



# FIDUCONSULT ACTA

Société fiduciaire d'expertises et de révision – Conseils juridiques et fiscaux

Report of the statutory auditors  
on the limited statutory examination  
to the general meeting of the shareholders of

SVADS HOLDINGS SA, La Chaux-de-Fonds

Statement and notes for the year ended  
March 31, 2018



# FIDUCONSULT ACTA

Société fiduciaire d'expertises et de révision – Conseils juridiques et fiscaux

Report of the statutory auditors  
on the limited statutory examination  
to the general meeting of the shareholders of

## SVADS HOLDINGS SA, La Chaux-de-Fonds

As statutory auditors, we have examined the accompanying financial statements of SVADS Holdings SA, which comprise the balance sheet, income statement and notes for the year ended March 31, 2018.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

La Chaux-de-Fonds, July 31, 2018

**FIDUCONSULT ACTA SA**

  
Charles Buhlmann

  
Laszlo Kelemen  
Auditor in charge  
Licenced Audit Expert

### Enclosures :

Financial statements (balance sheet, profit and loss statement, notes to the financial statements)

FIDUCONSULT ACTA SA  
Tél. +41 32 967 95 95

Rue Fritz-Courvoisier 40  
Fax +41 32 967 95 96

CH-2300 La Chaux-de-Fonds  
E-mail: lcf@fiduconsult.ch

**SVADS Holdings SA**  
**La Chaux-de-Fonds**

BALANCE SHEET AS OF MARCH 31,		2018	2017
	Notes	CHF	CHF
<b>A S S E T S</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalent and assets held for short-term disposal with a quote market price		6'017.47	16'813.51
Trade accounts receivables	3.	2'072'462.91	5'025'036.66
Short-term loan to group companies	4.	9'085'261.06	10'734'245.44
<b>TOTAL CURRENT ASSETS</b>		<b>11'163'741.44</b>	<b>15'776'095.61</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets		459'366.87	484'888.20
<b>TOTAL NON-CURRENT ASSETS</b>		<b>459'366.87</b>	<b>484'888.20</b>
<b>TOTAL ASSETS</b>		<b>11'623'108.31</b>	<b>16'260'983.81</b>

**SVADS Holdings SA**  
**La Chaux-de-Fonds**

BALANCE SHEET AS OF MARCH 31,		2018	2017
		CHF	CHF
<b>LIABILITIES</b>			
<b>SHORT-TERM LIABILITIES</b>			
Trade accounts payables		1'166'076.01	1'981'142.28
Other current liabilities		39'686.27	0.00
Accrued expenses and deferred income	5.	142'635.00	142'634.60
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>1'348'397.28</b>	<b>2'123'776.88</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		12'788'136.00	12'788'136.00
Balance sheet result			
(Loss) carried forward		1'349'070.93	(204'509.30)
Profit / (loss) for the period		(3'862'495.90)	1'553'580.23
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10'274'711.03</b>	<b>14'137'206.93</b>
<b>TOTAL LIABILITIES</b>		<b>11'623'108.31</b>	<b>16'260'983.81</b>

**SVADS Holdings SA**  
**La Chaux-de-Fonds**

PROFIT AND LOSS STATEMENT		2018	2017
	Notes	CHF	CHF
Revenue from sales of goods and services	7.	117'613.14	4'964'231.30
<b>TOTAL INCOMES</b>		<b>117'613.14</b>	<b>4'964'231.30</b>
Other operating expenses			
Other operating expenses	8.	(1'208'744.39)	(1'181'642.69)
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>(1'208'744.39)</b>	<b>(1'181'642.69)</b>
<b>OPERATING INCOME</b>		<b>(1'091'131.25)</b>	<b>3'782'588.61</b>
Other incomes / expenses			
Interest income		56'626.05	425'447.94
Interest payable on loans		0.00	(256'638.32)
Other financial expenses	9.	(3'038'206.30)	(3'463'164.31)
Financial expenses	9.	(388.68)	(107'113.34)
Currency exchange gain/loss		210'604.28	1'304'716.27
<b>TOTAL AUTRES PRODUITS/(CHARGES), net</b>		<b>(2'771'364.65)</b>	<b>(2'096'751.77)</b>
<b>RESULT BEFORE TAXES</b>		<b>(3'862'495.90)</b>	<b>1'685'836.84</b>
Taxes		0.00	(132'256.61)
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>(3'862'495.90)</b>	<b>1'553'580.23</b>

A INTRODUCTION

1. GENERAL

The company was incorporated on March 23, 2006. Its principal activity is the holding of investments in subsidiaries.

2. SUMMARY OF ACCOUNTING PRICIPLES

Accounting principles – The accounts have been established in accordance with the "Generally accepted accounting principles in Switzerland", and under the "Historical cost" and "Going concern" conventions.

B INFORMATIONS AND EXPLANATIONS RELATING TO ITEMS ON THE BALANCE SHEET AND THE INCOME STATEMENT

3. TRADE ACCOUNTS RECEIVABLES

	2018	2017
Receivable from Reckit Benckizer	119'457.91	1'133'460.00
Rec. - Strides Pharma Science Ltd - Investment sale	0.00	445'315.64
Prepaid expenses and accrued incomes	0.00	1'620'131.02
Rec. - Unbilled revenue (licensing)	1'953'005.00	1'826'130.00
<hr/>		
Total trade accounts receivables	<u>2'072'462.91</u>	<u>5'025'036.66</u>

4. OTHER SHORT-TERM RECEIVABLES

	2018	2017
Shasun USA Inc.	0.00 *	3'493'515.67
Strides Pharma Limited	0.00	2'455'010.64
Strides Pharma International Limited	4'470'588.73	0.00
Strides Arcolab International Limited	4'614'672.33	4'785'719.13
<hr/>		
Total other short-term receivables	<u>9'085'261.06</u>	<u>10'734'245.44</u>

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2018

\* These current accounts are unsecured, have no fixed repayment term. The interest rate is based on a GBP 6 month Libor + 450 bps.

5. ACCRUED EXPENSES AND DEFERRED INCOME

	2018	2017
Accrual audit	6'000.00	6'000.00
Accrual expenses	4'500.00	4'500.00
Accrual taxes	132'135.00	132'134.60
<b>Total accrued expenses and deferred income</b>	<b>142'635.00</b>	<b>142'634.60</b>

6. SHAREHOLDERS' EQUITY

The company's share capital is composed of 12'788'136 registered shares of CHF 1.00 fully paid.

7. REVENUE FROM SALES OF GOODS AND SERVICES

	2018	2017
Product development income	117'613.14	4'852'279.44
Guarantee income	0.00	111'951.86
<b>Total accrued expenses and deferred income</b>	<b>117'613.14</b>	<b>4'964'231.30</b>

8. OTHER OPERATING EXPENSES

	2018	2017
Regulation fees	6'527.39	111'320.48
Research and development	1'166'076.00	980'172.28
Accrual expenses	4'500.00	58'629.50
Depreciation	25'520.00	25'520.43
Audit fees	6'121.00	6'000.00
<b>Total other operating expenses</b>	<b>1'208'744.39</b>	<b>1'181'642.69</b>

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2018

---

9. OTHER FINANCIAL EXPENSES

	2018	2017
Write-off of short term rec. from Shasun USA Inc.	3'038'206.30	0.00
Other financial expenses	388.68	3'570'277.65
<u>Total other financial expenses</u>	<u>3'038'594.98</u>	<u>3'570'277.65</u>

10. RISK ANALYSIS

The Company's risk assessment conducted in the year 2009/2010 and formally approved by the Board of Directors on 18 June 2009 was renewed for the year 2017/2018.



**SVADS Holdings SA**  
**La Chaux-de-Fonds**

PROPOSAL FOR INCOME EMPLOYMENT  
 OF THE BALANCE SHEET AS OF MARCH 31

	2018 CHF	2017 CHF
Available earnings		
Profit carried forward	1'349'070.93	(204'509.30)
Profit / (Loss) for the period	(3'862'495.90)	1'553'580.23
	(2'513'424.97)	1'349'070.93
Proposal of the Board of Directors		
Carried forwards	(2'513'424.97)	1'349'070.93
	(2'513'424.97)	1'349'070.93