Trinity Pharma (Proprietary) Limited

(Registration Number 2003/020397/07)
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 Bezuizenhout

Audited by: DNL Associates Inc.
Professional designation: Chartered Accountants (SA)
Title: Registered Auditor

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General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The company registers and markets pharmaceutical products.
Directors	G.R.N Simaan S. Kahanovitz V. Kumar V. Rajasekar
Holding Company	Strides Pharma Asia Pte Ltd incorporated in Singapore
Ultimate holding Company	Strides Pharma Science Ltd(a company listed on the National Stock Exchange of India Limited and the BSE Limited) incorporated in India
Registered Office	3 Gwen Lane Fourth Floor Sandton South Africa 2021
Business Address	3 Gwen Lane Fourth Floor Sandton South Africa 2021
Postal Address	PO Box 68687 Bryanston Johannesburg South Africa 2021
Bankers	Investec Bank Limited First National Bank
Tax Number	9676714141
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Auditors	DNL Associates Inc. Chartered Accountants (SA) Registered Auditor

Directors' Responsibilities and Approval

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 shareholders, 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 8.

The financial statements set out on pages 9 to 47, and the supplementary information set out on pages 48 to 51 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:

G.R.N Simaan

S. Kahanovitz

Directors' Report

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

1. Review of activities

Main business and operations

The company registers and markets pharmaceutical products. There were no major changes herein during the year.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior 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.

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. Directors' interests in shares

As at 31 March 2025, the directors of the company held direct and indirect beneficial interests consisting of 10% (2024: 10%) of its issued ordinary shares.

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

5. Dividend

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

6. Directors

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

G.R.N Simaan
S. Kahanovitz
V. Kumar
V. Rajasekar

Directors' Report

7. Authorised and issued share capital

There have been no changes in ownership during the current financial year.

The shareholders and their interests at the end of the year are:

	Percentage Held	Number of shares
Strides Pharma Asia Pte Ltd	51.76%	748
Juno Pharma South Africa Pty Ltd	28.24%	408
Asaco Trinity Pty Ltd	20.00%	289
	100%	**1,445**

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, under the control of the directors until the next AGM.

8. Holding company

Strides Pharma Asia Pte Ltd Incorporated in Singapore
Strides Pharma Asia Pte Ltd holds 51.76% (2024: 51.76%) of the company's equity.

9. Ultimate holding company

Strides Pharma Science Ltd
(a company listed on the National Stock Exchange of India Limited and the BSE Limited) which is incorporated in India.

10. Interest in subsidiaries

Details of material interests in subsidiaries are presented in the annual financial statements in note 5.

11. Consolidation

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

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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Tel.: +27 12 364 0180 • Website: www.dnlinc.co.za • Email: info@dnlinc.co.za

Independent Auditor's Report

To the shareholder of Trinity Pharma (SA) (Pty) Ltd

Opinion

We have audited the annual financial statements of Trinity Pharma (SA) (Pty) Ltd (the company) set out on pages 8 to 47, 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 Trinity 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 IRBACode 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 Codeof 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.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition – Risk of Revenue Being Recorded in the Incorrect Period or Overstated
Revenue is a significant account in the financial statements and a key performance indicator for the company. The pharmaceutical industry is subject to complex sales arrangements, including consignment stock, government tenders, and distributor agreements, which may involve variable considerations. These complexities increase the risk of revenue being recorded in the incorrect period or overstated, particularly around year-end.

We considered this a key audit matter due to the significance of revenue to the financial statements, the judgment involved in applying the revenue recognition criteria under IFRS 15, and the risk of management override or error in the timing of revenue recognition.

Our audit procedures included, among others:
- Evaluating the appropriateness of the company's revenue recognition policies in accordance with IFRS 15.
- Testing a sample of revenue transactions around year-end to assess whether revenue was recognized in the correct accounting period.
- Assessing the accounting treatment of consignment stock and distributor arrangements.
- Reviewing credit notes and returns processed after year-end for indications of revenue reversal.
- Assessing the adequacy of the related disclosures in the financial statements.

Impairment Assessment and Valuation of Intangible Assets – Dossiers
The company holds significant intangible assets in the form of pharmaceutical dossiers, which represent marketing authorizations and product registrations acquired or developed for commercial use. These assets are subject to annual impairment assessments or whenever indicators of impairment arise.

We considered this a key audit matter due to the judgment involved in estimating the recoverable amount of these assets, which is based on assumptions such as future sales volumes, pricing, regulatory approvals, and discount rates. Changes in these assumptions could have a material impact on the valuation of the intangible assets.

Our audit procedures included, among others:

- Evaluating the company's impairment assessment methodology and its compliance with IAS 36.
- Assessing the reasonableness of key assumptions used in the value-in-use calculations, including projected cash flows, growth rates, and discount rates.
- Comparing management's forecasts to historical performance and approved budgets.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trinity 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.

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 annualfinancial 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.
- From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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Pretoria

Trinity Pharma (Proprietary) Limited

(Registration Number 2003/020397/07)

Financial Statements for the year ended 31 March 2025

Statement of Financial Position

Figures in R	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	3	3,049,625	2,646,076
Right-of-use assets	18	2,749,297	2,797,382
Intangible assets	4	51,202,870	44,911,011
Investments in subsidiaries	5	21,730,100	21,730,100
Deferred tax assets	10	1,760,636	2,046,357
Loan to group company	11	45,617,148	-
Total non-current assets		**126,109,676**	**74,130,926**
Current assets			
Inventories	6	261,292,108	191,189,255
Trade and other receivables	8	148,690,918	153,883,626
Work in progress	9	660,543	1,338,792
Current tax assets		1,433,955	537,660
Loan to group company	11	-	44,035,714
Cash and cash equivalents	12	8,112,438	8,932,500
Total current assets		**420,189,962**	**399,917,547**
Total assets		**546,299,638**	**474,048,473**
Equity and liabilities			
Equity			
Issued capital	13	1,445	1,445
Share premium	13	24,030,782	24,030,782
Retained income		104,229,015	91,946,407
Total equity		**128,261,242**	**115,978,634**
Liabilities			
Non-current liabilities			
Lease liabilities	18	3,366,397	2,405,943
Loan from group company	19	10,715,143	9,344,047
Loans from shareholders	20	20,174,241	14,836,026
Total non-current liabilities		**34,255,781**	**26,586,016**
Current liabilities			
Provisions	14	3,663,308	3,549,316
Trade and other payables	15	278,857,205	238,418,825
Other financial liabilities	17	334,108	453,573
Lease liabilities	18	119,048	1,048,109
Loans from shareholders	20	-	3,427,649
Bank overdraft	12	100,808,946	84,586,351
Total current liabilities		**383,782,615**	**331,483,823**
Total liabilities		**418,038,396**	**358,069,839**
Total equity and liabilities		**546,299,638**	**474,048,473**

Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	2025	2024
Revenue	21	690,141,243	613,193,590
Opening stock		(191,189,255)	(136,146,811)
Purchases		(654,870,899)	(545,459,202)
Closing stock		261,292,108	179,062,704
Cost of sales		(584,768,046)	(502,543,309)
Gross profit		**105,373,197**	**110,650,281**
Other income	22	946,372	1,007,600
Other operating expenses		(70,814,806)	(70,502,956)
Other operating losses	23	(2,558,872)	(2,124,725)
Profit from operating activities	24	**32,945,891**	**39,030,200**
Investment income	25	5,758,365	2,067,909
Finance costs	26	(21,217,349)	(11,855,809)
Gain realized on interest free loan	27	-	6,158,978
Profit before tax		**17,486,907**	**35,401,278**
Income tax expense	28	(5,204,299)	(7,776,695)
Profit for the year		**12,282,608**	**27,624,583**

Statement of Changes in Equity

Figures in R		Issued capital	Share premium	Retained income	Total
Balance at 1 April 2023		1,445	24,030,782	64,321,824	88,354,051
Changes in equity					
Profit for the year		-	-	27,624,583	27,624,583
Total comprehensive income for the year		-	-	27,624,583	27,624,583
Balance at 31 March 2024		**1,445**	**24,030,782**	**91,946,407**	**115,978,634**
Balance at 1 April 2024		1,445	24,030,782	91,946,407	115,978,634
Changes in equity					
Profit for the year		-	-	12,282,608	12,282,608
Total comprehensive income for the year		-	-	12,282,608	12,282,608
Balance at 31 March 2025		**1,445**	**24,030,782**	**104,229,015**	**128,261,242**
	Notes	**13**	**13**		

Statement of Cash Flows

Figures in R	Notes	2025	2024
Cash flows from operations			
Cash receipts from customers		696,958,573	593,701,817
Cash paid to suppliers and employees		(684,514,689)	(581,166,280)
Net cash flows from operations	30	**12,443,884**	**12,535,537**
Interest paid		(18,932,539)	(5,057,733)
Interest received		6,081,129	2,043,441
Income taxes paid		(5,814,873)	(7,406,475)
Net cash flows (used in) / from operating activities		**(6,222,399)**	**2,114,770**
Cash flows used in investing activities			
Loans to group entities		(2,284,810)	(36,147,819)
Payments received/(advanced) from loans		(1,581,434)	2,182,610
Proceeds from sales of property, plant and equipment		-	213,180
Purchase of property, plant and equipment		(984,617)	(1,475,150)
Proceeds from sales of intangible assets		-	591,624
Purchase of intangible assets		(8,107,758)	(7,685,633)
Cash additions to right-of-use assets		(1,055,230)	(766,416)
Other inflows (outflows) of cash		-	453,573
Cash flows used in investing activities		**(14,013,849)**	**(42,634,031)**
Cash flows from / (used in) financing activities			
Cash advances received on loans from group companies		1,371,096	-
Cash advances received on loans from shareholders		1,910,566	-
Proceeds from other financial liabilities		-	(5,143,408)
Repayments of other financial liabilities		(105,434)	-
Interest paid		-	(770,092)
Other cashflows on lease liabilities		17,364	-
Cash flows from / (used in) financing activities		**3,193,592**	**(5,913,500)**
Net decrease in cash and cash equivalents		**(17,042,656)**	**(46,432,761)**
Cash and cash equivalents at beginning of the year		(75,653,851)	(29,221,090)
Cash and cash equivalents at end of the year	**12**	**(92,696,507)**	**(75,653,851)**

Accounting Policies

General information

Trinity Pharma (Proprietary) Limited ('the company') registers and markets 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, South Africa, 2021.

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.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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:

Accounting Policies

Material accounting policies continued...

Intangible assets

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 1.4 - 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.

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.

Impairment of investments held at cost

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 determines the recoverable amount which is higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal (FVLCD) and its value in use (VIU). 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.

Material accounting policies continued...

In calculating VIU, the estimated future cash flows are discounted to their present value using a after-tax discount rate that reflects current market assessments of the time value of money and the risks spesific to the asset/CGU. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining FVLCD, recent market transactions (where available) are taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, or other available fair value indicators. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in FVLCD calculations.

For the key model inputs used in determining the recoverable amount refer to note 5. Impairment losses of investments are recognised in the statement of profit or loss and other comprehensive income.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Asset class	Useful life	Depreciation method
Leasehold improvements	Straight line	5 years
Motor vehicles	Straight line	6 years
Fixtures and fittings	Straight line	6 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Material accounting policies continued...

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 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.

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.

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.

Accounting Policies

Material accounting policies continued...

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

Asset class	Useful life	Amortisation method
Computer software	3 years	Straight Line
Business models	10 years	Straight Line
Dossiers	20 years	Straight Line
Trademarks	20 years	Straight Line

1.5 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.

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).

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).

Note 7, 16, and 29 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:

Accounting Policies

Material accounting policies continued...

Loans receivable at amortised cost

Classification

Loans to / (from) group companies (note 11 & 19) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans 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 these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan 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.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) / gains (note 27).

Details of foreign currency risk exposure and the management thereof are provided in the specific notes (Note 29).

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 8).

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.

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 fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Material accounting policies continued...

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 (note 11 & 19), loans from shareholders (note 20) and borrowings (note 17) 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 fair value 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 26.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 29 for details of risk exposure and management thereof.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) / gains (note 27).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 29).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

Material accounting policies continued...

Trade and other payables

Classification

Trade and other payables (note 15), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value 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 26).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 30 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 16.

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 16.

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 16 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.

Accounting Policies

Material accounting policies continued...

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 27).

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 26).

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 financialassets. 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.

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.

Accounting Policies

Material accounting policies continued...

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value on 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 comprises of 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 is assigned using specific identification of the individual costs.

The cost of inventory acquired from Heraeus Medical GmbH (Germany) is measured on the retail method in terms of an Exclusive Distribution Agreement whereby the cost of inventory is adjusted every year based on actual sales and related costs for that year.

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.

1.7 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).

Accounting Policies

Material accounting policies continued...

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.

Tax expenses

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, outside profit or loss, in 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.

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.

Withholding taxes

Witholding taxes are withheld by foreign countries on foreign-sourced income. Excess foreign tax credits may be carried forward to the succeeding year in which it will be available for set-off against taxable income from foreign sources in that year.

1.8 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Accounting Policies

Material accounting policies continued...

1.9 Provisions and contingencies

A provision is recognised when:
- there is a a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.10 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.

Material accounting policies continued...

The company recognises revenue from the following major sources:

Sale of goods

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.

1.11 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 inwhich the service is rendered and are not discounted.

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.

Material accounting policies continued...

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.

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 = R18.3570
1 EUR = R19.8656
1 GBP = R23.7477

1.14 Work in progress and receivables

Where the outcome of a contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.15 Impairment of assets

An entity assesses at each reporting date 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 cash-generating 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.

Accounting Policies

Material accounting policies continued...

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.

1.16 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 recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.17 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

The company is not required to prepare consolidated annual financial statements because the ultimate parent company, Strides Pharma Science Ltd (formerly Strides Shasun Limited), publishes consolidated annual financial statements in accordance with Generally Accepted Accounting Practice in India.

Accounting Policies

Material accounting policies continued...

2. Changes in accounting policies and disclosures

2.1 Standards and Interpretations effective and adopted in the current year

	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

There were no changes in accounting policies and disclosures adopted in the current year.

2.2 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:

There were no new and revised pronouncements selected for adoption in the future.

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

Notes to the Financial Statements

Figures in R

3. Property, plant and equipment

Balances at year end and movements for the year

	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Text books	Total
Reconciliation for the year ended 31 March 2025							
Balance at 1 April 2024							
At cost	237,433	838,009	1,721,657	256,686	672,271	21,327	**3,747,383**
Accumulated depreciation	(69,379)	(354,394)	(228,702)	(94,087)	(333,425)	(21,320)	**(1,101,307)**
Carrying amount	**168,054**	**483,615**	**1,492,955**	**162,599**	**338,846**	**7**	**2,646,076**
Movements for the year ended 31 March 2025							
Additions from acquisitions	183,451	-	455,984	158,119	187,063	-	**984,617**
Depreciation	(49,416)	(66,762)	(200,266)	(63,067)	(201,557)	-	**(581,068)**
Property, plant and equipment at the end of the year	**302,089**	**416,853**	**1,748,673**	**257,651**	**324,352**	**7**	**3,049,625**
Closing balance at 31 March 2025							
At cost	420,884	838,009	2,177,642	414,805	859,334	21,327	**4,732,001**
Accumulated depreciation	(118,795)	(421,156)	(428,969)	(157,154)	(534,982)	(21,320)	**(1,682,376)**
Carrying amount	**302,089**	**416,853**	**1,748,673**	**257,651**	**324,352**	**7**	**3,049,625**
Reconciliation for the year ended 31 March 2024							
Balance at 1 April 2023							
At cost	218,506	304,064	1,118,026	234,021	524,237	21,327	**2,420,181**
Accumulated depreciation	(24,106)	(304,063)	(76,307)	(136,431)	(207,142)	(21,320)	**(769,369)**
Carrying amount	**194,400**	**1**	**1,041,719**	**97,590**	**317,095**	**7**	**1,650,812**

Notes to the Financial Statements

Figures in R

Property, plant and equipment continued...

Movements for the year ended 31 March 2024							
Additions from acquisitions	18,927	533,945	603,632	106,356	212,290	-	**1,475,150**
Depreciation	(45,273)	(50,331)	(152,396)	(40,267)	(185,101)	-	**(473,368)**
Disposals	-	-	-	(1,080)	(5,438)	-	**(6,518)**
Property, plant and equipment at the end of the year	**168,054**	**483,615**	**1,492,955**	**162,599**	**338,846**	**7**	**2,646,076**
Closing balance at 31 March 2024							
At cost	237,433	838,009	1,721,657	256,686	672,271	21,327	**3,747,383**
Accumulated depreciation	(69,379)	(354,394)	(228,702)	(94,087)	(333,425)	(21,320)	**(1,101,307)**
Carrying amount	**168,054**	**483,615**	**1,492,955**	**162,599**	**338,846**	**7**	**2,646,076**

Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Notes to the Financial Statements

Figures in R	2025	2024

4. Intangible assets

Reconciliation of changes in intangible assets

	Business models	Trademarks	Dossiers	Total
Reconciliation for the year ended 31 March 2025				
Balance at 1 April 2024				
At cost	600,000	8,040	49,527,157	**50,135,197**
Accumulated amortisation	(599,999)	(3,682)	(4,620,505)	**(5,224,186)**
Carrying amount	**1**	**4,358**	**44,906,652**	**44,911,011**
Movements for the year ended 31 March 2025				
Other acquisitions	-	-	8,107,758	**8,107,758**
Amortisation	-	(555)	(1,815,343)	**(1,815,898)**
Intangible assets at the end of the year	**1**	**3,803**	**51,199,067**	**51,202,871**
Closing balance at 31 March 2025				
At cost	600,000	8,040	57,634,915	**58,242,955**
Accumulated amortisation	(599,999)	(4,238)	(6,435,848)	**(7,040,085)**
Carrying amount	**1**	**3,802**	**51,199,067**	**51,202,870**
Reconciliation for the year ended 31 March 2024				
Balance at 1 April 2023				
At cost	600,000	8,040	44,760,280	**45,368,320**
Accumulated amortisation	(599,999)	(3,127)	(3,575,642)	**(4,178,768)**
Carrying amount	**1**	**4,913**	**41,184,638**	**41,189,552**
Movements for the year ended 31 March 2024				
Other acquisitions	-	-	7,685,633	**7,685,633**
Amortisation	-	(555)	(1,650,435)	**(1,650,990)**
Disposals	-	-	(2,313,184)	**(2,313,184)**
Intangible assets at the end of the year	**1**	**4,358**	**44,906,652**	**44,911,011**
Closing balance at 31 March 2024				
At cost	600,000	8,040	49,527,157	**50,135,197**
Accumulated amortisation	(599,999)	(3,682)	(4,620,505)	**(5,224,186)**
Carrying amount	**1**	**4,358**	**44,906,652**	**44,911,011**

Capitalised expenditure on dossiers

In line with Strides' group policy, only license and regulatory body registration costs are to be capitalised against dossiers and all other costs are expensed when incurred.

A number of dossiers have not yet been brought into use at year end and therefore no amortisation has been provided on these intangible assets.

5. Investments in subsidiaries

5.1 The amounts included on the statement of financial position comprise the following:

Investments in subsidiaries	21,730,100	21,730,100

5.1.1 Carrying amounts and interest held for these subsidiaries are as follows:

	Interest 2025	Carrying Amount 2025	Interest 2024	Carrying Amount 2024
Apollo Life Sciences Holdings Proprietary Limited	100.00%	100	100.00%	100
Strides Pharma (SA) Proprietary Limited	100.00%	21,730,000	100.00%	21,730,000

The subsidiary is incorporated in South Africa and shares the year end of the company.

The carrying amounts of subsidiaries are shown net of impairment losses.

On 31 March 2024 the company acquired all the issued shares in Strides Pharma (SA) Proprietary Limited from Strides Pharma (Cyprus) Limited and Juno Pharma South Africa (Pty) Ltd, for a total amount of ZAR 21,730,000 on loan account (refer to note 11, 19 and 28).

Impairment testing: Investment in Apollo Life Sciences Holdings Proprietary Limited - Information about key sources of estimation uncertainty

The company based its impairment calculation on detailed budgets and forecasts based on management's and the group's expectations of revenue and growth. The estimated cash flows are based on expected future contracted revenue, operating costs, staff costs and capital expenditure. At year end the company assessed the investment and found the carrying amount to be reasonable.

The following were the key model inputs used in determining the recoverable amount:
- assumed discount rate of 20%;
- assumed long-term sustainable growth rate of 7%.

In 2018 an impairment charge of R19 461 359 arose on the investment in Apollo Life Sciences Holdings Proprietary Limited resulting in its carrying amount of R21 021 032 being written down to a recoverable amount of R1 559 673.

In 2022 it was decided that Apollo Life Sciences Holdings Proprietary Limited be wound down and as a result the investment in the entity was further impaired with R1 559 573.

6. Inventories

Inventories comprise:		
Pharmaceutical products- Third parties	28,999,181	29,161,677
Pharmaceutical products- Trinity Pharma	217,584,255	149,901,027
Goods in transit	15,558,672	14,965,202
Impairment of stock	(850,000)	(2,838,651)
	261,292,108	**191,189,255**

Notes to the Financial Statements

Figures in R	2025	2024

Inventories continued...

Inventory held for third parties

The inventory held for third parties are owned by the company. They are however separately managed and controlled in terms of the agreement with third parties on whose behalf the inventory is sold.

Inventory pledged as security

Inventory to the value of R30 000 000 was pledged as security for the Investec Bank Ltd's trade facility in terms of a General Notarial Bond. At period end the facility had a balance of R100 788 079 (2024: R84 586 351).

7. Financial assets

7.1 Carrying amount of financial assets by category

	At amortised cost	Total
Year ended 31 March 2025		
Loan to group company (Note 11)	45,617,148	**45,617,148**
Trade and other receivables excluding non-financial assets (Note 8)	145,794,388	**145,794,388**
Work in progress (Note 9)	660,543	**660,543**
Cash and cash equivalents (Note 12)	8,112,438	**8,112,438**
	200,184,517	**200,184,517**
Total interest income on assets not measured at fair value through profit or loss	5,758,365	**5,758,365**

	At amortised cost	Total
Year ended 31 March 2024		
Loan to group company (Note 11)	44,035,714	**44,035,714**
Trade and other receivables excluding non-financial assets (Note 8)	153,336,061	**153,336,061**
Work in progress (Note 9)	1,338,792	**1,338,792**
Cash and cash equivalents (Note 12)	8,932,500	**8,932,500**
	207,643,067	**207,643,067**
Total interest income on assets not measured at fair value through profit or loss	2,067,909	**2,067,909**

Notes to the Financial Statements

Figures in R	2025	2024

8. Trade and other receivables

8.1 Trade and other receivables comprise:

Trade receivables	143,804,999	151,333,162
Creditors with debit balances	418,216	467,151
Prepaid expenses	474,943	547,565
Deposits	1,516,345	1,410,990
Staff loans	54,828	124,758
Value added tax	2,421,587	-
Total trade and other receivables	**148,690,918**	**153,883,626**

8.2 Items included in Trade and other receivables not classified as financial instruments

Prepaid expenses	474,943	547,565
Value added tax	2,421,587	-
Total non-financial instruments included in trade and other receivables	**2,896,530**	**547,565**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Customer credit risk is managed according to the Company’s established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up. At 31 March 2025, the company had 13 (2024: 16) customers that owed it more than R2 000 000 each, and accounted for approximately 84% (2024: 85%) of all the receivables outstanding and 13.7% (2024: 17%) of the total balances outstanding were outstanding for longer than 60 days. No doubt exist regarding the collectibility of these balances.

An impairment analysis is performed at each reporting date using a single loss rate based on an assessment of the Group's historical bad debts and the company's own historical bad debts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 30. The Company does not hold collateral as security except for Strides Pharma SA Proprietary Limited, a fellow subsidiary of the holding company, which provided a limited resource guarantee to Investec in terms of all payments due and owing by the company to Investec, limited to the proceeds in terms of the cession of debtors (see below), including a session of Strides' debtors book in favour of Investec. The Company evaluates the concentration of risk with respect to trade receivables as low, as book in favour of Investec. The Company evaluates the concentration of risk with respect to trade receivables as low, as it has a large number of unrelated customers from various industries, operating independently in the market.

Based on this and the historical data which reflects that no amounts have been impaired on trade receivables over the past 5 years, the single loss rate were determined as nil% and as a result the Expected Credit Loss allowance is Rnil.

There have not been any notable observable changes in payment behaviour nor to the economic environment of our customers.

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for the Investec Bank Ltd's trade facility in terms of a first cession of the debtors book.

Notes to the Financial Statements

Figures in R	2025	2024

9. Work in progress

Work in progress and receivables	660,543	1,338,792

Advances received in excess of work completed are included in trade and other payables.

10. Deferred tax

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

Deferred tax assets:		
Employee provisions	989,093	958,316
Provision for stock impairments	299,500	766,436
Lease liability	970,853	1,001,391
Work in progress	358,258	175,130
	2,617,704	**2,901,273**
Deferred tax liabilities:		
Prepayments	(114,758)	(99,623)
Right of use asset	(742,310)	(755,293)
	(857,068)	**(854,916)**
Net deferred tax assets	**1,760,636**	**2,046,357**

10.2 Reconciliation of deferred tax movements

	Deferred tax	Total
Opening balance at 1 April 2024	2,046,357	**2,046,357**
Movement in temporary differences	(285,721)	**(285,721)**
Closing balance at 31 March 2025	**1,760,636**	**1,760,636**
Opening balance at 1 April 2023	1,673,926	**1,673,926**
Movement in temporary differences	372,431	**372,431**
Closing balance at 31 March 2024	**2,046,357**	**2,046,357**

11. Loan to group company

Strides Pharma (SA) Proprietary Limited	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 a limited resource guarantee limited to R70 000 000 to Investec in terms of all payments due and owing by Trinity Pharma to Investec, limited to the proceeds in terms of the cession of debtors, including a session of Strides' debtors book in favour of Investec.

Non-current assets	45,617,148	-
Current assets	-	44,035,714
	45,617,148	**44,035,714**

Figures in R	2025	2024

12. Cash and cash equivalents

12.1 Cash and cash equivalents included in current assets:

Cash		
Cash on hand	782	62
Balances with banks	8,111,656	8,932,438
	8,112,438	**8,932,500**

12.2 Overdrawn cash and cash equivalents included in current liabilities

Bank overdrafts	(100,808,946)	(84,586,351)
Cash and cash equivalents	8,112,438	8,932,500
Bank facilities	(100,808,946)	(84,586,351)
	(92,696,508)	**(75,653,851)**

The overdraft facility has increased during the year from R 70 000 000 to R100 000 000. The overdraft balance as at year end is R100 808 946.

The Investec Bank Ltd - general banking facility is repayable on demand and bears interest at the prime rate (11.25% at year end).

Secured by:

- Letter of Support from the shareholders in line with their pro-rata shareholding in the company to a value of R70 000 000;
- Limited personal guarantee by the director GRN Simaan – limited to R1 500 000;
- A general notarial bond over inventory amounting to R30 000 000;
- Primary cession of the debtors’ book.

13. Issued capital

Authorised and issued share capital

Authorised		
4 000 Ordinary shares of R1 each	4,000	4,000
Issued		
1 445 Ordinary shares of R1 each	1,445	1,445
Share premium	24,030,782	24,030,782
	24,032,227	**24,032,227**

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.

Notes to the Financial Statements

Figures in R	2025	2024

14. Provisions

Reconciliation of provisions

	Employee related provisions	Bonus provision	Total
Balance at 1 April 2024	**1,188,150**	**2,361,166**	**3,549,316**
Increase in existing provisions	1,293,175	2,636,700	3,929,875
Provision used	(1,188,150)	(2,627,733)	(3,815,883)
Total changes	105,025	8,967	113,992
Balance at 31 March 2025	**1,293,175**	**2,370,133**	**3,663,308**
Balance at 1 April 2023	**818,421**	**1,449,827**	**2,268,248**
Increase in existing provisions	1,188,150	2,361,166	3,549,316
Provision used	(818,421)	(1,449,827)	(2,268,248)
Total changes	369,729	911,339	1,281,068
Balance at 31 March 2024	**1,188,150**	**2,361,166**	**3,549,316**

15. Trade and other payables

15.1 Trade and other payables comprise:

	2025	2024
Trade payables	238,374,076	167,982,636
Accrued expenses	331,499	1,332,317
Accrual for stock received not invoiced	5,331,074	1,016,352
Employee taxes	1,003,621	772,898
Amount due to subsidiaries	83,000	100,050
Royalties fees	33,696,453	63,047,888
Debtors with credit balances	37,482	315,737
Amounts received in advance	-	449,508
Value added tax	-	3,401,439
Total trade and other payables	**278,857,205**	**238,418,825**

15.2 Items included in trade and other payables not classified as financial liabilities

	2025	2024
Income received in advance	-	449,508
Value added tax	-	3,401,439
Total non-financial liabilities included in trade and other payables	**-**	**3,850,947**
Total trade and other payables excluding non-financial liabilities included in trade and other payables	278,857,205	234,567,878
Total trade and other payables	**278,857,205**	**238,418,825**

Notes to the Financial Statements

Figures in R	2025	2024

16. Financial liabilities

Carrying amount of financial liabilities by category

	Leases	Designated at fair value	At amortised cost	Total
Year ended 31 March 2025				
Other financial liabilities (Note 17)	-	-	334,108	**334,108**
Lease liabilities (Note 18)	3,485,445	-	-	**3,485,445**
Loan from group company (Note 19)	-	10,715,143	-	**10,715,143**
Loans from shareholders (Note 20)	-	7,140,689	13,033,552	**20,174,241**
Trade and other payables excluding non-financial liabilities (Note 15)	-	-	278,857,205	**278,857,205**
Bank overdraft (Note 12)	-	-	100,808,946	**100,808,946**
	3,485,445	**17,855,832**	**393,033,811**	**414,375,088**
Year ended 31 March 2024				
Other financial liabilities	-	-	453,573	**453,573**
Lease liabilities (Note 18)	3,454,052	-	-	**3,454,052**
Loan from group company (Note 19)	-	9,344,047	-	**9,344,047**
Loans from shareholders (Note 20)	-	6,226,976	12,036,699	**18,263,675**
Trade and other payables excluding non-financial liabilities (Note 15)	-	-	235,017,386	**235,017,386**
Bank overdraft (Note 12)	-	-	84,586,351	**84,586,351**
	3,454,052	**15,571,023**	**332,094,009**	**351,119,084**

17. Other financial liabilities

	2025	2024
Held at amortised cost		
Wesbank finance - motor vehicle	334,108	453,573

Wesbank: Hyundai-Staria
Installment sale agreement and / or capitalised leased asset repayable in monthly installments of R13,703, bearing interest at prime p.a. The final payment required on 01/07/2028.

18. Lease liabilities

18.1 Lease liabilities comprise:

	2025	2024
Lease obligation	3,485,445	3,454,052
Non-current liabilities	3,366,397	2,405,943
Current liabilities	119,048	1,048,109
	3,485,445	**3,454,052**

Notes to the Financial Statements

Figures in R	2025	2024

Lease liabilities continued...

18.2 Amounts recognised in the statement of financial position

	2025	2024
Right-of-use assets		
Buildings	2,749,297	2,797,382
Amounts recognised in the statement of profit or loss and other comprehensive income		
Depreciation		
Buildings	780,551	653,288
Other expenses and gains		
Interest expense	354,837	353,025
Short term lease expenses included in operating expenses	6,390	19,850
Interest received on deposit of lease	(32,073)	(24,952)

19. Loan from group company

Loan from group company comprises:

	2025	2024
Strides Pharma (Cyprus) Limited - (acquisition of Strides SA shares)	10,715,143	9,344,047
	10,715,143	**9,344,047**

A loan was obtained from Strides Pharma (Cyprus) Limited in 2024 for the acquisition of the Strides Pharma (SA) shares on 31 March 2024 (refer to note 5) for an amount of R13,038,000. The loan is unsecured and interest free for the first 3 years and repayable after 3 years, whereafter interest will be charged at a prevailing bank lending rate per annum plus 0.5% on the outstanding balance. The interest free loan is discounted to it’s present value in terms of IFRS 9.

20. Loans from shareholders

Loans from shareholders comprise:

	2025	2024
Asaco Trinty Proprietary Limited	2,660,772	2,456,805
Juno Pharma South Africa Proprietary Limited	3,712,054	3,427,649
Juno Pharma South Africa Proprietary Limited - (acquisition of Strides SA shares)	7,140,689	6,226,976
Strides Pharma Asia Pte Ltd	6,660,726	6,152,245
	20,174,241	**18,263,675**
Non-current liabilities	20,174,241	14,836,026
Current liabilities	-	3,427,649
	20,174,241	**18,263,675**

Notes to the Financial Statements

Figures in R	2025	2024

During July 2019 the company obtained loan funding from its shareholders in order to meet its business requirements. These loans are unsecured and bears interest at the prime rate (between 7.75% and 11.25% during the year). During January 2021 the original loans were settled in full including interest. Further loans were obtained from the shareholders during June 2020 on similar terms. These loans are repayable by March 2028. The loan from Strides Pharma Asia Pte Ltd was approved by the South African Reserve Bank.

A loan was obtained from Juno Pharma South Africa Proprietary Limited in 2024 for the acquisition of the Strides Pharma (SA) (Pty) Ltd shares on 31 March 2024 (refer to note 5) for an amount of R8,692,000. The loan is unsecured and interest free for the first 3 years and repayable after 3 years, whereafter interest will be charged at a prevailing bank lending rate per annum plus 0.5% on the outstanding balance. The interest free loan is discounted to it's present value in terms of IFRS 9.

21. Revenue

Revenue comprises:

	2025	2024
Sale of goods	632,130,047	555,125,348
Rendering of services	628,116	3,121,725
Sales as agent for third parties	52,379,945	46,465,767
Recoveries of expenses	5,003,135	8,480,750
Total revenue	**690,141,243**	**613,193,590**

22. Other operating income

	2025	2024
Other operating income	472,788	19,297
Skills development refunds	58,347	55,011
Marketing fee recoveries	415,237	933,292
Total other income	**946,372**	**1,007,600**

23. Other operating gains and (losses)

Other operating gains and (losses) comprise:

	2025	2024
Gain or (loss) on disposals, scrappings and settlements of Property, plant and equipment	-	213,180
Gain or (loss) on foreign exchange differences on assets	(2,558,872)	(2,337,905)
Total other operating gains and (losses)	**(2,558,872)**	**(2,124,725)**

24. Profit from operating activities

Profit from operating activities includes the following separately disclosable items

	2025	2024
Other operating expenses		
Property plant and equipment		
- depreciation	581,068	473,368
Intangible assets		
- amortisation	1,815,898	1,650,990

Notes to the Financial Statements

Figures in R	2025	2024
Profit from operating activities continued...		
Right-of-use assets		
- depreciation	780,551	653,288
Audit fees		
Auditors remuneration - Fees	(87,704)	(92,499)
Auditors remuneration - tax and secreterial services	87,704	92,499
	-	-
Other material items requiring separate disclosure		
Employee Costs		
Salaries,wages,bonuses and other benefits	44,133,259	32,096,143
Leases		
Short- term leases	6,390	19,850

25. Investment income

Investment income comprises:

	2025	2024
Bank and other cash	17,032	109,237
Interest received from subsidiaries	5,677,187	1,934,203
Interest received on lease deposit	64,146	24,469
Total finance income	**5,758,365**	**2,067,909**

26. Finance costs

Finance costs included in profit or loss:

	2025	2024
Current borrowings	5,716,533	4,857,589
Shareholders	3,281,662	1,015,569
Interest on term loans	59,195	53,865
Interest paid - intercompany	1,879,577	518,028
Interest paid on unwinding of discount	354,837	353,025
Revolving bank facility	9,925,545	5,057,733
Total finance costs	**21,217,349**	**11,855,809**

27. Other non-operating gains (losses)

	2025	2024
Gain realized on interest free loan	-	6,158,978

Gain realized on interest free loan (refer to note 11, 19 and 20)

Notes to the Financial Statements

28. Income tax expense

28.1 Income tax recognised in profit or loss:

Figures in R	2025	2024
Current year	4,918,578	8,149,126
Deferred tax	285,721	(372,431)
Total income tax expense	**5,204,299**	**7,776,695**

28.2 The income tax for the year can be reconciled to the accounting profit as follows:

Figures in R	2025	2024
Profit before tax from operations	17,486,907	35,401,278
Income tax calculated at 27.0%	4,721,465	9,558,345
Tax effect of		
Depreciation on leasehold improvements	13,342	12,224
Learnership allowance	(202,500)	(130,950)
IFRS Adjustment - Gain on interest free loan	616,899	(1,662,924)
Movement in temporary differences	55,093	-
Tax charge	**5,204,299**	**7,776,695**
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	21,020,932	21,020,932

29. 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.

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.

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.

Notes to the Financial Statements

Figures in R		2025	2024

Financial risk management continued...

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

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.

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

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 shareholders	**20**	20,174,241	18,263,675
Borrowings	**17**	334,108	453,573
Lease liabilities	**18**	3,485,445	3,454,052
Trade and other payables	**15**	278,857,205	238,418,822
Total borrowings		**302,850,999**	**260,590,122**
Bank overdraft	**12**	92,696,508	75,653,851
Net borrowings		**395,547,507**	**336,243,973**

Notes to the Financial Statements

Figures in R	2025	2024
Financial risk management continued...		
Equity	128,261,242	115,978,636
Gearing ratio	308%	290%

30. Cash flows from operating activities

Profit for the year	**12,282,608**	**27,624,583**
Adjustments for:		
Income tax expense	5,204,299	7,776,695
Finance income	(5,758,365)	(2,067,909)
Finance costs	21,217,349	11,855,809
Depreciation and amortisation expense	3,177,517	2,777,646
(Gains) losses on disposals, scrappings and settlements of assets and liabilities	-	(6,372,158)
Losses on foreign exchange	2,558,872	2,337,905
Gains and losses on interest free loan	-	-
Change in operating assets and liabilities:		
Adjustments for increase in inventories	(70,102,850)	(47,914,971)
Adjustments for decrease / (increase) in trade accounts receivable	5,833,477	(22,802,830)
Adjustments for increase in other operating receivables	(418,216)	-
Adjustments for increase in trade accounts payable	38,297,717	38,039,701
Adjustments for increase in other operating payables	37,483	-
Adjustments for provisions	113,992	1,281,069
Net cash flows from operations	**12,443,883**	**12,535,540**

31. Related parties

31.1 Group companies

Parent company	Strides Pharma Asia Pte Ltd
Ultimate parent	Strides Pharma Science Ltd (a company listed on the National Stock Exchange of India Limited and the BSE Limited)
Subsidiaries	Refer to note 5
Common control of directors	Kahma Healthcare Group Proprietary Limited (S. Kahanovitz) Asaco Trinity Proprietary Limited (GRN Simaan)
Fellow subsidiaries and associates	Other entities related to Strides Group Other entities related to Kahma Group
Members of key management	Refer to Directors' Report

Notes to the Financial Statements

Figures in R	2025	2024

Related parties continued...

31.2 Compensation paid to directors and prescribed officers

2025 Name	Expense re-imbursement	Salaries, bonuses and performance related payments	Total remuneration
G.R.N Simaan	96,176	4,503,820	4,599,996

2024 Name	Expense re-imbursement	Salaries, bonuses and performance related payments	Total remuneration
G.R.N Simaan	66,874	3,001,367	3,068,241

31.3 Related party transactions and balances

Related party transactions		
Purchases from (sales to) related parties		
Strides Pharma (SA) Proprietary Limited, South Africa - purchases	73,060,603	32,225,810
Juno Pharma South Africa Proprietary Limited - purchases	2,822,003	7,753,658
Strides Pharma Global Pte Ltd - purchases	8,719,411	3,564,484
Juno Pharma South Africa Proprietary Limited - sales	(2,668,082)	(2 266 031)
Kahma Healthcare Group Proprietary Limited - sales	-	(30 169)
Juno Pharmaceuticals (Canada) - sales	-	(1 547 263)
K2 Medical Proprietary Limited - sales	-	(62 001)
Kahma Biotech Proprietary Limited - sales	-	(763 342)
Kahma Biotech Proprietary Limited - purchases	-	1,824,505
Strides Pharma Science Limited - purchases	-	13,305,660
Universal Corporation Ltd - purchases	-	69,777
Naari Pte Ltd - purchases	1,437,853	1,498,595
Beltapharm S.P.A. - purchases	245,606	1,108,967

Notes to the Financial Statements

Figures in R	2025	2024

Related parties continued...

Interest and corporare guarantees paid to (received from) related parties

Kahma Healthcare Group Proprietary Limited	197,679	115,118
Asaco Trinity Proprietary Limited	343,965	289,324
Strides Pharma Asia Pte Ltd	870,799	729,021
Strides Pharma (SA) Proprietary Limited, South Africa	(5,709,260)	(1 934 203)
Juno Pharma South Africa Proprietary Limited	1,198,118	289,745
GRN Simaan	15,001	51,784

Recoveries, reimbursements, support service and administrative fees paid to (received from) related parties

Strides Pharma Science Limited	(118,026)	-
Strides Pharma Global Pte Ltd	16,280	-
Arco Lab Private Limited	270,000	270,000
Juno Pharmaceuticals (Canada)	1,432	50,287
Juno Pharmaceuticals (Canada)	(454,298)	
K2 Medical Proprietary Limited	423132	239,398
K2 Medical Proprietary Limited	(3,600)	-
Strides Pharma (SA) Proprietary Limited, South Africa	490,647	170,011
Strides Pharma (SA) Proprietary Limited, South Africa	(53,365)	(670 335)
Kahma Healthcare Group Proprietary Limited		115,238
The Vaccine Bureau Proprietary Limited	481056	-
GRN Simaan	96176	-

Rent paid to (received from) related parties

Kahma Healthcare Group Proprietary Limited	-	19,748

Advances from related parties

Apollo Life Sciences Holdings Proprietary Limited	83,000	100,050

Notes to the Financial Statements

Figures in R	2025	2024
Related parties continued...		
Amounts included in Trade Receivable (Trade Payable) regarding related parties		
Arco Lab Private Limited (India) - trade payable	-	(147 138)
Strides Pharma (SA) Proprietary Limited, South Africa - trade payable	(19,369,607)	(9 560 925)
Strides Pharma (SA) Proprietary Limited, South Africa - trade receivable	19,444	191,692
Strides Pharma Science Limited - trade receivable	119,241	-
Strides Pharma Science Limited - trade payable	-	(6 718 283)
Strides Pharma Asia Pte Ltd - trade payable	(476,577)	(114 259)
Juno Pharma South Africa Proprietary Limited - trade receivable	361,644	981,075
Juno Pharma South Africa Proprietary Limited - trade payable	(15,943)	(5 253 224)
K2 Medical Proprietary Limited - trade payable	(81,142)	(81 087)
Kahma Healthcare Group Proprietary Limited - trade payable	(36,746)	(37 055)
The Vaccine Bureau Proprietary Limited - trade payable	(94,798)	-
The Vaccine Bureau Proprietary Limited - trade receivable	-	209,942
Strides Pharma Global Pte Ltd - trade payable	(1,884,224)	(3 052 159)
Juno Pharmaceuticals (Canada) Corp - trade payable	-	(50 743)
Loan accounts - Owing (to) by related parties		
Strides Pharma Asia Pte Ltd	(6,660,726)	(6 152 245)
Asaco Trinity Proprietary Limited	(2,660,772)	(2 456 805)
Juno Pharma South Africa Proprietary Limited	(10,852,743)	(6 226 976)
Strides Pharma (SA) Proprietary Limited	45,617,148	44,035,714
Strides Pharma (Cyprus) Limited	(10,715,143)	(9 344 046)

Detailed Income Statement

Figures in R	Notes	2025	2024
Revenue			
Sale of goods	21	690,141,243	613,193,590
Cost of sales			
Closing stock		261,292,108	179,062,704
Opening stock		(191,189,255)	(136,146,811)
Purchases		(654,870,899)	(545,459,202)
Sale of goods		(584,768,046)	(502,543,309)
Gross profit		**105,373,197**	**110,650,281**
Other income			
Other operating income	22	946,372	1,007,600
Other expenses			
Advertising and marketing		(13,324,979)	(24,643,066)
Amortisation		(1,815,898)	(1,650,990)
Auditors remuneration - Fees		(654,204)	(556,499)
B-BBEE spend		(681,318)	(603,800)
Bank charges		(141,244)	(151,265)
Cleaning		(451)	(3,366)
Computer expenses		(1,741,608)	(1,500,260)
Consulting and professional fees		(2,221,659)	(1,917,368)
Depreciation		(1,361,619)	(1,126,656)
Donations		(2,363,230)	(31,034)
Employee costs		(38,226,538)	(31,218,521)
Entertainment		(25,572)	(82,434)
General office expenses		(12,471)	(12,955)
Insurance		(1,449,480)	(1,039,826)
Motor vehicle expenses		(36,691)	(31,253)
Municipal charges		(505,334)	(314,585)
Postage		(92,776)	(25,209)
Printing and stationery		(130,000)	(135,643)
Regulary fees		(1,514,710)	(1,119,118)
Repairs and maintenance		(19,010)	(566)
Security		(567)	(1,621)
Short- term leases		(6,390)	(19,850)
Staff welfare		(473,824)	(327,493)
Subscriptions		(1,644,750)	(1,558,135)
Telecommunication		(289,721)	(309,521)
Training		(186,556)	(76,104)
Travel - Local		(1,665,854)	(1,652,859)
Travel - Overseas		(228,352)	(392,959)
		(70,814,806)	**(70,502,956)**

Detailed Income Statement

Figures in R	Notes	2025	2024
Other operating gains and losses	23		
(Losses) / gains on disposal of assets or settlement of liabilities		-	213,180
Forex gain or loss - trade and other receivables		(2,558,872)	(2,337,905)
		(2,558,872)	**(2,124,725)**
Profit from operating activities	24	**32,945,891**	**39,030,200**
Investment income			
Interest received from subsidiaries	25	5,726,292	1,934,203
Other		32,073	133,706
		5,758,365	**2,067,909**
Finance costs	26		
Current borrowings		(6,075,968)	(4,857,589)
Interest on term loans			(53,865)
Interest paid - intercompany		(1,579,337)	(518,028)
Interest paid on unwinding of discount		(354,837)	(353,025)
Revolving bank facility		(9,925,545)	(5,057,733)
Shareholders		(3,281,662)	(1,015,569)
		(21,217,349)	**(11,855,809)**
Other non-operating gains (losses)			
Gain realized on interest free loan	27	-	6,158,978
Profit before tax		**17,486,907**	**35,401,278**
Income tax	28		
Current tax		(4,918,578)	(8,149,126)
Deferred tax		(285,721)	372,431
		(5,204,299)	**(7,776,695)**
Profit for the year		**12,282,608**	**27,624,583**

Income Tax Computation

Figures in R	Notes	2025	2024
Profit before tax		17,486,907	35,401,278
Depreciation on leasehold improvements		49,416	45,273
Gain realized on interest free loan (IFRS adjustment)		-	(6,158,978)
Legal expenses		154,700	-
Gain on disposal of assets		-	(213,180)
Recoupment on sale of asset		-	213,180
Learnership Allowance (s12H)		(750,000)	(485,000)
IFRS adjustment: interest on unwinding of present value of loans		2,284,810	-
		1,738,926	(6,598,705)
Debit Adjustments (decrease net profit / increase net loss) (insert as negative)			
Wear and tear allowance (s11(e))		(531,652)	(428,094)
Prepaid expenditure not limited by s23H		(425,028)	(368,976)
Lease premium allowance (s11(f))		(1,035,787)	(770,091)
Work in progress not yet invoiced/accrued		(660,543)	(1,338,792)
Provision for stock write offs - prior year		(2,838,651)	(3,188,917)
Reversal of leave pay provisions previously raised		(3,519,893)	(2,238,822)
Prior period error		(68,294)	-
Correction of prior period interest paid		(250,628)	-
Reversal of provision for commissions previously raised		(29,426)	-
Donations - deduction allowed - current year		(2,014,670)	-
Credit Adjustments (increase net profit / decrease net loss) (insert as positive)			
Depreciation according to financial statements		531,652	428,094
Reversal of prepaid expenditure allowed in prior year		368,976	314,403
Reversal of work in progress claim in previous year		1,338,792	1,373,243
Provision for stock write offs - current year		850,000	2,838,651
Provision for leave pay and bonus not deductible current year		3,663,308	3,519,893
Right of use asset depreciation reversal		780,551	653,288
Interest paid in respect of capitalised leased assets		354,837	585,494
Donations (s18A)		2,363,229	-
Provision for commissions previously raised		29,426	-
		(1,093,801)	1,379,374
Taxable income		**18,132,032**	**30,181,947**
Normal tax		**4,895,649**	**8,149,126**
Deferred tax		285,721	(372,431)
Total per statement of profit or loss and other comprehensive income		**5,181,370**	**7,776,695**

Income Tax Computation

Figures in R		Notes	2025	2024
Provisional tax	- 1st payment		(2,694,082)	(3,627,837)
	- 2nd payment		(3,635,520)	(5,089,759)
Interest accrued not yet received			(17,616)	-
Deferred tax			(285,721)	372,431
Prior year adjustment			(53,740)	30,810
(Debit) / Credit balance brought forward			(537,660)	
Amount refunded/(paid) in respect of prior year			586,085	
Total per statement of financial position - (Asset) / Liability			**(1,456,884)**	**(537,660)**