



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**



**Tensae and Zelalem TZ
Audit Partnership**

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY

Qualified Opinion

We have audited the accompanying financial statement of Kilitch Estro Biotech Private Limited Company, which comprise the statement of financial position as at 31 March 2025 and statements of profit and loss for the year then ended, cash flow and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the basis for qualified Opinion section of our report, the accompanying financial statements of Kilitch Estro Biotech Private Limited Company present fairly, in all material respect, the financial position of the company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Basis for Qualified Opinion

Included in "trade and other receivables" is a long outstanding balance amounting to Birr 7,582,756, for which appropriate provisions have not been made.

We conducted our audit in accordance with international standards on Auditing (ISAs). 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 ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation of Financial Statements

We draw attention to Note 2(a) to the financial statements, which describes the basis of preparation. As disclosed in that note, the Company is required, in accordance with Directive No. 804/2013, "*Reporting Entities Criteria and Registration*", to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS). However, due to time constraints and the unavailability of certain required information, the Company was unable to adopt IFRS for the current reporting period. Consequently, the financial statements have been prepared using the existing accounting policies applied by management.

Our opinion is not modified in respect of this matter.



Responsibilities of Management's and those Charged with Governance

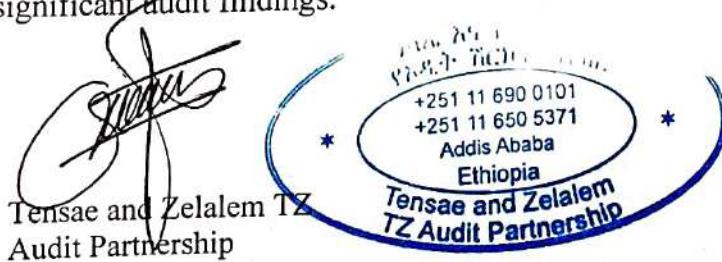
Management is responsible for the preparation of the financial statements in accordance with the generally accepted accounting principle, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the organization ability to continue as a going concern basis of accounting unless the management either intend to liquidate the organization or cease operations, or has no realistic alternative but to do so.

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 include our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement 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 statement.

As part of an audit in accordance with International Standards on Auditing, an audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings.



Tensae and Zelalem TZ
Audit Partnership

Addis Ababa
9 June 2025

KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

Currency: Ethiopian Birr

	<u>Note</u>		<u>2024</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	2a,3	220,837,601.17	227,790,736
Leasehold land	4	3,698,118.75	3,800,844
Pre-operational costs	5	<u>14,682,670.71</u>	<u>29,365,341</u>
		239,218,390.63	260,956,922
CURRENT ASSETS			
Stocks	6	95,445,391.62	10,881,023
Trade and other receivables	7	48,746,894.43	15,420,480
Withholding tax Receivable		214,788.50	203,593
Cash and bank balances	8	<u>36,257,797.80</u>	<u>8,966,940</u>
		180,664,872.35	35,472,035
		<u>419,883,262.98</u>	<u>296,428,957</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Registered Capital	9	62,163,000.00	49,533,000
Retained earning		(121,009,220.93)	(71,729,702)
Customs difference		<u>10,224,164.12</u>	<u>11,776,583</u>
		(48,622,056.81)	(10,420,119)
NON CURRENT LIABILITIES			
Leasehold land payable		283,841.57	283,842
Shareholders payable		166,960,947.65	157,224,428
Bank term loan	10	<u>116,150,457.10</u>	<u>125,386,615</u>
		283,395,246.32	282,894,885
CURRENT LIABILITIES			
Bank overdraft	11	170,000,000.00	-
Trade and other payables	12	14,734,175.83	23,687,765
Other current tax payables	13	375,897.64	266,425
Profit tax payable	14	-	-
		<u>185,110,073.47</u>	<u>23,954,191</u>
		<u>419,883,262.98</u>	<u>296,428,957</u>



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2025

			<i>Currency: Ethiopian Birr</i>
			<u>2024</u>
INCOME (Anti-ceptive Department)	15	216,610,701.47	155,619,679
COST OF SALES	16	<u>(286,778,005.93)</u>	<u>(122,980,641)</u>
GROSS PROFIT		(70,167,304.46)	32,639,038
OTHER INCOME		83,613,797.14	6,813
GENERAL AND ADMINISTRATIVE EXPENSES			
General and Administrative expenses	17	11,774,754.50	13,592,748
Financial Charges	18	<u>50,936,192.56</u>	<u>28,683,315</u>
NET PROFIT		<u>62,710,947.06</u>	<u>42,276,063</u>
PROFIT TAX		(49,264,454.38)	(9,630,211)
NET PROFIT AFTER TAX		<u>(49,264,454.38)</u>	<u>(9,630,211)</u>



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
STATEMENT OF CHARGE IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

Currency: Ethiopian Birr

	<u>Registered Capital</u>	<u>Retained Earnings</u>	<u>Customs Difference</u>	<u>Total</u>
For the year ended 31 March 2025				
Balance at 01 April 2024	49,533,000.00	(71,729,701.70)	11,776,582.75	(10,420,118.95)
Prior period adjustment	-	(15,064.85)	-	(15,064.85)
Restated balance 01 April 2024	49,533,000.00	(71,744,766.55)	11,776,582.75	(10,435,183.80)
Addition	12,630,000.00	-	(1,552,418.63)	11,077,581.37
Net profit/(loss) for the year	-	(49,264,454.38)	-	(49,264,454.38)
Balance at 31 March 2025	<u>62,163,000.00</u>	<u>(121,009,220.93)</u>	<u>10,224,164.12</u>	<u>(48,622,056.81)</u>

For the year ended 31 March 2024

Balance at 01 April 2023	23,778,000.00	(62,099,490.69)	4,285,128.66	(34,036,362.03)
Prior period adjustment	-	-	-	-
Restated balance 01 April 2023	23,778,000.00	(62,099,490.69)	4,285,128.66	(34,036,362.03)
Addition	25,755,000.00	-	7,491,454.09	33,246,454.09
Net profit/(loss) for the year	-	(9,630,211.01)	-	(9,630,211.01)
Balance at 31 March 2024	<u>49,533,000.00</u>	<u>(71,729,701.70)</u>	<u>11,776,582.75</u>	<u>(10,420,118.95)</u>



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2025

	<i>Currency: Ethiopian Birr</i>	
	2024	
Cash flow from operating activities		
Net profit/loss before tax	(49,264,454.38)	(9,630,211)
Add: Depreciation charges	8,582,984.20	8,613,728
Amortization	14,785,396.22	14,785,396
Prior period adjustment	<u>(15,064.85)</u>	-
	(25,911,138.82)	13,768,913
Decreases (increase) in trade and other receivables	(33,326,414.92)	(2,662,516)
Decreases (increase) in stock	(84,564,369.00)	4,359,926
Increase(decrease) in shareholders account	9,736,519.53	(26,980,430)
Increase(decrease) in trade and other payables	(10,506,008.17)	(22,941,401)
Increase(decrease) in other current taxes	<u>109,472.29</u>	<u>11,106</u>
	<u>(118,550,800.27)</u>	<u>(48,213,315)</u>
<i>Cash In/Outflow from operating activities</i>		
	(144,461,939.09)	(34,444,402)
Interest expense		
Tax payment during the year	<u>(11,195.71)</u>	<u>(1,058)</u>
<i>Net cash in/outflow from operating activities</i>		
	<u>(144,473,134.80)</u>	<u>(34,445,460)</u>
Cash flows from investing activities		
Acquisition of fixed assets	(1,629,849.14)	(72,000)
Pre-operational	-	-
Dividend paid	-	-
	<u>(1,629,849.14)</u>	<u>(72,000)</u>
Cash flows from financing activities		
Additional capital	12,630,000.00	25,755,000
Term loan receivaed/ Repayments	<u>(9,236,158.10)</u>	<u>(34,613,385)</u>
<i>Net cash inflow from financing activities</i>		
	<u>3,393,841.90</u>	<u>(8,858,385)</u>
<i>Net cash inflow</i>		
Cash and bank balance, opening	<u>(142,709,142.04)</u>	<u>(43,375,845)</u>
Cash and cash equivalents, ending	<u>8,966,939.84</u>	<u>52,342,784</u>
	<u>(133,742,202.20)</u>	<u>8,966,940</u>
Represented by:		
Bank overdraft	(170,000,000.00)	-
Cash and banks	<u>36,257,797.80</u>	<u>8,966,940</u>
	<u>(133,742,202.20)</u>	<u>8,966,940</u>



**KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. GENERAL INFORMATION

Currency: Ethiopian Birr

Kilitch Estro Biotech Private Limited Company is a company registered by the Ethiopian Investment Commission. The company is engaged in manufacturing medical products and related business activities.

2. ACCOUNTING POLICIES

a) Basis of Preparation and Statement of Non-Compliance

These financial statements have been prepared in accordance with the accounting policies applied by management, which are consistent with those used in the prior year.

In accordance with Directive No. 804/2013, "Reporting Entities Criteria and Registration", issued by the Accounting and Auditing Board of Ethiopia (AABE), the Company is required to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS). However, due to time constraints and the unavailability of certain necessary information for a full IFRS adoption, the Company was unable to prepare its financial statements in compliance with IFRS for the reporting period ended 31 March 2025.

Management acknowledges this non-compliance and has disclosed the matter in the financial statements. The Company plans to complete the necessary procedures and system adjustments to fully adopt IFRS in subsequent reporting periods.

The financial statements have been prepared on a historical cost basis, unless otherwise stated in the accounting policies, and are presented in Ethiopian Birr (ETB), which is the Company's functional and presentation currency.

b) Basis of Preparation of Financial Statements

The financial statements are prepared on the basis of historical cost convention in accordance with generally accepted accounting principle.

I. Property, Plant and Equipment

Property, plants and equipment are stated at cost less accumulated depreciation. For Depreciation on the fixed asset of the company before the commencement of the Council of Ministers Federal Income Tax Regulation No. 410/2017 were charged on pooling basis in accordance with the repealed income tax proclamation number 286/2002 as the Council of Ministers Federal Income Tax Regulation No. 410/2017 enacted for the Federal Income Tax Proclamation No. 979/2016 ordered.



**KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

Currency: Ethiopian Birr

The following rates are applied on the written down values of the respective assets per annum.

	<u>%</u>
Computer and accessories	25
Other fixed assets	20

The depreciation on the acquisition of depreciable assets after the commencement of the Federal Income Tax Proclamation No. 979/2016 and the Council of Ministers Federal Income Tax Regulation No. 410/2017 are computed on a declining depreciation method on individual depreciable assets as per the following rates per annum.

	<u>%</u>
Structural improvements other than greenhouse	5
Computers, software, & data storage equipment	25
Any other depreciable assets	20

II. Intangible assets

Intangible assets (pre-operational costs) are amortized on straight line basis as 25% per annum.

III. Debtors and prepayment

Trade receivables originated from the business activities are recognized and carried at original invoice amounts less provision for any doubtful amounts. Bad debts are written off as and when identified and provision is made in the accounts for debts considered doubtful when collections of the full amount is no longer probable.

IV. Cash and cash equivalent

Cash in hand and banks in current and deposit accounts are carried at cost. Cash and cash equivalents are defined as cash in hand, cash at banks in current and deposit accounts and short-term finances readily convertible to known amounts of cash and subject to insignificant risks of changes in values. Cash and cash equivalents include cash in hand and at banks net of bank overdraft balances, if any, for the purposes of cash flow statement.

V. Creditors and accrual

Trade and other payable amounts are recorded initially at the transaction price.



**KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Currency: Ethiopian Birr

VI. Borrowing and the related costs

Borrowings are recorded initially at the transaction price, i.e. the present value of cash payable to the financial institutions, including transaction costs. Borrowings are classified as current and noncurrent on the basis of the unconditional provisions stated in the borrowing contracts. They are classified as current if the borrowing contracts do not show unconditional provisions to defer settlements after 12 months after the reporting date. Interest or mark-up directly attributable to acquisition, construction or installation of qualifying assets is capitalized. All other interest or mark-up is treated as period expenses in the profit and loss account.

VII. Share capital

Ordinary shares are classified as equity.

VIII. Current and deferred income taxes

Current income tax expense is computed as per Income Tax Proclamation No. 286/2002 of the Federal Democratic Republic of Ethiopia. Deferred tax has not been recognized in these financial statements as the entity uses the Income Tax Proclamation to depreciate property, plant and equipment as stated under (a) and (b) above.

IX. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from the sales of goods and or services in the ordinary courses of the activities of the company net of value added and turnover taxes. Revenue is recognized only when it is realized and prudently expected that economic benefits from sales transaction will flow to the company and expenses are recognized when incurred. Interest income is recognized using the effective rates.

X. Financial instruments

All other financial assets and liabilities are recognized at cost which is the fair value of the consideration given or received at the time when the entity becomes a party to the contractual provisions of the instruments. Investment in subsidiary is valued at cost as fair value of the shares cannot be reliably determined due to the absence of active market.



**KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Currency: Ethiopian Birr

XI. Offsetting of financial assets and liabilities

A financial asset and liability are set-off and reported in the balance sheet with net amount if the entity has legally enforceable right to set-off the recognized amounts and intends either to settle on a net amount.

XII. Foreign currencies

Transactions in foreign currencies are recorded in the accounts of the entity converting using the exchange rates prevailing at the dates of the transactions or the contracted rates. Assets and liabilities in foreign currencies, if any, are translated into Birr at the exchange rates at the date of balance sheet.



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. FIXED ASSET

COST

Building
 Motor vehicle
 Furniture and equipment
 Plant and machinaries
 Computer and accessories

	Balance as at 1/4/2024	Additions	Balance as at 31/3/2025
Building	92,073,264.72	-	92,073,264.72
Motor vehicle	1,018,277.39	-	1,018,277.39
Furniture and equipment	9,046,746.27	523,699.98	9,570,446.25
Plant and machinaries	147,238,709.62	1,068,149.16	148,306,858.78
Computer and accessories	595,553.24	38,000.00	633,553.24
	<u>249,972,551.24</u>	<u>1,629,849.14</u>	<u>251,602,400.38</u>

DEPRECIATION

Building
 Motor vehicle
 Furniture and equipment
 Plant and machinaries
 Computer and accessories

Building	10,356,176.28	4,603,663.24	14,959,839.52
Motor vehicle	686,796.86	66,296.16	753,093.02
Furniture and equipment	3,921,885.36	1,024,972.20	4,946,857.56
Plant and machinaries	6,950,561.88	2,805,762.96	9,756,324.84
Computer and accessories	266,394.63	82,289.64	348,684.27
	<u>22,181,815.01</u>	<u>8,582,984.20</u>	<u>30,764,799.21</u>
	<u>227,790,736.23</u>		<u>220,837,601.17</u>

NET BOOK VALUE

4. LEASEHOLD LAND

Leasehold land
 Addition

Less: Accumulated amortization
 Current amortization

	<u>2024</u>
Leasehold land	4,622,648.50
Addition	-
	<u>4,622,648.50</u>
	<u>4,622,649</u>
Less: Accumulated amortization	821,804.23
Current amortization	<u>102,725.52</u>
	924,529.75
	<u>821,804</u>
	<u>3,698,118.75</u>
	<u>3,800,844</u>

NET BOOK VALUE

The company has entered in to a lease agreement with Oromia Regional State Oromia Investment Commission for the use of 1 Hectare land for factory for 45 Years. The leasehold land value includes the future lease payments, compensation for farmers and other related costs.



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Currency: Ethiopian Birr

5. PRE-OPERATIONAL COSTS

		<u>2024</u>
Pre-operation costs		58,730,682.78
Less: Accumulated amortization	29,365,341.38	14,682,670.69
Current amortization	<u>14,682,670.70</u>	<u>14,682,671</u>
	<u>44,048,012.08</u>	<u>29,365,341</u>
NET BOOK VALUE	<u>14,682,670.71</u>	<u>29,365,341</u>

6. STOCK

		<u>2024</u>
Raw materials		45,327,282.59
Work in process	3,859,596.73	-
Finished Goods	17,131,089.69	40,501
Packing materials	22,430,869.26	8,374,738
Spareparts and consumables	<u>1,933,249.37</u>	<u>1,258,149</u>
	<u>90,682,087.64</u>	<u>10,856,947</u>
Goods in transit	4,763,303.98	24,076
	<u>95,445,391.62</u>	<u>10,881,023</u>

7. TRADE AND OTHER RECEIVABLES

		<u>2024</u>
Sundry debtors	21,049,312.32	9,809,905
EPSS Exchange Rate Diff. Amount Receivable	15,914,386.43	-
National Regional Govt. of Oromia Bureau of Finance	5,740,556.01	-
Staff debtors	270,617.71	12,965
Advance - Leasehold land *	4,796,775.14	4,796,775
Deposits and prepayments	<u>975,246.82</u>	<u>800,834</u>
	<u>48,746,894.43</u>	<u>15,420,480</u>

* The balance represents advances paid for Sheger City Administration for the revised lease arrangements.

8. CASH AND BANK BALANCES

		<u>2024</u>
Cash on hand	6,639.64	14,547
Cash at bank	<u>36,251,158.16</u>	<u>8,952,393</u>
	<u>36,257,797.80</u>	<u>8,966,940</u>



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Currency: Ethiopian Birr

9. PAID UP CAPITAL

	<u>No. of shares</u>	<u>Par Value</u>	<u>Total</u>
KILITCH Drugs LTD	41,650	1,000.00	41,650,000.00
ESTRO Import and Export PLC	1,087	1,000.00	1,087,000.00
Dr Daniel Waktole Guyassa	16,083	1,000.00	16,083,000.00
Mr Samuel Waktole Guyassa	3,343	1,000.00	3,343,000.00
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	62,163		62,163,000.00

10. BANK TERM LOAN

		<u>2024</u>
Term Loan - Project	116,150,457.10	98,092,789
Term Loan - Manufacturing	-	27,293,826
	<hr/>	<hr/>
	116,150,457.10	125,386,615

The company has obtained a re-schedule manufacturing term loan and working capital loan amount to Birr 120,000,000.00 and Birr 40,000,000.00 respectively from Cooperative Bank of Oromia bearing an interest of 15.75% per annum. The loan will be paid on/before 19 February 2027.

11. BANK OVERDRAFT

		<u>2024</u>
Bank overdraft	170,000,000.00	-
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	170,000,000.00	-

The company has obtained an overdraft facility of Birr 170,000,000 from Berhan Bank S.C. bearing an interest of 20.75% per annum. The overdraft facility provided is cancellable at any time.

12. TRADE AND OTHER PAYABLES

		<u>2024</u>
Sundry creditors	5,890,208.80	5,470,855
Accrued payables	8,843,967.03	12,093,279
Guarantee deposit payable	-	6,123,631
	<hr/>	<hr/>
	14,734,175.83	23,687,765

13. OTHER CURRENT TAX PAYABLES

		<u>2024</u>
Income tax payable	236,826.20	168,691
Withholding tax payable	19,347.76	6,898
Pension fund payable	119,723.68	90,836
	<hr/>	<hr/>
	375,897.64	266,425

KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. PROFIT TAX PAYABLE

Currency: Ethiopian Birr

Net profit before tax
Add:- Diasallowed expenses

<u>2024</u>
(49,264,454.38)
1,679,127.60
<u>(47,585,326.78)</u>
(8,959,189.04)

Profit tax (30%)
Less: Withholding tax receivable

-
-
-
-

15. INCOME

Antiseptic Sales
DPI Sales
OSD Sales
Less:- Sales discount

<u>2024</u>
682,718.00
166,012,056.85
50,394,832.00
<u>(478,905.38)</u>
216,610,701.47
<u>155,619,679</u>

16. COST OF SALES

Opening finished goods
Material consumed (16a)
Factory overhead (16b)

Less Ending finished goods

<u>2024</u>
40,500.68
253,684,407.71
<u>50,184,187.23</u>
303,909,095.62
<u>(17,131,089.69)</u>
<u>286,778,005.93</u>
122,980,641

16a. Material Consumed

Opening stock balance
Add:- Purchases
Less:- Ending stock raw material

<u>2024</u>
10,816,446.04
316,418,959.62
<u>327,235,405.66</u>
<u>(73,550,997.95)</u>
<u>253,684,407.71</u>
77,041,106



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Currency: Ethiopian Birr

16b. Factory Overhead

	<u>2024</u>	2023
Salary and wages	11,664,188.51	10,308,308.03
Lease on Factory Building	108,717.96	108,717.93
Custom Over Valuation	(1,085,248.52)	-
Utility (Waret and electricity)	1,703,023.06	1,412,589.48
Canteen Expenses	1,723,128.63	1,099,204.19
Conveyance	135,275.40	53,275.05
Immigration	1,842,786.10	160,773.56
Amortization	14,785,396.22	14,785,396.22
Depreciation	8,582,984.20	8,613,727.68
Insurance	1,332,277.94	1,047,273.41
Laboratory	23,484.00	16,000.00
Loading and Unloading	55,279.20	7,240.00
Medical Expenses	102,709.20	64,444.69
Transportation	18,000.00	187,000.00
Spares and Consumables	8,492,978.48	5,053,224.25
Repair and maintenance	699,206.86	267,386.37
Miscellaneous	-	20,250.00
	<hr/> 50,184,187.23	<hr/> 43,204,810.86



KILITCH ESTRO BIOTECH PRIVATE LIMITED COMPANY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Currency: Ethiopian Birr

17. GENERAL AND ADMINISTRATION COSTS

	<u>2024</u>
Salary and wage	2,689,423.74
Audit fee	30,000.00
Transportation	14,591.37
Documentation	68,610.81
Vehicle running and rental cost	866,033.96
Membership fee	100,000.00
Travel and perdiem	1,300,388.12
Staff uniform and safety equipments	113,798.27
Pest control	67,599.84
Legal and professional fee	103,628.64
Repair and maintenance	105,639.01
Printing and stationery	593,883.02
Immigration expense	541,483.37
Municipality charges	88,000.00
Unclaimed VAT and TOT	158,181.25
Utility (Warer and electricity)	50,735.91
Communication	102,397.14
Courier Charge	6,906.00
Marketing expense	2,729,448.52
Plantation	4,333.00
Oromia Development Tax-Sheger City	90,500.00
Disalloweed expenses	1,679,127.60
Balance written-off	34,529.38
Canteen expense	235,515.55
	<u>11,774,754.50</u>
	<u>13,592,748</u>

18. FINANCIAL CHARGES

	<u>2024</u>
Interest expenses	50,501,940.82
Bank service charges	434,251.74
Foreign exchange loss	-
	<u>50,936,192.56</u>
	<u>28,683,315.21</u>

19. GOING CONCERN

The financial statements have been prepared assuming that the company will continue as a going concern. The company's accumulated losses of Birr 121,009,221 have eliminated the capital base of the company. The Commercial Code 1243/2013 Article 532 states that, "where three quarters of the capital are lost, the management shall consult with members and decide whether the company should be dissolved", otherwise, the shareholders shall replace the eliminated main capital. The shareholders of the company plan to continue financing the company through the major shareholder.

