



## **Strides Pharma (SA) (Pty) Ltd**

**(Registration Number 2013/235090/07)**

**Annual Financial Statements  
for the year ended 31 March 2025**

### **Audited Financial Statements**

in compliance with the Companies Act of South Africa

Internally prepared by: Marizette Bezuidenhout

Audited by: DNL Associates Inc.

Professional designation: Chartered Accountants (SA)

Title: Registered Auditor

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Annual Financial Statements for the year ended 31 March 2025

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# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Annual Financial Statements for the year ended 31 March 2025

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	2013/235090/07
<b>Nature of Business and Principal Activities</b>	The company supplies and trades in pharmaceutical products.
<b>Directors</b>	S. Kahanovitz I. Jacobson V. Rajasekar V. Kumar
<b>Holding Company</b>	Trinity Pharma (Pty) Ltd incorporated in South Africa
<b>Ultimate holding Company</b>	Strides Pharma Science Limited (a company listed on the National Stock Exchange of India Limited and the BSE Limited) incorporated in India
<b>Registered Office</b>	3 Gwen Lane Fourth Floor Sandton Johannesburg 2031
<b>Business Address</b>	3 Gwen Lane Fourth Floor Sandton Johannesburg 2031
<b>Postal Address</b>	PO Box 68687 Bryanston Johannesburg South Africa 2021
<b>Bankers</b>	First National Bank
<b>Tax Number</b>	9181323198
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Auditors</b>	DNL Associates Inc. Chartered Accountants (SA) Registered Auditor

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Annual Financial Statements for the year ended 31 March 2025

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act of South Africa 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. These annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 directors set 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, DNL Associates Inc., who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 38, and the supplementary information set out on pages 39 to 41 which have been prepared on the going concern basis, were approved by the directors and were signed on 24 July 2025 on their behalf by:



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S. Kahanovitz



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I. Jacobson

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Annual Financial Statements for the year ended 31 March 2025

## Directors' Report

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The directors present their report for the year ended 31 March 2025.

### 1. Review of activities

#### Main business and operations

The company supplies and trades in pharmaceutical products. There were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

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 company incurred a net profit for the year ended 31 March 2025 of R10,507,060 (2024 loss: R5,847,870) and, as at that date its total liabilities exceeded its total assets by R9,012,715 (2024: R19,519,775).

These conditions give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The annual financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that that the company will continue to receive the support of its holding company and that the realisation of assets and settlement of liabilities 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 letter of support referred to in note 12 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

### 3. Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

### 4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

### 5. Dividend

No dividend was declared or paid to the shareholder during the current or prior year.

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Annual Financial Statements for the year ended 31 March 2025

## Directors' Report

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### 6. Directors

The directors of the company during the year and up to the date of this report are as follows:

S. Kahanovitz

I. Jacobson

V. Rajasekar

V. Kumar

### 7. Holding company

Trinity Pharma (Pty) Ltd incorporated in South Africa

Trinity Pharma (Pty) Ltd holds 100% of the companies equity.

### 8. Ultimate parent

The company's ultimate holding company is Strides Pharma Science Limited (a company listed on the National Stock Exchange of India Limited and the BSE Limited) which is incorporated in India.

### 9. Solvency and liquidity test

The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa.

### 10. Consolidation

Consolidated financial statements are prepared by the ultimate holding company on a group level.



**DNL Associates Incorporated**

Chartered Accountants (SA) & Registered Auditors

Registration Number: 2013/186618/21 • SAICA Firm Number: 08258422 • IRBA Practice Number: 902003

Director: AJJ de Lange – B.Com(Hons), M.Com(Tax), CA(SA), RA, Registered Tax Practitioner

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## Independent Auditor's Report

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**To the shareholder of Strides Pharma (SA) (Pty) Ltd**

### Opinion

We have audited the annual financial statements of Strides Pharma (SA) (Pty) Ltd (the company) set out on pages 8 to 38, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 Strides Pharma (SA) (Pty) Ltd as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Relating to Going Concern

We draw attention to Note 21 of the annual financial statements, which indicates that the company had accumulated losses of R 18 280 456 and that the company's total liabilities exceed its total assets by R 9 012 715. The note states that these events or conditions, along with other matters as set forth in Note 21 to the annual financial statements, 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 information included in the document titled "Strides Pharma (SA) (Pty) Ltd annual financial statements for the year ended 31 March 2025", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Statement of Comprehensive Income, which we obtained prior to the date of this report. The 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 on the other information obtained prior to the date of this auditor's report, 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.

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# Independent Auditor's Report

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## 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 Standards 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.

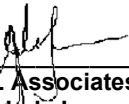
## Auditor's responsibilities for the audit of the Annual Financial Statements

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.



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**DNL Associates Inc.**  
**A.J.J. de Lange**  
**Director**  
**Chartered Accountant (SA)**  
**Registered Auditor**

24 July 2025  
Pretoria

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# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Statement of Financial Position

Figures in R	Notes	2025	2024
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	2	11,791,295	12,483,383
Deferred tax assets	6	8,334,656	11,112,771
<b>Total non-current assets</b>		<b>20,125,951</b>	<b>23,596,154</b>
<b>Current assets</b>			
Inventories	3	92,186,746	41,578,881
Trade and other receivables	5	46,902,333	27,719,038
Current tax assets	7	28,264	-
Cash and cash equivalents	8	4,072	428,460
<b>Total current assets</b>		<b>139,121,415</b>	<b>69,726,379</b>
<b>Total assets</b>		<b>159,247,366</b>	<b>93,322,533</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	9	9,267,741	9,267,741
Accumulated loss		(18,280,456)	(28,787,516)
<b>Total equity</b>		<b>(9,012,715)</b>	<b>(19,519,775)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans from group companies	12	35,485,776	32,454,576
<b>Current liabilities</b>			
Trade and other payables	10	87,157,157	36,352,018
Loans from group companies	12	45,617,148	44,035,714
<b>Total current liabilities</b>		<b>132,774,305</b>	<b>80,387,732</b>
<b>Total liabilities</b>		<b>168,260,081</b>	<b>112,842,308</b>
<b>Total equity and liabilities</b>		<b>159,247,366</b>	<b>93,322,533</b>

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	2025	2024
Revenue	13	170,601,751	100,238,412
Cost of sales	14	(140,523,963)	(98,647,226)
<b>Gross profit</b>		<b>30,077,788</b>	<b>1,591,186</b>
Other operating income	15	-	4,513,080
Other operating expenses		(8,563,442)	(8,785,554)
Other gains and (losses)	16	1,255,140	(900,068)
<b>Profit / (loss) from operating activities</b>	17	<b>22,769,486</b>	<b>(3,581,356)</b>
Finance costs	18	(8,740,459)	(4,859,451)
<b>Profit / (loss) before tax</b>		<b>14,029,027</b>	<b>(8,440,807)</b>
Income tax (expense) / credit	20	(3,521,967)	2,592,937
<b>Profit / (loss) for the year</b>		<b>10,507,060</b>	<b>(5,847,870)</b>

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Statement of Changes in Equity

Figures in R	Issued capital	Accumulated loss	Total
<b>Balance at 1 April 2023</b>	9,267,741	(22,939,646)	(13,671,905)
<b>Changes in equity</b>			
Loss for the year	-	(5,847,870)	(5,847,870)
Total comprehensive income for the year	-	(5,847,870)	(5,847,870)
<b>Balance at 31 March 2024</b>	<b>9,267,741</b>	<b>(28,787,516)</b>	<b>(19,519,775)</b>
<b>Balance at 1 April 2024</b>	9,267,741	(28,787,516)	(19,519,775)
<b>Changes in equity</b>			
Profit for the year	-	10,507,060	10,507,060
Total comprehensive income for the year	-	10,507,060	10,507,060
<b>Balance at 31 March 2025</b>	<b>9,267,741</b>	<b>(18,280,456)</b>	<b>(9,012,715)</b>
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# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Statement of Cash Flows

Figures in R

Notes

2025

2024

### Cash flows from operations

Cash receipts from customers		151,407,885	87,044,602
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Cash paid to suppliers and employees		(145,936,656)	(138,954,300)
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Net cash flows from / (used in) operations	22	5,471,229	(51,909,698)
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Interest paid		(8,740,459)	(4,859,451)
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Income taxes paid		(28,264)	-
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Net cash flows used in operating activities		<u>(3,297,494)</u>	<u>(56,769,149)</u>
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### Cash flows used in investing activities

Proceeds from sales of intangible assets		136,848	-
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Purchase of intangible assets		(969,893)	(1,069,752)
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Cash flows used in investing activities		<u>(833,045)</u>	<u>(1,069,752)</u>
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### Cash flows from financing activities

Proceeds from/(repayment of) group company loans		863,733	66,701,176
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Proceeds from/(repayment of) shareholders loans		2,842,418	(9,901,464)
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Cash flows from financing activities		<u>3,706,151</u>	<u>56,799,712</u>
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Net decrease in cash and cash equivalents		<u>(424,388)</u>	<u>(1,039,189)</u>
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Cash and cash equivalents at beginning of the year		428,460	1,467,649
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Cash and cash equivalents at end of the year	8	<u>4,072</u>	<u>428,460</u>
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# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### General information

Strides Pharma (SA) (Pty) Ltd ('the company') supplies and trades in pharmaceutical products.

The company is incorporated as a private company and domiciled in South Africa. The address of its registered office is 3 Gwen Lane, Fourth Floor, Sandton, Johannesburg, 2031.

### 1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

#### 1.1 Basis of preparation and material accounting policy information

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the adoption of new or revised standards as detailed in note 1.14 & 1.15.

#### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### Critical judgements in applying accounting policies

The critical judgements made by management, key assumptions and other sources of estimation uncertainty in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### *Material accounting policies continued...*

#### **Intangible assets**

##### **Initial recognition**

The initial recognition of the intangible asset is based on management's judgement and application of the requirements of IAS 38. Management makes assumptions and applies judgement regarding the expected future cash generation of the rights upon initial recognition of intangible assets. Intangible assets initial recognition consists of rights obtained in terms of a valid contract with the purchaser as well as external costs incurred to register these rights with regulatory bodies.

##### **Indefinite useful life intangible assets**

Significant judgement is needed by management when determining the classification of intangible assets as finite or indefinite useful life assets. An indefinite useful life intangible asset is an intangible asset where there is no foreseeable limit to the period over which the asset is expected to generate future economic benefits for the company.

##### **Useful lives**

The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product lifecycles and maintenance programmes. Management has made certain estimates with regards to the determination of estimated useful lives of intangible assets, as disclosed further in accounting policy note 1.3 - Intangible assets.

##### **Impairment**

Finite useful life intangible assets are reviewed annually, but only assessed for impairment when there are impairment indicators. Impairment testing is performed by comparing the recoverable amount to the carrying amount of the intangible asset. The recoverable amounts of the intangible assets are determined as the higher of value-in-use and fair value less costs to sell.

Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management covering a period of up to eight years and are extrapolated over the useful life of the asset to reflect the long-term plans of the company using the estimated growth rate for the specific business or product. The estimated future cash flows and discount rates used are pre-tax based on an assessment of the current risks applicable to the specific asset and/or entity and country in which it operates or the product is sold.

Management determines the expected performance of the assets based on the following:

- an assessment of existing products against past performance and market conditions;
- an assessment of existing products against existing market conditions; and
- the pipeline of products under development, applying past experiences of launch success and existing market conditions.

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### *Material accounting policies continued...*

#### **Amortisation rates and residual values**

The company amortises its assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product lifecycles and maintenance programmes. Significant judgement is applied by management when determining the residual values for intangible assets. Only in the event of contractual obligations in terms of which a termination consideration is payable to the company will management apply a residual value to the intangible asset.

#### **Key sources of estimation uncertainty**

#### **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

#### **Impairment testing**

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

### **1.3 Intangible assets**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### *Material accounting policies continued...*

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. The useful lives are determined using historic information for similar products in a similar market as well as using operational and financial projections to determine the expected product's market useful life.

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

Finite intangible assets are recognised at cost and amortised on a straight-line basis over their estimated remaining useful lives. Estimated useful lives are reviewed annually.

Development costs: expenditure on acquired patents, trademarks, dossiers, licences and know-how is capitalised. Expenditure incurred to extend the term of the patents or trademarks is capitalised. All other expenditure is charged to the statement of comprehensive income when incurred. Development costs are amortised from the commencement of the commercial sale of the product to which they relate, being the date at which all regulatory requirements necessary to commercialise the product are met.

### **Amortisation**

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

<b>Asset class</b>	<b>Average useful life</b>	<b>Amortisation method</b>
Computer software	3 years	Straight line
Licensed dossiers	5-20 years	Straight line

### **1.4 Financial instruments**

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).



# Strides Pharma (SA) (Pty) Ltd

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Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### ***Material accounting policies continued...***

Financial liabilities:

- Amortised cost; or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Notes 4, 11 & 24 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

### **Trade and other receivables**

#### **Classification**

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

The company uses an allowance account to recognise its credit losses on trade and other receivables. It applies the simplified approach of recognising lifetime ECLs for the trade receivables. The company applied a practical expedient in measuring the expected credit loss on non-credit impaired trade receivables, using a provision matrix in determining the impairment loss. This matrix uses the historical credit loss, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current and forecast conditions at the reporting date.

The company considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer; or
- It is becoming probable that the customer will enter bankruptcy or other financial reorganisation.

The loss allowance on credit impaired trade receivables is measured at the present value of all cash shortfalls.

The company will write off the underlying financial asset when there is an indication that the customer is in financial difficulty or business rescue and management has assessed that the customer is not in a financial position to pay the outstanding debt. Trade receivables written off for accounting purposes may still be subject to the company's internal recovery procedures, with the assistance of legal counsel. Any recoveries made once the debt has been written off will be recognised as other income in the statement of profit or loss and other comprehensive income.

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

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## Accounting Policies

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### *Material accounting policies continued...*

#### **Recognition and measurement**

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at amortised cost plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### **Borrowings and loans from related parties**

##### **Classification**

Loans from group companies and loans from related parties (note 12) are classified as financial liabilities subsequently measured at amortised cost.

##### **Recognition and measurement**

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at amortised cost plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 18.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 24 for details of risk exposure and management thereof.

#### **Trade and other payables**

##### **Classification**

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### *Material accounting policies continued...*

#### **Recognition and measurement**

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at amortised cost plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 24 for details of risk exposure and management thereof.

#### **Financial liabilities at fair value through profit or loss**

##### **Classification**

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss. Refer to note 11.

When a financial liability is contingent consideration in a business combination, the company classifies it as a financial liability at fair value through profit or loss. Refer to note 11.

The company, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss. Refer to note 11 for details.

##### **Recognition and measurement**

Financial liabilities at fair value through profit or loss are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 16).

# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### ***Material accounting policies continued...***

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 18).

### **Cash and cash equivalents**

Cash and cash equivalents are stated at carrying amount which is deemed to be amortised cost.

### **Derecognition**

#### **Financial assets**

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Financial liabilities**

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### **Reclassification**

#### **Financial assets**

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

#### **Financial liabilities**

Financial liabilities are not reclassified.

# Strides Pharma (SA) (Pty) Ltd

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Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### *Material accounting policies continued...*

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **1.5 Impairment of assets**

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cashgenerating unit to which the asset belongs is determined.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

#### **1.6 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

#### **1.7 Inventories**

Inventories are measured at the lower of cost and net realisable value using either the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### *Material accounting policies continued...*

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

### **1.8 Tax**

#### **Current tax assets and liabilities**

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

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

#### **Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The corporate income tax rate will be lowered to 27 per cent (from 28 per cent) for companies with years of assessment commencing on or after 1 April 2022 and deferred tax has been adjusted accordingly where applicable.

#### **Tax expense (income)**

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### *Material accounting policies continued...*

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

#### **1.9 Revenue from contracts with customers**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. Revenue is stated at the invoice amount and is exclusive of value added taxation.

Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer.

The following indicators are used by the company in determining when control has passed to the customer:

- the company has a right to payment for the product or service;
- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is measured based on the consideration specified in a contract with a customer and in compliance with legislated pricing. The company evaluates the following control indicators among others when determining whether it is acting as a principal or agent in the transactions with customers and recording revenue on a net basis:

- the company is primarily responsible for fulfilling the promise to provide the specified goods or service;
- the company has inventory risk before the specified goods or service has been transferred to a customer or after transfer of control to the customer; and
- the company has discretion in establishing the price for the specified goods or service, excluding pricing set according to regulations.

No significant element of financing is deemed present as the sales are made with credit terms less than one year.

The company recognises revenue from the following major sources:

#### **Sale of pharmaceutical products**

Revenue is recognised at a point in time when control of the products supplied has transferred, being when the products are delivered to the customer. Delivery occurs when the products has been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the price specified in the contract in compliance with regulated pricing in regulated markets, net of discounts and value added tax. Revenue and receivables are recorded when control of the products are transferred as this is the point in time that the consideration is unconditional as only the passage of time is required before payment is due.

# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### *Material accounting policies continued...*

#### **1.10 Cost of sales**

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

#### **1.11 Employee benefits**

##### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

##### **Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

#### **1.12 Borrowing costs**

All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **1.13 Translation of foreign currencies**

##### **Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### *Material accounting policies continued...*

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Exchange rates at year end were:

1 USD = R18.357

1 EUR = R19.8656

1 GBP = R23.7477

# Strides Pharma (SA) (Pty) Ltd

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## Accounting Policies

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### *Material accounting policies continued...*

#### 1.14 Standards and Interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1-Jan-24	The impact of the amendments is not material.
• Non-current liabilities with covenants - amendments to IAS 1	1-Jan-24	The impact of the amendments is not material.
• Lease liability in a sale and leaseback	1-Jan-24	The impact of the amendments is not material.

#### 1.15 New standards and interpretations not yet adopted

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1-Jan-27	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-27	Unlikely there will be a material impact
• Amendments to IFRS 1 First-time Adoption of IFRS Accounting Standards	1-Jan-26	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	1-Jan-26	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	1-Jan-26	Unlikely there will be a material impact
• Amendments to IAS 10 Statement of Cash flows	1-Jan-26	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	1-Jan-26	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	1-Jan-25	Unlikely there will be a material impact

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### 2. Intangible assets

	Computer software	Licensed dossiers	Total
<b>Reconciliation for the year ended 31 March 2025</b>			
<b>Balance at 1 April 2024</b>			
At cost	449,988	14,929,571	15,379,559
Accumulated amortisation and impairment	(449,988)	(2,446,188)	(2,896,176)
<b>Carrying amount</b>	<b>-</b>	<b>12,483,383</b>	<b>12,483,383</b>
<b>Movements for the year ended 31 March 2025</b>			
Acquisitions	-	283,574	283,574
Amortisation	-	(899,590)	(899,590)
Disposals	-	(76,072)	(76,072)
<b>Intangible assets at the end of the year</b>	<b>-</b>	<b>11,791,295</b>	<b>11,791,295</b>
<b>Closing balance at 31 March 2025</b>			
At cost	449,988	15,133,725	15,583,713
Accumulated amortisation and impairment	(449,988)	(3,342,430)	(3,792,418)
<b>Carrying amount</b>	<b>-</b>	<b>11,791,295</b>	<b>11,791,295</b>
<b>Reconciliation for the year ended 31 March 2024</b>			
<b>Balance at 1 April 2023</b>			
At cost	449,988	13,863,019	14,313,007
Accumulated amortisation and impairment	(420,192)	(1,565,404)	(1,985,596)
<b>Carrying amount</b>	<b>29,796</b>	<b>12,297,615</b>	<b>12,327,411</b>
<b>Movements for the year ended 31 March 2024</b>			
Acquisitions	-	1,069,752	1,069,752
Amortisation	(29,796)	(880,784)	(910,580)
Disposals	-	(3,200)	(3,200)
<b>Intangible assets at the end of the year</b>	<b>-</b>	<b>12,483,383</b>	<b>12,483,383</b>
<b>Closing balance at 31 March 2024</b>			
At cost	449,988	14,929,571	15,379,559
Accumulated amortisation and impairment	(449,988)	(2,446,188)	(2,896,176)
<b>Carrying amount</b>	<b>-</b>	<b>12,483,383</b>	<b>12,483,383</b>

The intangible assets comprises of purchased medical dossiers providing the company with rights to sell and distribute specified medical products in the Republic of South Africa. The company has registered all these dossiers with SAHPRA (The South African Health Products Regulation Authority) during the prior financial year.

# Strides Pharma (SA) (Pty) Ltd

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Financial Statements for the year ended 31 March 2025

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### 3. Inventories

Inventories comprise:

Finished Goods	70,575,096	30,664,794
Goods In Transit	21,581,346	10,914,087
CWIP	30,304	-
	<b>92,186,746</b>	<b>41,578,881</b>

### 4. Financial assets

#### 4.1 Carrying amount of financial assets by category

	At amortised cost	Total
<b>Year ended 31 March 2025</b>		
Trade and other receivables excluding non-financial assets (Note 5)	46,517,135	<b>46,517,135</b>
Cash and cash equivalents (Note 8)	4,072	<b>4,072</b>
	<b>46,521,207</b>	<b>46,521,207</b>

	At amortised cost	Total
<b>Year ended 31 March 2024</b>		
Trade and other receivables excluding non-financial assets (Note 5)	25,942,553	<b>25,942,553</b>
Cash and cash equivalents (Note 8)	428,460	<b>428,460</b>
	<b>26,371,013</b>	<b>26,371,013</b>

### 5. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	46,508,832	25,942,553
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**Non-financial instruments:**

Prepayments	385,198	305,924
Other receivables	8,303	-
VAT	-	1,470,561
<b>Total trade and other receivables</b>	<b>46,902,333</b>	<b>27,719,038</b>

#### Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

# Strides Pharma (SA) (Pty) Ltd

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## Notes to the Financial Statements

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### *Trade and other receivables continued...*

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company has no historical credit losses and has only dealt with a small number of customers with excellent credit ratings. Accordingly, no provision for expected credit losses was recognised.

The company's debtors book has been ceded in favour of Investec Bank Limited in terms of all payments due and owing by Trinity Pharma to Investec, limited to the proceeds, for the overdraft facility of Trinity Pharma.

## 6. Deferred tax

### 6.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets:

- Deferred tax asset to be recovered within 12 months	8,334,656	11,112,771
	<u>8,334,656</u>	<u>11,112,771</u>
<b>Net deferred tax assets</b>	<b><u>8,334,656</u></b>	<b><u>11,112,771</u></b>

### 6.2 Reconciliation of deferred tax movements

		<b>Total</b>
<b>Opening balance at 1 April 2024</b>	11,112,771	<b>11,112,771</b>
(Charged) / credited to profit or loss	(2,778,115)	<b>(2,778,115)</b>
<b>Closing balance at 31 March 2025</b>	<b>8,334,656</b>	<b>8,334,656</b>
<b>Opening balance at 1 April 2023</b>	8,519,834	<b>8,519,834</b>
(Charged) / credited to profit or loss	2,592,937	<b>2,592,937</b>
<b>Closing balance at 31 March 2024</b>	<b>11,112,771</b>	<b>11,112,771</b>

## 7. Current tax assets

Current tax assets comprise the following balances

Net current tax asset from all items being set off	<u>28,264</u>	<u>-</u>
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## 8. Cash and cash equivalents

Cash and cash equivalents included in current assets:

### Cash

Balances with banks	<u>4,072</u>	<u>428,460</u>
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The company only deposits cash and cash equivalents with reputable financial institutions with a high credit rating.

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

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### 9. Issued capital

#### Authorised and issued share capital

##### Authorised

1000 Ordinary shares of no par value

1,000

1,000

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

##### Issued

120 Ordinary shares no par value

9,267,741

9,267,741

### 10. Trade and other payables

#### Trade and other payables comprise:

Trade payables

84,381,446

36,115,015

Accrued leave pay

14,071

61,805

Accrual for stock recieved not yet invoiced

25,908

71,023

Bonus provision

85,081

80,029

Employee taxes

25,570

24,146

Vat payable

2,625,081

-

**Total trade and other payables**

**87,157,157**

**36,352,018**

### 11. Financial liabilities

#### Carrying amount of financial liabilities by category

At amortised  
cost

Total

##### Year ended 31 March 2025

Loans from group companies (Note 12)

35,485,776

35,485,776

Loan from group companies

45,617,148

45,617,148

Trade and other payables excluding non-financial liabilities (Note 10)

84,518,005

84,518,005

**165,620,929**

**165,620,929**

##### Year ended 31 March 2024

Loans from group companies (Note 12)

32,454,576

32,454,576

Loan from group companies

44,035,714

44,035,714

Trade and other payables excluding non-financial liabilities (Note 10)

36,290,213

36,290,213

**112,780,503**

**112,780,503**

# Strides Pharma (SA) (Pty) Ltd

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Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

Figures in R	2025	2024
<b>12. Loans from group companies</b>		
<b>Loans from group companies comprise:</b>		
<b>Holding company</b>		
<b>Trinity Pharma Proprietary Limited</b>	45,617,148	44,035,714
The loan bears interest at the prime rate and has no fixed terms of repayment. Strides Pharma (SA) Proprietary Limited provided an unlimited resource guarantee to Investec in terms of all payments due and owing by Trinity Pharma (Pty) Ltd to Investec, limited to the proceeds in terms of the cession of debtors, including a session of Strides' debtors book in favour of Investec.		
<b>Other related parties</b>		
<b>The Vaccine Bureau Proprietary Limited</b>	2,295,715	2,106,933
The loan is unsecured, bears interest at the prime interest rate of South Africa (2024: prime interest rate) and shall be repaid within two years from the disbursement of each tranche date and can be extended by both the parties on mutually agreeable terms. The loan will not be called upon within the next 12 months.		
<b>Juno Pharma South Africa Proprietary Limited</b>	1,157,333	1,157,333
The loan is unsecured, interest free (2024: interest free) and repayable on demand. Juno Pharma South Africa Proprietary Limited has confirmed that the loan will not be called upon within the next 12 months.		
<b>Juno Pharma South Africa Proprietary Limited</b>	7,818,588	7,130,657
The loan is unsecured, bears interest at the prime interest rate of South Africa of 11.25% (2024: prime interest rate) and shall be repaid within two years from the disbursement of each tranche date and can be extended by both the parties on mutually agreeable terms. The loan will not be called upon within the next 12 months.		
<b>Strides Pharma (Cyprus) Limited</b>	24,214,140	22,059,653
The loan is unsecured, bears interest at the prime interest rate of South Africa of 11.25% (2024: prime interest rate) and shall be repaid within two years from the disbursement of each tranche date and can be extended by both the parties on mutually agreeable terms. The loan will not be called upon within the next 12 months. Strides Pharma (Cyprus) Limited has signed a letter of support whereby it agrees to provide financial support to the company should it be necessary.		

# Strides Pharma (SA) (Pty) Ltd

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## Notes to the Financial Statements

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### *Loans from group companies continued...*

	81,102,924	76,490,290
Non-current portion of loans from group companies	35,485,776	32,454,576
Current portion of loans from group companies	45,617,148	44,035,714
	<b>81,102,924</b>	<b>76,490,290</b>

### 13. Revenue

#### Revenue comprises:

Sale of goods	170,601,751	100,238,412
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### 14. Cost of sales

#### Cost of sales comprise:

Sale of goods	140,523,963	98,647,226
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### 15. Other income

#### Other income comprises:

Payable on purchase of Dossiers matured and written off	-	4,513,080
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### 16. Other operating gains and (losses)

#### Other gains and (losses) comprise:

Gain or (loss) on disposal of assets	136,848	(3,200)
Gain or (loss) on foreign exchange differences on liabilities	1,118,292	(896,868)
<b>Total other gains and (losses)</b>	<b>1,255,140</b>	<b>(900,068)</b>

### 17. Profit / (loss) from operating activities

#### Profit / (loss) from operating activities includes the following separately disclosable items

#### Other operating expenses

##### Intangible assets

- amortisation	899,590	910,580
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##### Audit fees

	165,680	108,260
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# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

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### 18. Finance costs

#### Finance costs included in profit or loss:

Group companies loans	8,740,459	4,859,451
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### 19. Salaries

Salaries, wages, bonuses and other benefits	881,472	1,099,944
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### 20. Income tax expense / (credit)

#### 20.1 Income tax recognised in profit or loss:

Current tax	743,852	-
Deferred tax	2,778,115	(2,592,937)
<b>Total income tax expense / (credit)</b>	<b>3,521,967</b>	<b>(2,592,937)</b>

#### 20.2 The income tax for the year can be reconciled to the accounting profit / (loss) as follows:

Profit / (loss) before tax from operations	14,029,027	(8,440,807)
Income tax calculated at 27.0%	3,787,837	(2,279,018)
Tax effect of		
Learnership allowance	(14,850)	(83,700)
Temporary differences	23,688	(243,706)
Non-deductible expenses - capital in nature	(36,045)	13,487
Prior year permanent difference	(238,663)	-
<b>Tax charge</b>	<b>3,521,967</b>	<b>(2,592,937)</b>

The estimated tax loss available for set and pre-trade expenditure (Section 11A) is R 26 638 372 (2024: R 37 684 630) and pre-trade expenditure (Section 11A) is R 3 637 871 (2023: R 3 637 871).

### 21. Going concern

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 company incurred a net profit for the year ended 31 March 2025 of R10,507,060 (2024 loss: R5,847,870) and, as at that date its total liabilities exceeded its total assets by R9,012,715 (2024: R19,519,775).

# Strides Pharma (SA) (Pty) Ltd

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Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

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### Going concern continued...

These conditions give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal 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 letter of support, referred to in note 12 of these annual financial statements, will remain in force for so long as it takes to restore the solvency of the company.

### 22. Cash flows from operating activities

<b>Profit / (loss) for the year</b>	<b>10,507,060</b>	<b>(5,847,870)</b>
<b>Adjustments for:</b>		
Income tax expense	3,521,967	(2,592,937)
Finance costs	8,740,459	4,859,451
Depreciation and amortisation expense	899,590	910,580
Gains and losses on foreign exchange realised in profit or loss	(1,118,292)	898,501
Gains and losses on disposal of non-current assets	(136,848)	3,200
<b>Change in operating assets and liabilities:</b>		
Adjustments for increase in inventories	(50,607,865)	(34,619,296)
Adjustments for increase in trade accounts receivable	(19,185,563)	(15,329,390)
Adjustments for increase in other operating receivables	(8,303)	-
Adjustments for increase / (decrease) in trade accounts payable	52,859,024	(191,937)
<b>Net cash flows from / (used in) operations</b>	<b>5,471,229</b>	<b>(51,909,698)</b>

### 23. Related parties

#### 23.1 Group companies

Parent company	Trinity Pharma (Pty) Ltd
Ultimate parent	Strides Pharma Science Limited (a company listed on the National Stock Exchange of India Limited and the BSE Limited)
Common control of directors	Regipharma Proprietary Limited K2 Medical Proprietary Limited The Vaccine Bureau Proprietary Limited Kahma Healthcare Group Proprietary Limited Kahma Biotech Proprietary Limited Trinity Pharma Proprietary Limited
Other group entities	Strides Pharma Global Pte Limited

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

Figures in R

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***Related parties continued...***

Fellow subsidiaries and associates

Other entities related to Trinity Group

Other entities related to Kahma Group

Members of key management

Refer to Director's Report

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

Figures in R

*Related parties continued...*

### 23.2 Related party transactions and balances

	Trinity Pharma (Pty) Ltd	Strides Pharma Science Limited	Strides Pharma Global Pte Limited	Kahma Biotech Proprietary Limited	K2 Medical Proprietary Limited	The Vaccine Bureau Proprietary Limited	Juno Pharma SA Proprietary Limited	Strides Pharma (Cyprus) Limited	Total
<b>Year ended 31 March 2025</b>									
<b>Related party transactions</b>									
Purchases of goods	-	-	58,155,491	-	-	-	-	-	<b>58,155,491</b>
Revenue from sale of goods	(72,743,832)	-	-	-	-	-	-	-	<b>(72,743,832)</b>
Support services	-	-	-	-	-	-	-	-	-
Recoveries (expenses) paid to related parties	53,364	-	118,921	-	-	-	6,000	-	<b>178,285</b>
Recoveries (expenses)(received from) related parties	(807,417)	-	-	-	-	-	-	-	<b>(807,417)</b>
Recoveries (salaries) paid to related parties	-	-	-	-	-	-	-	-	-
Interest accrued to related parties	5,709,260	-	-	-	-	188,781	687,931	2,154,486	<b>8,740,458</b>
<b>Outstanding balances for related party transactions</b>									
Amounts payable	(19,440)	-	(21,740,876)	-	-	-	-	-	<b>(21,760,316)</b>
Amounts receivable	19,369,607	-	-	-	-	-	-	-	<b>19,369,607</b>
<b>Outstanding loan accounts</b>									
Amounts payable	(45,617,147)	-	-	-	-	(2,295,714)	(8,975,921)	(24,214,139)	<b>(81,102,921)</b>

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

Figures in R

### *Related parties continued...*

#### **Year ended 31 March 2024**

#### **Related party transactions**

Purchases of goods	-	45,857,437	5,342,256	-	-	-	-	-	51,199,693
Revenue from sale of goods	(32,225,810)	-	-	(9,718,974)	-	-	-	-	(41,944,784)
Support services	420,000	-	-	-	-	-	-	-	420,000
Recoveries (expenses) paid to related parties	250,336	60,409	-	-	-	-	-	-	310,745
Recoveries (expenses)(received from) related parties	(170,011)	-	-	-	-	-	-	-	(170,011)
Recoveries (salaries) paid to related parties	-	-	-	-	1,401	-	-	-	1,401
Interest accrued to related parties	1,934,203	-	-	-	-	192,639	558,706	2,173,903	4,859,451

#### **Outstanding balances for related party transactions**

Amounts payable	(191,692)	(8,723,381)	(5,345,630)	-	-	-	-	-	(14,260,703)
Amounts receivable	9,560,925	27,587	-	-	-	-	-	-	9,588,512

#### **Outstanding loan accounts**

Amounts payable	(44,035,714)	-	-	-	-	(2,106,933)	-	-	(46,142,647)
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# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

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### 24. Risk management

#### Capital risk management

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of the loan from group company disclosed in note 9, the loans from shareholders disclosed in note 10, cash and cash equivalents disclosed in note 7, share capital disclosed in note 8 and accumulated loss disclosed in the statement of changes in equity.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

There were no externally imposed capital requirements at the reporting date.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

Loans from group companies	12	81,102,924	76,490,290
Trade and other payables	10	87,146,248	36,352,019
<b>Total borrowings</b>		<u>168,249,172</u>	<u>112,842,309</u>
Cash and cash equivalents	8	(4,072)	(428,460)
<b>Net borrowings</b>		<u>168,245,100</u>	<u>112,413,849</u>
Equity		(9,012,717)	(19,519,995)
Gearing ratio		-1867%	-576%

#### Financial risk management

##### Overview

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk which are managed by the directors.

##### Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Financial Statements for the year ended 31 March 2025

## Notes to the Financial Statements

Figures in R

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### *Risk management continued...*

#### **Foreign currency risk**

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, US Dollar and British Pound. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities. The company does hedge foreign exchange fluctuations from time to time based on the assessed risk. The company reviews its foreign currency exposure, including commitments on an ongoing basis.

#### **Interest rate risk**

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk. There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

# Strides Pharma (SA) (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2025

## Detailed Income Statement

Figures in R	Notes	2025	2024
<b>Revenue</b>	13	170,601,751	100,238,412
<b>Cost of sales</b>	14	(140,523,963)	(98,647,226)
<b>Gross profit</b>		<b>30,077,788</b>	<b>1,591,186</b>
<b>Other income</b>	15	-	4,513,080
<b>Other operating expenses</b>			
Advertising		(41,665)	(220,294)
Amortisation - intangible assets		(899,590)	(910,580)
Auditors remuneration - external audit		(165,680)	(108,260)
B-BBEE spend		(23,800)	(49,108)
Bank charges		(7,967)	(9,336)
Computer expenses		(50,375)	(11,351)
Employee costs - salaries	19	(881,472)	(1,099,944)
General supplies		(390,631)	(1,746,232)
Insurance		(158,755)	(92,607)
Printing and stationery		(400)	(7,010)
Professional fees		(86,000)	(612,505)
Regularly Fees		(380,400)	(337,650)
Subscriptions		(933,856)	(802,570)
Training and development		(10,104)	(9,400)
Transport and frieght		(4,532,274)	(2,766,485)
Travel - Local		(473)	(2,222)
		<b>(8,563,442)</b>	<b>(8,785,554)</b>
<b>Other operating gains/ (losses)</b>	16		
Foreign exchange gains / (losses)		1,118,292	(896,868)
Gains / (losses) on disposal of assets		136,848	(3,200)
		<b>1,255,140</b>	<b>(900,068)</b>
<b>Profit / (loss) from operating activities</b>	17	<b>22,769,486</b>	<b>(3,581,356)</b>
<b>Finance costs</b>	18	(8,740,459)	(4,859,451)
<b>Profit / (loss) before tax</b>		<b>14,029,027</b>	<b>(8,440,807)</b>
<b>Income tax</b>	20		
Current tax		(743,852)	-
Deferred tax		(2,778,115)	2,592,937
		<b>(3,521,967)</b>	<b>2,592,937</b>
<b>Profit / (loss) for the year</b>		<b>10,507,060</b>	<b>(5,847,870)</b>



# Strides Pharma (SA) (Pty) Ltd

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## Income Tax Computation

Figures in R

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Profit / (loss) before tax	14,029,027	(8,440,807)
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### Permanent differences (Non- deductible/Non taxable items)

Non-deductible expenses capital in nature	-	49,950
Learnership allowance	(55,000)	(310,000)
Recoupment/(Scrapping) allowance of asset	3,348	(3,200)
Accounting Loss/(Gain) reversed	(136,848)	3,200
Reversal of gain on debt matured	-	(4,513,080)
	(188,500)	(4,773,130)

### Temporary differences

Wear and tear allowance (s11(gC))	(899,590)	(910,580)
Provision for stock impairments- prior year	-	(2,984,065)
Prepaid expenditure not limited by s23H	(385,198)	(305,924)
Reversal of leave pay and bonus provision previously raised	(141,834)	(113,801)
Depreciation according to financial statements	899,590	910,580
Prepaid expenditure not allowed under s23H - prior year	305,924	149,201
Provision for leave pay and bonus not eductible current year	99,152	141,834
	(121,956)	(3,112,755)

Computed income / (loss) for the year	13,718,571	(16,326,692)
Taxable capital gain	56,464	3,610,464
Computed income after capital gain	13,775,035	(12,716,228)
Assessed loss allowed	(11,020,028)	-
Taxable income / (loss)	2,755,007	(12,716,228)

### Normal tax

	743,852	-
Deferred tax	2,778,115	(2,592,937)
<b>Total per statement of profit or loss and other comprehensive income</b>	<b>3,521,967</b>	<b>(2,592,937)</b>

Provisional tax	- 1st payment	(84,927)	-
	- 2nd payment	(687,181)	-
Deferred tax		(2,778,115)	2,592,937
<b>Total per statement of financial position - (Asset) / Liability</b>		<b>(28,256)</b>	<b>-</b>

### Assessed loss limitation calculation

Limitation applicable?	Y	Y
Calculated taxable income for the year	13,775,035	(12,716,228)
Greater of R1,000,000 and 80% of taxable income limited to actual assessed loss	(11,020,028)	-
<b>Taxable income</b>	<b>2,755,007</b>	<b>(12,716,228)</b>

Assessed loss brought forward	(37,684,635)	(24,968,407)
Assessed loss movement for the year	11,020,028	(12,716,228)
Assessed loss carried forward	<b>(26,664,607)</b>	<b>(37,684,635)</b>

# Strides Pharma (SA) (Pty) Ltd

(Registration Number 2013/235090/07)

Annual Financial Statements for the year ended 31 March 2025

## Income Tax Computation

Figures in R	Notes	2025	2024
<b>Capital gains tax</b>			
Proceeds from sale of all capital items		150,000	-
Less base costs of all capital items		79,420	(4,513,080)
Net capital gain / (loss) for the current year		70,580	4,513,080
Net capital gain / (loss)		70,580	4,513,080
Inclusion rate		80.00%	80.00%
Taxable gain / (loss)		56,464	3,610,464