



APOLLO LIFE SCIENCES HOLDINGS (PTY) LTD
(Registration number 2016/470529/07)

Annual Financial Statements
for the 13 months ended 31 March 2018

These annual financial statements were prepared by:
J.H. Coetzer
Chartered Accountant (S.A.)

DNL Associates Inc.
Chartered Accountants (SA)
Registered Auditors

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

Issued 12-07-2018

Apollo Life Sciences Holdings (Pty) Ltd

Formerly Prism Pharmaceuticals CC (2007/208909/23)

(Registration number: 2016/470529/07)

Annual Financial Statements for the 13 months ended 31 March 2018

General Information

| | |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Marketing and sale of pharmaceutical products |
| Directors | A.J. Mehta S. Kahanovitz G.R.N. Simaan |
| Registered office | 106 16th Road Midrand Johannesburg 1686 |
| Business address | 106 16th Road Midrand Johannesburg 1686 |
| Postal address | PO Box 68687 Bryanston Johannesburg Gauteng 2021 |
| Holding company | Trinity Pharma (Pty) Ltd incorporated in South Africa |
| Ultimate holding company | Strides Pharma Asia PTE Ltd incorporated in Singapore |
| Bankers | FNB Bank Limited |
| Auditors | DNL Associates Inc. Chartered Accountants (SA) Registered Auditors 280 Brooks Street Brooklyn Pretoria, 0181 PO Box 2523 Brooklyn Square 0075 |
| Tax reference number | 9301468170 |
| Level of assurance | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| Preparer | The annual financial statements were independently compiled by: J.H. Coetzer Chartered Accountant (S.A.) |

Apollo Life Sciences Holdings (Pty) Ltd

Formerly Prism Pharmaceuticals CC (2007/208909/23)

(Registration number: 2016/470529/07)

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial 13 months and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

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

The directors have reviewed the company's cash flow forecast for the year ended 31 March 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

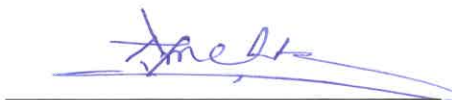
The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 01-07-2018 and were signed on its behalf by:

Approval of annual financial statements



G.R.N. Simaan



A.J. Mehta



S. Kahanovitz

Johannesburg

Apollo Life Sciences Holdings (Pty) Ltd

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Apollo Life Sciences Holdings (Pty) Ltd and its associates for the 13 months ended 31 March 2018.

1. Nature of business

Apollo Life Sciences Holdings (Pty) Ltd was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior period.

2. Review of financial results and activities

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

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

3. Share capital

On 1 January 2018 Trinity Pharma (Pty) Ltd acquired the majority shareholder's interest in the company for an amount of R5 million.

Refer to note 7 of the annual financial statements for detail of the movement in issued share capital.

4. Dividends

No dividends were declared or paid to shareholders for the reporting period.

5. Directors

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

| Directors | | Changes |
|------------------|-------|---------------------------|
| A.J. Mehta | India | Appointed 16 January 2018 |
| S. Kahanovitz | | Appointed 16 January 2018 |
| G.R.N. Simaan | | |
| A. G. Stürmer | | Resigned 15 January 2018 |

6. Holding company

The company's holding company is Trinity Pharma (Pty) Ltd which holds 100% (2017 25%) of the company's equity. Trinity Pharma (Pty) Ltd is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Strides Pharma Asia Pte Ltd which is incorporated in Singapore.

8. Special resolutions

In terms of a special resolution dated 15 February 2018 the company's year end was changed from February to March to coincide with that of Strides Pharma Asia Pte Ltd, the new ultimate holding company.

9. Events after the reporting period

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

Apollo Life Sciences Holdings (Pty) Ltd

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Directors' Report

10. Going concern

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



DNL Associates Incorporated

Chartered Accountants (SA) & Registered Auditors

Registration No: 2013/186618/21 • SAICA Firm No: 10002242 • IRBA Practice No: 902003

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Brooklyn, 0181

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Website: www.dnllinc.co.za
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Directors: A.J.J. de Lange - B.Com. (Hons), M.Com.(Tax), CA(SA) • J.H. Coetzer - B.Com.(Hons), CA(SA)

Independent Auditor's Report

To the shareholders of Apollo Life Sciences Holdings (Pty) Ltd

Opinion

We have audited the annual financial statements of Apollo Life Sciences Holdings (Pty) Ltd set out on pages 8 to 18, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 13 months then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Apollo Life Sciences Holdings (Pty) Ltd as at 31 March 2018, and its financial performance and cash flows for the 13 months then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 18 in the annual financial statements, which indicates that the company's total liabilities exceeded its total assets by R93,878 at the financial year ended 31 March 2018. As stated in note 18, these events or conditions, along with other matters as set forth in note 18, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the directors for the Annual Financial Statements

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

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


Auditor's responsibilities for the audit of the Annual Financial Statements

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

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

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

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



DNL Associates Inc.
A.J.J. de Lange
Director
Chartered Accountants (SA)
Registered Auditors

12.07.2018

280 Brooks Street
Brooklyn
Pretoria, 0181

Apollo Life Sciences Holdings (Pty) Ltd

Formerly Prism Pharmaceuticals CC (2007/208909/23)

(Registration number: 2016/470529/07)

Annual Financial Statements for the 13 months ended 31 March 2018

Statement of Financial Position as at 31 March 2018

| Figures in Rand | Note(s) | 31 March 2018 | 28 February 2017 |
|-------------------------------------|---------|------------------|---------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Intangible assets | 2 | 161,988 | 82,032 |
| Deferred tax | 4 | 70,144 | 223,285 |
| | | 232,132 | 305,317 |
| Current Assets | | | |
| Trade and other receivables | 5 | 4,350,920 | 76,832 |
| Cash and cash equivalents | 6 | 25,737 | - |
| | | 4,376,657 | 76,832 |
| Total Assets | | 4,608,789 | 382,149 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | 7 | 100 | 100 |
| Retained income | | (93,978) | (565,706) |
| | | (93,878) | (565,606) |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Loans from shareholders | 3 | 269,293 | 253,899 |
| Current Liabilities | | | |
| Trade and other payables | 8 | 4,433,374 | 693,856 |
| Total Liabilities | | 4,702,667 | 947,755 |
| Total Equity and Liabilities | | 4,608,789 | 382,149 |

Apollo Life Sciences Holdings (Pty) Ltd

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Statement of Comprehensive Income

| Figures in Rand | Note(s) | 13 months ended 31 March 2018 | 12 months ended 28 February 2017 |
|---------------------------------------------------------|---------|-------------------------------------|----------------------------------------|
| Revenue | | | |
| Sale of goods | | 20,074,750 | - |
| Group recharges in terms of product agreements | | 402,850 | 47,341 |
| | 9 | 20,477,600 | 47,341 |
| Cost of sales | | | |
| Purchases | | (20,079,804) | - |
| | | 397,796 | 47,341 |
| Other income | | | |
| Interest received | 11 | 123 | - |
| Gains on disposal of assets | 10 | 399,178 | - |
| | | 399,301 | - |
| Operating expenses | | | |
| Administration fees | | - | (450,000) |
| Advertising | | (20,000) | - |
| Auditors remuneration | 14 | (8,634) | (2,457) |
| Bank charges | | (981) | - |
| Computer expenses | | (2,121) | (313) |
| Consulting and professional fees | | - | (6,000) |
| Regulatory expenses | | (137,638) | (109,139) |
| Printing and stationery | | (204) | (200) |
| Subscriptions | | (750) | (2,250) |
| | | (170,328) | (570,359) |
| Operating profit (loss) | 10 | 626,769 | (523,018) |
| Finance costs | 12 | (1,900) | - |
| Profit (loss) before taxation | | 624,869 | (523,018) |
| Taxation | 13 | (153,141) | 223,285 |
| Profit (loss) for the period | | 471,728 | (299,733) |
| Other comprehensive income | | - | - |
| Total comprehensive income (loss) for the period | | 471,728 | (299,733) |

Apollo Life Sciences Holdings (Pty) Ltd

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Statement of Changes in Equity

| Figures in Rand | Share capital | Retained income | Total equity |
|-----------------------------------------------------|---------------|------------------|------------------|
| Balance at 01 March 2016 | 100 | (265,973) | (265,873) |
| Loss for the period | - | (299,733) | (299,733) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the period | - | (299,733) | (299,733) |
| Balance at 01 March 2017 | 100 | (565,706) | (565,606) |
| Profit for the 13 months | - | 471,728 | 471,728 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the 13 months | - | 471,728 | 471,728 |
| Balance at 31 March 2018 | 100 | (93,978) | (93,878) |
| Note(s) | 7 | | |

Apollo Life Sciences Holdings (Pty) Ltd

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Statement of Cash Flows

| Figures in Rand | Note(s) | 13 months ended 31 March 2018 | 12 months ended 28 February 2017 |
|---------------------------------------------|---------|-------------------------------------|----------------------------------------|
| Cash flows from operating activities | | | |
| Cash (used in) generated from operations | 15 | (307,102) | 83,506 |
| Interest income | | 123 | - |
| Finance costs | | (1,900) | - |
| Net cash from operating activities | | (308,879) | 83,506 |
| Cash flows from investing activities | | | |
| Sale of property, plant and equipment | | - | 4,556 |
| Purchase of intangible assets | 2 | (101,831) | (82,032) |
| Sale of intangible assets | 2 | 421,053 | - |
| Net cash from investing activities | | 319,222 | (77,476) |
| Cash flows from financing activities | | | |
| Repayment of shareholders loan | | 15,394 | (14,319) |
| Net cash from financing activities | | 15,394 | (14,319) |
| Total cash movement for the period | | 25,737 | (8,289) |
| Cash at the beginning of the period | | - | 8,289 |
| Total cash at end of the period | 6 | 25,737 | - |

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the 13 months ended 31 March 2018

Accounting Policies

General information

Apollo Life Sciences Holdings (Pty) Ltd is a company incorporated and domiciled in South Africa.

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial period as a result of the key estimation assumptions.

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

| Item | Useful life |
|----------|-----------------------------|
| Dossiers | Indefinite (see note below) |

Dossiers

The directors showed their intention to maintain dossiers in a condition which will maintain the future streams of cashflow to the company, that will give it an indefinite life and maintain its residual value in excess of its cost. Such necessary maintenance costs will be undertaken on a regular basis and be charged to the income statement. Capital costs incurred subsequent to add to or to enhance the asset will be capitalised.

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Initial measurement

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

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Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

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

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

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

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the 13 months ended 31 March 2018

Accounting Policies

1.5 Impairment of assets

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

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

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

1.6 Revenue

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

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

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Annual Financial Statements

| Figures in Rand | 13 months ended 31 March 2018 | 12 months ended 28 February 2017 |
|-----------------|----------------------------------------|-------------------------------------------|
|-----------------|----------------------------------------|-------------------------------------------|

2. Intangible assets

| | 2018 | | | 2017 | | |
|----------|---------|-----------------------------|----------------|--------|-----------------------------|----------------|
| | Cost | Accumulated amortisation | Carrying value | Cost | Accumulated amortisation | Carrying value |
| Dossiers | 161,988 | - | 161,988 | 82,032 | - | 82,032 |

Reconciliation of intangible assets - 2018

| | Opening balance | Additions | Disposals | Total |
|----------|--------------------|-----------|-----------|---------|
| Dossiers | 82,032 | 101,831 | (21,875) | 161,988 |

Reconciliation of intangible assets - 2017

| | Opening balance | Additions | Total |
|----------|--------------------|-----------|--------|
| Dossiers | - | 82,032 | 82,032 |

3. Loans to (from) shareholders

| | | |
|--------------------------|-----------|-----------|
| G.R.N. Simaan | (202,825) | (187,431) |
| Trinity Pharma (Pty) Ltd | (66,468) | (66,468) |

These loans are unsecured and interest free with no fixed terms of repayment. Repayment has been deferred for at least 12 months.

The loans have been subordinated in favour of the company's creditors until such time that its fairly valued assets exceeds its fairly valued liabilities.

| | |
|------------------|------------------|
| (269,293) | (253,899) |
|------------------|------------------|

4. Deferred tax

The major components of the deferred tax balance are as follows:

Deferred tax asset

Arising as a result of temporary differences on:

| | | |
|----------------------------------------------------------------|--------|---------|
| Tax losses available for set off against future taxable income | 70,144 | 223,285 |
|----------------------------------------------------------------|--------|---------|

5. Trade and other receivables

| | | |
|-------------------------------------------------|------------------|---------------|
| Trade receivables | 4,331,680 | - |
| Prepayments | - | 750 |
| VAT | 4,195 | 76,082 |
| Intercompany account - Trinity Pharma (Pty) Ltd | 15,045 | - |
| | 4,350,920 | 76,832 |

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the 13 months ended 31 March 2018

Notes to the Annual Financial Statements

| Figures in Rand | 13 months ended 31 March 2018 | 12 months ended 28 February 2017 |
|--------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------|
| 6. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Bank balances | 25,737 | - |
| 7. Share capital | | |
| Authorised 1,000 Ordinary shares of No Par Value. | | |
| Reconciliation of number of shares issued: | | |
| Reported as at 01 March | 100 | - |
| Issue of shares with conversion to company | - | 100 |
| | 100 | 100 |
| Issued Ordinary shares of No Par Value | 100 | 100 |
| Unissued ordinary shares are under the control of the directors until the next annual general meeting. | | |
| 8. Trade and other payables | | |
| Trade payables | 4,351,342 | 610,404 |
| Accrued expenses | 82,032 | 82,032 |
| Intercompany account - Trinity Pharma (Pty) Ltd | - | 1,420 |
| | 4,433,374 | 693,856 |
| 9. Revenue | | |
| Sale of goods | 20,074,750 | - |
| Group recharges in terms of product agreements | 402,850 | 47,341 |
| | 20,477,600 | 47,341 |
| 10. Operating profit (loss) | | |
| Operating profit (loss) for the year is stated after accounting for the following: | | |
| Profit on sale of intangible assets (dossiers) | (399,178) | - |
| 11. Investment revenue | | |
| Interest revenue Bank | 123 | - |
| 12. Finance costs | | |
| Late payment of tax | 1,900 | - |

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the 13 months ended 31 March 2018

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| | 13 months ended 31 March 2018 | 12 months ended 28 February 2017 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------|
| Figures in Rand | | |
| 13. Taxation | | |
| Major components of the tax expense (income) | | |
| Deferred taxation | | |
| South African deferred tax - current period | 153,141 | (223,285) |
| Reconciliation of the tax expense | | |
| Reconciliation between accounting profit and tax expense. | | |
| Accounting profit (loss) | 624,869 | (523,018) |
| Tax at the applicable tax rate of 28% (2017: 28%) | 174,963 | (146,445) |
| Non-deductible expenses | | |
| Expenses of a capital nature | - | 1,680 |
| Non-deductible interest and penalties - taxes | 532 | - |
| | <u>532</u> | <u>1,680</u> |
| Other | | |
| Capital gains tax differential | (22,354) | - |
| Prior period under provisions in deferred tax | - | (78,520) |
| | <u>(22,354)</u> | <u>(78,520)</u> |
| | <u>153,141</u> | <u>(223,285)</u> |
| No provision has been made for 2018 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 250,513 (2017: R 797,446). | | |
| 14. Auditor's remuneration | | |
| Tax and secretarial services | 8,634 | 2,457 |
| 15. Cash (used in) generated from operations | | |
| Profit (loss) before taxation | 624,869 | (523,018) |
| Adjustments for: | | |
| Profit on sale of assets | (399,178) | - |
| Interest received | (123) | - |
| Finance costs | 1,900 | - |
| Changes in working capital: | | |
| Trade and other receivables | (4,274,088) | (76,832) |
| Trade and other payables | 3,739,518 | 683,356 |
| | <u>(307,102)</u> | <u>83,506</u> |

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| | 13 months ended 31 March 2018 | 12 months ended 28 February 2017 |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------|
| Figures in Rand | | |
| 16. Related parties | | |
| Relationships | | |
| Ultimate holding company | Strides Shasun Ltd (a company listed on the National Stock Exchange of India) | |
| Holding company | Trinity Pharma (Pty) Ltd | |
| Members of key management | Refer to directors report | |
| Related party balances and transactions | | |
| Related party balances | | |
| Loan accounts - Owing (to) by related parties | | |
| Trinity Pharma (Pty) Ltd | (66,468) | (66,468) |
| G.R.N. Simaan | (202,825) | (187,431) |
| Amounts included in Trade receivable (Trade Payable) regarding related parties | | |
| Trinity Pharma (Pty) Ltd - trade payables | (789) | (610,287) |
| Trinity Pharma (Pty) Ltd - Intercompany account | 15,045 | (1,420) |
| Trinity Pharma (Pty) Ltd - trade receivable | 434 | - |
| Related party transactions | | |
| Administration fees paid to (received from) related parties | | |
| Trinity Pharma (Pty) Ltd | - | 450,000 |
| Recharge of operating expenses (to) / from related parties | | |
| Trinity Pharma (Pty) Ltd | 158,363 | 109,139 |
| Revenue recharges (to) / from related parties | | |
| Trinity Pharma (Pty) Ltd | (468,627) | (47,341) |

17. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the 13 months.

18. Going concern

We draw attention to the fact that at 31 March 2018, the company's total liabilities exceed its assets by R 93,878.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 3 of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

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(Taxpayer reference number 9301468170)

(Registration number: 2016/470529/07)

Annual Financial Statements for the 13 months ended 31 March 2018

Tax Computation

| Figures in Rand | 2018 | 2017 |
|-----------------------------------------------------------------|------------------|------------------|
| Net profit per income statement | 624,869 | (523,018) |
| Permanent differences (Non-deductible/Non taxable items) | | |
| Expenses of a capital nature: Consulting and professional fees | - | 6,000 |
| Interest, penalties paid in respect of taxes (s23(d)) | 1,900 | - |
| Accounting profit on disposal of intangible assets | (399,178) | - |
| | (397,278) | 6,000 |
| Capital gains (Local) | | |
| Proceeds with sale of intangible assets | 421,053 | - |
| Base cost | (21,875) | - |
| Capital gain | 399,178 | - |
| Taxable capital gain included @ 80.0% (2017: 80.0%) | 319,342 | - |
| Calculated tax profit for the period | 546,933 | (517,018) |
| Assessed loss brought forward | (797,446) | (280,428) |
| Assessed loss for period - carried forward | (250,513) | (797,446) |
| Tax thereon @ 28% in the Rand | - | - |