



FIDUCONSULT ACTA

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

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

SVADS HOLDINGS SA, La Chaux-de-Fonds

Statement and notes for the year ended
March 31, 2022



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As statutory auditors, we have examined the accompanying financial statements of SVADS Holdings SA, which comprise the balance sheet, income statement and notes for the year ended March 31, 2022.

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

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

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

We would like to point out that in the absence of freely disposable reserves, the loan to related parties of CHF 6'588'507.56 constitutes a return of capital contributions that is prohibited under Art. 680 para. 2 CO.

La Chaux-de-Fonds, July 22, 2022

FIDUCONSULT ACTA SA

Laszlo Kelemen
Auditor in charge
Licenced Audit Expert

Kevin Lombard
Licenced Auditor

Enclosures :

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

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SVADS Holdings SA
La Chaux-de-Fonds

BALANCE SHEET AS OF MARCH 31,		2022	2021
	Notes	CHF	CHF
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalent and assets held for short-term disposal with a quote market price		11'120.50	42'531.52
Trade accounts receivables	3.	1'757'835.00	1'885'725.00
Short-term loan to group companies	4.	6'588'507.56	7'484'918.51
Prepaid expenses and accrued incomes		796'937.06	433'486.08
TOTAL CURRENT ASSETS		9'154'400.12	9'846'661.11
NON-CURRENT ASSETS			
Intangible assets	5.	357'862.72	383'382.76
TOTAL NON-CURRENT ASSETS		357'862.72	383'382.76
TOTAL ASSETS		9'512'262.84	10'230'043.87

SVADS Holdings SA
La Chaux-de-Fonds

BALANCE SHEET AS OF MARCH 31,		2022	2021
	Notes	CHF	CHF
LIABILITIES			
SHORT-TERM LIABILITIES			
Trade accounts payables		135'738.27	132'132.47
Amount due to related party/group company		37'447.30	38'885.35
Accrued expenses and deferred income	6.	114'330.00	77'900.65
TOTAL SHORT-TERM LIABILITIES		287'515.57	248'918.47
SHAREHOLDERS' EQUITY			
Share capital		12'788'136.00	12'788'136.00
Balance sheet result			
(Loss) carried forward		(2'807'010.60)	(3'555'394.70)
Profit / (loss) for the period		(756'378.13)	748'384.10
TOTAL SHAREHOLDERS' EQUITY		9'224'747.27	9'981'125.40
TOTAL LIABILITIES		9'512'262.84	10'230'043.87

SVADS Holdings SA
La Chaux-de-Fonds

PROFIT AND LOSS STATEMENT		2022	2021
	Notes	CHF	CHF
Revenue from sales of goods and services	8.	0.00	603'900.00
TOTAL INCOMES		0.00	603'900.00
Other operating expenses			
Other operating expenses	9.	(11'201.15)	(619'473.63)
Amortization/depreciation and impairment losses		(25'520.04)	(25'520.37)
TOTAL OTHER OPERATING EXPENSES		(36'721.19)	(644'994.00)
OPERATING INCOME		(36'721.19)	(41'094.00)
Other incomes / expenses			
Financial expenses	10.	(565.16)	(245.45)
Currency exchange gain/loss		(661'603.22)	811'648.68
TOTAL AUTRES PRODUITS/(CHARGES), net		(662'168.38)	811'403.23
RESULT BEFORE TAXES		(698'889.57)	770'309.23
Taxes		(57'488.56)	(21'925.13)
PROFIT / (LOSS) FOR THE PERIOD		(756'378.13)	748'384.10

A INTRODUCTION

1. GENERAL

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

2. SUMMARY OF ACCOUNTING PRICIPLES

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

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

3. TRADE ACCOUNTS RECEIVABLES

	2022	2021
Rec. - Unbilled revenue (licensing)	1'757'835.00	1'885'725.00
Total trade accounts receivables	<u>1'757'835.00</u>	<u>1'885'725.00</u>

4. SHORT-TERM LOAN TO GROUP COMPANIES

	2022	2021
Strides Pharma International Limited	3'598'801.08 *	3'887'600.61
Strides Arcolab International Limited	2'989'706.48 *	3'597'317.90
Total other short-term receivables	<u>6'588'507.56</u>	<u>7'484'918.51</u>

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

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31,

5. INTANGIBLE ASSETS

	2022	2021
Opening Balance	383'382.76	408'903.13
Amortisation for the year	(25'520.04)	(25'520.37)
Closing Balance	357'862.72	383'382.76

6. ACCRUED EXPENSES AND DEFERRED INCOME

	2022	2021
Accrual audit & consulting	6'530.00	16'100.65
Accrual directors fees	5'000.00	5'000.00
Accrual taxes	102'800.00	56'800.00
Total accrued expenses and deferred income	114'330.00	77'900.65

7. SHAREHOLDERS' EQUITY

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

8. REVENUE FROM SALES OF GOODS AND SERVICES

	2022	2021
Product development income	0.00	603'900.00
Total accrued expenses and deferred income	0.00	603'900.00

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31,

9. OTHER OPERATING EXPENSES

	2022	2021
Regulation fees	0.00	14'638.28
Director sitting fees	5'000.00	5'000.00
Rates & taxes, professional fees	2'970.15	0.00
Research and development	0.00	593'858.00
Audit fees	3'231.00	5'977.35
Total other operating expenses	11'201.15	619'473.63

10. OTHER FINANCIAL EXPENSES

	2022	2021
Other financial expenses	565.16	245.45
Total other financial expenses	565.16	245.45

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2022	2021
Amount paid toward Market Registration	363'450.98	0.00
Amounts paid towards Research and Development expenditure 2021	0.00	593'858.00

12. RISK ANALYSIS

The Company's risk assessment conducted in the year 2009/2010 and formally approved by the Board of Directors on 18 June 2009 was renewed for the year 2021/2022.

SVADS Holdings SA
La Chaux-de-Fonds

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

	2022 CHF	2021 CHF
Available earnings		
Profit carried forward	(2'807'010.60)	(3'555'394.70)
Loss for the year from P&L	(756'378.13)	748'384.10
	(3'563'388.73)	(2'807'010.60)
Proposal of the Board of Directors		
Carried forwards	(3'563'388.73)	(2'807'010.60)
	(3'563'388.73)	(2'807'010.60)