



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, 2020

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, 2020.

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.

We would like to point out that in the absence of freely disposable reserves, the loan to related parties of CHF 6'809'524.73 constitutes a return of capital contributions that is prohibited under Art. 680 para. 2 CO.

La Chaux-de-Fonds, August 24, 2020


FIDUCONSULT ACTA SA
Laszlo Kelemen
Auditor in charge
Licenced Audit Expert


Kevin Lombard
Licenced Auditor

Enclosures :

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

SVADS Holdings SA
La Chaux-de-Fonds

BALANCE SHEET AS OF MARCH 31,		2020	2019
	Notes	CHF	CHF
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalent and assets held for short-term disposal with a quote market price		45'904.50	195'577.38
Trade accounts receivables	3.	1'754'592.00	1'880'940.00
Short-term loan to group companies	4.	6'809'524.73	7'554'238.02
Prepaid expenses and accrued incomes		433'486.08	433'486.08
TOTAL CURRENT ASSETS		9'043'507.31	10'064'241.48
NON-CURRENT ASSETS			
Intangible assets	5.	408'903.13	434'423.17
TOTAL NON-CURRENT ASSETS		408'903.13	434'423.17
TOTAL ASSETS		9'452'410.44	10'498'664.65

SVADS Holdings SA
La Chaux-de-Fonds

BALANCE SHEET AS OF MARCH 31,		2020	2019
	Notes	CHF	CHF
LIABILITIES			
SHORT-TERM LIABILITIES			
Trade accounts payables		129'884.91	395'188.19
Amount due to related party/group company		31'985.33	0.00
Accrued expenses and deferred income	6.	57'798.90	6'000.00
TOTAL SHORT-TERM LIABILITIES		219'669.14	401'188.19
SHAREHOLDERS' EQUITY			
Share capital	7.	12'788'136.00	12'788'136.00
Balance sheet result			
(Loss) carried forward		(2'690'659.54)	(2'513'424.97)
Profit / (loss) for the period		(864'735.16)	(177'234.57)
TOTAL SHAREHOLDERS' EQUITY		9'232'741.30	10'097'476.46
TOTAL LIABILITIES		9'452'410.44	10'498'664.65

SVADS Holdings SA
La Chaux-de-Fonds

PROFIT AND LOSS STATEMENT		2020	2019
	Notes	CHF	CHF
Revenue from sales of goods and services	8.	25'536.00	61'328.25
Other income		0.00	297'337.16
TOTAL INCOMES		25'536.00	358'665.41
Other operating expenses			
Other operating expenses	9.	(26'245.05)	(5'383.50)
Amortization/depreciation and impairment losses		(25'520.04)	(24'943.70)
TOTAL OTHER OPERATING EXPENSES		(51'765.09)	(30'327.20)
OPERATING INCOME		(26'229.09)	328'338.21
Other incomes / expenses			
Financial expenses	10.	(125.13)	(158.51)
Currency exchange gain/loss		(791'980.94)	(387'891.77)
TOTAL AUTRES PRODUITS/(CHARGES), net		(792'106.07)	(388'050.28)
RESULT BEFORE TAXES		(818'335.16)	(59'712.07)
Taxes		(46'400.00)	(117'522.50)
PROFIT / (LOSS) FOR THE PERIOD		(864'735.16)	(177'234.57)

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2020

A INTRODUCTION

1. GENERAL

The company was incorporated on March 23, 2006. The principal activity of the company is holding of investments and intellectual property rights of pharmaceutical products. The company is also involved in contract for development of pharmaceutical products.

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

	2020	2019
Receivable	23'872.00	0.00
Rec. - Unbilled revenue (licensing)	1'730'720.00	1'880'940.00
Total trade accounts receivables	1'754'592.00	1'880'940.00

4. SHORT-TERM LOAN TO GROUP COMPANIES

	2020	2019
Strides Pharma International Limited	3'529'474.62	3'866'823.52
Strides Arcolab International Limited	3'280'050.11	3'687'414.50
Total other short-term receivables	6'809'524.73	7'554'238.02

* These current accounts are unsecured, have no fixed repayment term.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2020

5. INTANGIBLE ASSETS

	2020	2019
Opening Balance	434'423.17	459'366.87
Amortisation for the year	(25'520.04)	(24'943.70)
Closing Balance	408'903.13	434'423.17

6. ACCRUED EXPENSES AND DEFERRED INCOME

	2020	2019
Accrual audit	6'000.00	6'000.00
Accrual directors fees	5'000.00	0.00
Accrual taxes	46'400.00	0.00
Enforcement office-commercial register	398.90	0.00
Total accrued expenses and deferred income	57'798.90	6'000.00

7. SHAREHOLDERS' EQUITY

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

8. REVENUE FROM SALES OF GOODS AND SERVICES

	2020	2019
Product development income	25'536.00	61'328.25
Total accrued expenses and deferred income	25'536.00	61'328.25

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2020

9. OTHER OPERATING EXPENSES

	2020	2019
Regulation fees	11'773.00	162.00
Director sitting fees	9'500.00	375.00
Legal fees	125.55	0.00
Audit fees	4'846.50	4'846.50
Total other operating expenses	26'245.05	5'383.50

10. OTHER FINANCIAL EXPENSES

	2020	2019
Other financial expenses	125.13	158.51
Total other financial expenses	125.13	158.51

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the Financial year:

	2020	2019
Amounts received from related companies	96'788.54	586'420.94
Amounts paid by related company on behalf of the company	19'829.40	400'105.61
Assignment transfer	37'176.10	0.00
Tax paid by related company on behalf of the company	0.00	249'657.50

12. 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 2019/2020.

SVADS Holdings SA
La Chaux-de-Fonds

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

	2020 CHF	2019 CHF
Available earnings		
Profit carried forward	(2'690'659.54)	(2'513'424.97)
Loss for the year from P&L	(864'735.16)	(177'234.57)
	<u>(3'555'394.70)</u>	<u>(2'690'659.54)</u>
Proposal of the Board of Directors		
Carried forwards	(3'555'394.70)	(2'690'659.54)
	<u>(3'555'394.70)</u>	<u>(2'690'659.54)</u>