the Shareholders: | | | | | | | | | |
| Cash Dividend | - | - | - | - | - | - | (608,335) | (608,335) | |
| Stock Dividend | 405,556 | - | - | - | - | - | (405,556) | - | |
| Adjustment for Depreciation on Revalued Assets | - | - | - | - | (3,590) | - | 3,590 | - | |
| Adjustment for Deferred Tax on Revalued Assets | - | - | - | - | 898 | - | - | 898 | |
| Balance as on December 31, 2020 | 4,461,120 | 5,269,475 | 1,689,637 | 294,951 | 1,123,076 | 8,429 | 21,052,041 | 33,898,729 | |
| Number of Shares | | | | | | | | | 446,112,089 |
| Net Asset Value (NAV) Per Share | | | | | | | | Tk. | 75.99 |

As at December 31, 2019

Taka' 000

| | Share Capital | Share Premium | Excess of Issue Price over Face Value of GDRs | Capital Reserve on Merger | Revaluation Surplus | Unrealized Gain/(Loss) | Retained Earnings | Total | |
|--|---------------|---------------|---|---------------------------|---------------------|------------------------|-------------------|------------|-------------|
| Balance as on July 01, 2019 | 4,055,564 | 5,269,475 | 1,689,637 | 294,951 | 1,131,853 | 2,504 | 17,156,859 | 29,600,843 | |
| Total Comprehensive Income : | | | | | | | | | |
| Profit for the Period | - | - | - | - | - | - | 1,675,302 | 1,675,302 | |
| Other Comprehensive Income / (Loss) | - | - | - | - | - | (1,444) | - | (1,444) | |
| Transaction with the Shareholders : | | | | | | | | | |
| Cash Dividend | - | - | - | - | - | - | (608,335) | (608,335) | |
| Adjustment for Depreciation on Revalued Assets | - | - | - | - | (4,057) | - | 4,057 | - | |
| Adjustment for Deferred Tax on Revalued Assets | - | - | - | - | - | - | - | - | |
| Balance as on December 31, 2019 | 4,055,564 | 5,269,475 | 1,689,637 | 294,951 | 1,127,796 | 1,060 | 18,227,883 | 30,666,366 | |
| Number of Shares | | | | | | | | | 405,556,445 |
| Net Asset Value (NAV) Per Share | | | | | | | | Tk. | 75.62 |

Osman Kaiser Chowdhury
Director

A B Siddiqui Rahman
Director

Nazmul Hassan
Managing Director

Mohammad Ali Nawaz
Chief Financial Officer

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Beximco Pharmaceuticals Limited
Statement of Cash Flows (Un-audited)
For the Period July-December 2020

| | Notes | July - December 2020 | Taka '000 July - December 2019 |
|---|-------|-------------------------|--------------------------------------|
| Cash Flows from Operating Activities : | | | |
| Receipts from Customers and Others | | 13,826,936 | 11,988,110 |
| Payments to Suppliers and Employees | | (10,939,309) | (7,806,819) |
| Cash Generated from Operations | | 2,887,627 | 4,181,291 |
| Interest Paid | | (492,702) | (498,789) |
| Interest Received | | 1,318 | 15,547 |
| Income Tax Paid | | (413,417) | (204,007) |
| Net Cash Generated from Operating Activities | 15 | 1,982,826 | 3,494,042 |
| Cash Flows from Investing Activities : | | | |
| Acquisition of Property, Plant and Equipment | | (841,092) | (1,296,454) |
| Intangible Assets | | (8,819) | (13,065) |
| Disposal of Property, Plant and Equipment | | 21,166 | 3,342 |
| Dividend Received | | 35,047 | 20,027 |
| Decrease in Short Term Investment | | - | 127,785 |
| Net Cash Used in Investing Activities | | (793,698) | (1,158,365) |
| Cash Flows from Financing Activities : | | | |
| Net Increase /(Decrease) in Long Term Borrowings | | (489,697) | (682,043) |
| Net Increase/(Decrease) in Short Term Borrowings | | (952,438) | (1,767,339) |
| Dividend Paid | | (680) | (423) |
| Net Cash (Used in) / from Financing Activities | | (1,442,815) | (2,449,805) |
| Increase/(Decrease) in Cash and Cash Equivalents | | (253,687) | (114,128) |
| Cash and Cash Equivalents at Beginning of Period | | 615,945 | 582,306 |
| Effect of exchange rate changes on Cash and Cash Equivalents* | | - | 606 |
| Cash and Cash Equivalents at End of Period | 7 | 362,258 | 468,784 |
| Net Operating Cash Flow Per Share | | 4.44 | 8.62 |

*The Company used Janata Bank's end of periods US Dollar-BDT exchange rates as on 31 December 2020 which remained unchanged with the exchange rates as at 30 June 2020. As such there was no effect of exchange rates in the cash flow.

| | | | | |
|--|---|--|--|--|
|  Osman Kaiser Chowdhury Director |  A B Siddiqui Rahman Director |  Nazmul Hassan Managing Director |  Mohammad Ali Nawaz Chief Financial Officer |  Mohammad Asad Ullah, FCS Executive Director & Company Secretary |
|--|---|--|--|--|

Beximco Pharmaceuticals Limited
Selected Notes to the Financial Statements (Un-audited)
For the Period July-December 2020

1. Reporting Entity

1.1 About the company

Beximco Pharmaceuticals Limited (BPL/ the Company) was incorporated as a public limited Company in Bangladesh in 1976. It is a leading manufacturer of pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs). The Company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange on its debut in 1995. In 2005, BPL took over Beximco Infusions Ltd., a listed company engaged in manufacturing and marketing of intravenous fluids and got enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange through issuance of Global Depository Receipts (GDRs). In 2018, BPL acquired 85.22% shares of Nuvista Pharma Limited – a non-listed pharmaceutical company in Bangladesh specializing in hormones and steroid drugs and took over control of its management. Shares of the Company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and its GDRs in AIM of the London Stock Exchange.

The registered office of the Company is located at House No. 17, Road No. 2, Dhanmondi R/A, Dhaka. The industrial units are located at Tongi and Kaliakoir of Gazipur district – vicinities close to the capital city Dhaka. The manufacturing facilities of the Company are certified by leading global regulatory authorities including United States Food and Drug Administration (USFDA).

1.2 Nature of Business

The company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products covering a wide range of therapeutic categories. It offers products in different dosage forms including Solid, Liquid, Cream and Ointment, Suppositories, Metered Dose Inhaler, Dry Powder Inhaler, Nasal Spray, Sterile, Lyophilized Injectable, Large Volume Intravenous Fluids. BPL also manufactures Active Pharmaceutical Ingredients (APIs) and renders contract manufacturing services to other companies. Products of the company are sold in domestic and international markets.

2. Basis of Preparation of Financial Statements

These interim financial statements should be read in conjunction with the Financial Statements for the Year ended June 30, 2020 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. These financial statements have been prepared in a condensed form with selected notes following IAS 34: Interim Financial Reporting. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Taka '000

| | As at December 31, 2020 | As at June 30, 2020 |
|---|----------------------------|------------------------|
| 3. Property, Plant & Equipment - Carrying Value | | |
| Land | 3,343,741 | 3,343,741 |
| Building and Other Constructions | 7,774,978 | 7,499,762 |
| Plant and Machinery | 15,371,722 | 14,495,139 |
| Furniture and Fixtures | 285,772 | 281,072 |
| Transport and Vehicle | 686,005 | 686,005 |
| Office Equipment | 596,690 | 585,815 |
| | 28,058,908 | 26,891,534 |
| Less :Accumulated Depreciation | (9,812,741) | (9,416,167) |
| Net Book Value | 18,246,167 | 17,475,367 |
| Capital Work in Progress | 15,364,339 | 15,769,289 |
| Carrying Value | 33,610,506 | 33,244,656 |
| 4. Other Investment | | |
| Bangladesh Export Import Co. Ltd. | 9,685 | 2,182 |
| Central Depository Bangladesh Ltd. (CDBL) | 1,569 | 1,569 |
| | 11,254 | 3,751 |
| 5. Inventories | | |
| Finished Goods | 1,246,265 | 972,564 |
| Raw and Packing Materials (Including Work in Process, Laboratory Chemicals, R & D Materials and Material in Transit) | 4,996,990 | 4,486,406 |
| Physician Sample | 70,966 | 69,468 |
| | 6,314,221 | 5,528,438 |
| 6. Loans, Advances and Deposits | | |
| Clearing & Forwarding | 255,029 | 281,675 |
| VAT | 383,396 | 419,480 |
| Security Deposit and Earnest Money | 136,721 | 76,961 |
| Lease Deposit | 10,822 | 10,822 |
| Capital Expenditure / Project Expenses | 110,868 | 209,723 |
| | 366,960 | 263,194 |
| Bank Guarantee Margin | 33,712 | 35,585 |
| Advance against Salary | 175,746 | 157,726 |
| Motor Cycle | 150,045 | 154,443 |
| Raw & Packing Material * | 924,276 | 442,659 |
| Overseas Liaison Office | 38,575 | 40,725 |
| Others | 232,310 | 252,047 |
| | 2,818,460 | 2,345,040 |

* Includes advance paid for import of COVID-19 Vaccine.

| | As at December 31, 2020 | As at June 30, 2020 |
|---|----------------------------|------------------------|
| Taka '000 | | |
| 7. Cash and Cash Equivalents | | |
| (a) Cash in Hand (Including Imprest Cash) | 257,136 | 170,284 |
| (b) Cash at Bank: | | |
| Current and FC Account | 65,721 | 407,280 |
| FDR Account | 39,401 | 38,381 |
| | <u>362,258</u> | <u>615,945</u> |
| 8. Long Term Borrowings | | |
| A. Net of Current Maturity | | |
| Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany | 1,224,856 | 1,437,979 |
| Leases Liability | 183,409 | 203,945 |
| | <u>1,408,265</u> | <u>1,641,924</u> |
| B. Current Maturity | | |
| Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany | 934,057 | 937,110 |
| Leases Liability | 104,460 | 106,584 |
| Term Loan - AB Bank Limited | 130,717 | 377,803 |
| | <u>1,169,234</u> | <u>1,421,497</u> |
| C. Exchange fluctuation loss of Tk. 3,775,291 has been incurred on conversion of outstanding foreign currency loan to functional currency at the exchange rate prevailing on the date of Statement of Financial Position. | | |

9. Dividend Payable / Unclaimed Dividend

The cash dividend declared for the year 2019-20 were approved by the shareholders in the Annual General Meeting held on December 19, 2020. The Dividend Payable/Unclaimed dividend as on December 31, 2020 consists of Tk. 608,335K payable for the year 2019-20 and the balance Tk. 81,113K for prior years unclaimed to date. The unclaimed dividend included in Creditors and Other Payables in the prior period has been reclassified in this financial statement.

| | For the Period July - December 2020 | For the Period July - December 2019 |
|--|--|--|
| 10. Cost of Goods Sold | | |
| Work-in-Process (Opening) | 249,839 | 420,136 |
| Materials Consumed | 5,728,993 | 4,569,340 |
| Factory Overhead Consumed | 1,607,922 | 1,507,827 |
| Total Manufacturing Cost | 7,586,754 | 6,497,303 |
| Work-in-Process (Closing) | (158,411) | (255,391) |
| Cost of Goods Manufactured | 7,428,343 | 6,241,912 |
| Finished Goods (Opening) | 972,564 | 1,155,804 |
| Finished Goods available | 8,400,907 | 7,397,716 |
| Cost of Physician Sample transferred to Sample Stock | (158,749) | (112,618) |
| Finished Goods (Closing) | (1,246,265) | (1,073,946) |
| | <u>6,995,893</u> | <u>6,211,152</u> |

| | For the Period July - December 2020 | Taka '000 For the Period July - December 2019 |
|--|--|---|
| 11. Administrative Expenses | | |
| Salary & Allowances | 207,924 | 193,322 |
| Repairs & Maintenance | 24,762 | 23,261 |
| Travelling & Conveyance | 12,385 | 13,067 |
| Company Secretarial, Regulatory Fee and AGM Expense | 11,814 | 17,045 |
| Depreciation | 15,135 | 15,703 |
| Security Expenses | 6,226 | 4,622 |
| Other Expenses | 73,774 | 81,573 |
| | 352,020 | 348,593 |
| 12. Selling, Marketing and Distribution Expenses | | |
| Salary & Allowances | 990,840 | 902,784 |
| Travelling & Conveyance | 261,469 | 264,019 |
| Market Research & New Products | 24,639 | 34,407 |
| Sample Expenses | 206,576 | 190,351 |
| Literature and News Letter | 108,747 | 96,512 |
| Events, Programs & Campaign | 91,346 | 88,450 |
| Brand Development | 57,532 | 40,837 |
| Sales Promotion Expenses | 55,339 | 58,216 |
| Distribution Commission | 215,252 | 178,117 |
| Delivery Expense | 200,938 | 178,855 |
| Depreciation and Amortization | 56,399 | 49,017 |
| Export Insurance, Freight and C & F Expenses | 71,291 | 139,728 |
| Security Expenses | 9,124 | 8,922 |
| Allowance for Bad Debts | 1,525 | 1,783 |
| Other Expenses | 315,652 | 165,385 |
| | 2,666,669 | 2,397,383 |
| 13. Other Income | | |
| Interest Income | 1,318 | 15,546 |
| Distribution Commission | 65,919 | 53,928 |
| Cash Incentive on Export | 145,235 | 49,822 |
| Dividend Income | 35,047 | 20,027 |
| Royalty | 33,600 | 88,889 |
| Exchange Rate Fluctuation Gain/(loss) | 452 | (6,994) |
| Sale of Product Dossier | 989 | - |
| | 282,560 | 221,218 |
| 14. Deferred Tax | | |
| Deferred Tax is arrived at as follows : | | |
| Property, Plant & Equipment (Difference in book value & Tax base) | 9,385,701 | 9,097,753 |
| Deferred Liability (Gratuity) | (1,107,872) | (995,435) |
| Allowance for Bad Debts | (6,669) | - |
| Temporary Difference | 8,271,160 | 8,102,318 |
| Tax Rate | 25% | 25% |
| Deferred Tax Liability at end of the period | 2,067,790 | 2,025,579 |
| Deferred Tax Liability at beginning of the period | 2,035,745 | 2,002,571 |
| Change in Deferred Tax Liability | 32,045 | 23,008 |
| Deferred Tax on Revaluation Surplus | 898 | (17,235) |
| Deferred Tax | 32,943 | 5,773 |

Taka '000

For the Period
July - December 2020For the Period
July - December 2019**15. Reconciliation of Net Profit with Cash Flows from Operating Activities**

| | | |
|---|------------------|------------------|
| Profit after Tax | 2,142,304 | 1,675,302 |
| Adjustment to reconcile net profit to net cash Generated from Operating Activities : | | |
| Non-cash Expenses : | 658,565 | 514,074 |
| Depreciation | 432,424 | 448,652 |
| Amortization | 30,453 | 22,098 |
| Gratuity & WPPF | 162,745 | 37,551 |
| Deferred Tax | 32,943 | 5,773 |
| Non-operating items: | (31,272) | (10,287) |
| Exchange rate fluctuation loss on Foreign Currency Bank Loan | 3,775 | 10,346 |
| Dividend Income | (35,047) | (20,027) |
| Effect of exchange rate changes on Cash and Cash Equivalents | - | (606) |
| Changes in Working Capital | (786,771) | 1,314,952 |
| Inventories | (785,783) | 443,044 |
| Spares & Supplies | (79,726) | 78,793 |
| Accounts Receivable | 380,806 | 287,091 |
| Loans, Advances & Deposits | (473,420) | 252,786 |
| Creditors and Other Payables | (190,337) | (10,626) |
| Accrued Expenses | 120,412 | (13,851) |
| Income Tax Payable | 241,277 | 277,715 |
| Net Cash Generated from Operating Activities | 1,982,826 | 3,494,042 |

16. Related Party Transactions

| Name of Related Parties | Nature of Transactions | Value of Transaction | Balance at period end |
|-------------------------------|---|--------------------------------------|-------------------------------|
| a. I & I Services Ltd.* | Local Delivery Distribution Commission | 13,942,436 215,252 | 1,781,441 |
| b. Nuvista Pharma Ltd | Toll Manufacturing Cost of services Dividend Distribution commission | 13,017 40,423 35,047 65,919 | 1,810 7,256 - 12,761 |
| c. Beximco Pharma API Limited | Short Term Advance | 120 | 664 |

* I & I Services Ltd. provides local distribution services to BPL.

17. Significant Deviations


Operating cash flow per share declined as compared to July-December 2019 because the Company had to maintain higher inventory to protect against any supply chain disruptions due to the COVID-19 and to support the organic business growth. Additionally, the Company paid a significant amount as advance to Serum Institute for the import of COVID-19 vaccine.

18. Events after the reporting period:

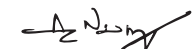
18.1. As per agreement with the Serum Institute of India Pvt. Ltd ("SII") and the Government of Bangladesh ("GOB"), the Company has imported 5 (five) million doses of the Oxford University/AstraZeneca SARS-CoV-2 vaccine, AZD1222 for onward delivery to GOB.

18.2 The Company has entered into a binding commitment with Sanofi group for the acquisition of 54.6% stake in Sanofi Bangladesh Limited ("Sanofi Bangladesh"). The acquisition is subject to approval by the Foreign Exchange Investment Department of Bangladesh Bank and completing the Share Purchase Agreement.


Osman Kaiser Chowdhury
Director


A B Siddiquir Rahman
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer


Mohammad Asad Ullah, FCS
Executive Director & Company Secretary