**Jubilant Pharma Limited**
**Condensed Consolidated Statement of Financial Position**
**(All amounts in USD, unless otherwise stated)**

| | As at 30 June 2018 | As at 31 March 2018 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 276,854,884 | 278,365,913 |
| Goodwill | 165,806,086 | 168,634,149 |
| Other intangible assets | 113,035,780 | 117,320,360 |
| Other financial assets | 48,440,620 | 50,843,675 |
| Income tax assets | 1,354,692 | 1,422,997 |
| Deferred tax assets (net) | 24,814,317 | 25,759,953 |
| Other non-current assets | 5,402,157 | 4,763,262 |
| **Total non-current assets** | **635,708,536** | **647,110,309** |
| | | |
| **Current assets** | | |
| Inventories | 121,690,887 | 112,185,889 |
| Trade receivables | 88,372,406 | 105,941,967 |
| Other financial assets | 9,334,521 | 8,679,471 |
| Income tax assets | 17,195 | 910,651 |
| Other current assets | 22,508,955 | 23,213,426 |
| Cash and cash equivalents | 37,279,502 | 27,086,489 |
| **Total current assets** | **279,203,466** | **278,017,893** |
| | | |
| **Total assets** | **914,912,002** | **925,128,202** |
| | | |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Equity share capital | 326,758,994 | 326,758,994 |
| Merger reserve | (68,787,724) | (68,787,724) |
| Retained earnings | 183,896,151 | 160,303,396 |
| Foreign currency translation reserve | (42,754,244) | (22,222,177) |
| Other components of equity | (11,897,672) | (11,885,843) |
| **Total equity** | **387,215,505** | **384,166,646** |
| | | |
| **LIABILITIES** | | |
| Loans and borrowings | 398,981,149 | 394,002,286 |
| Employee benefits | 3,580,150 | 3,808,701 |
| Deferred tax liabilities (net) | 18,081,009 | 16,693,790 |
| Provisions | 2,173,297 | 2,168,810 |
| Other non-current liabilities | 1,061,056 | 1,190,536 |
| **Total non-current liabilities** | **423,876,661** | **417,864,123** |
| | | |
| **Current liabilities** | | |
| Loans and borrowings | 10,133,776 | 14,489,963 |
| Employee benefits | 18,069,238 | 16,956,491 |
| Trade payables | 58,019,770 | 62,176,755 |
| Other financial liabilities | 7,421,784 | 11,488,868 |
| Income tax liabilities | 3,175,233 | 9,395,279 |
| Other current liabilities | 7,000,035 | 8,590,077 |
| **Total current liabilities** | **103,819,836** | **123,097,433** |
| **Total liabilities** | **527,696,497** | **540,961,556** |
| | | |
| **Total equity and liabilities** | **914,912,002** | **925,128,202** |

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Jubilant Pharma Limited**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**(All amounts in USD, unless otherwise stated)**

| | **Quarter ended 30 June 2018** | **Quarter ended 30 June 2017** |
|---|---|---|
| Revenue from operations | 176,472,199 | 125,133,331 |
| Other income | 2,514,588 | 377,818 |
| **Total income** | **178,986,787** | **125,511,149** |
| | | |
| Cost of materials consumed | 51,983,496 | 29,354,196 |
| Purchases of stock-in-trade | 3,259,731 | 1,465,998 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | (11,756,953) | (4,150,498) |
| Employee benefits expense | 52,807,323 | 34,343,092 |
| Depreciation, amortisation and impairment | 9,853,712 | 8,013,180 |
| Other expenses | 31,974,853 | 24,109,826 |
| | | |
| **Result from operating activities** | **40,864,625** | **32,375,355** |
| | | |
| Finance income | 1,127,606 | 1,167,031 |
| Finance costs | 7,333,838 | 6,341,148 |
| **Net finance costs** | **(6,206,232)** | **(5,174,117)** |
| | | |
| **Profit before tax** | **34,658,393** | **27,201,238** |
| Income tax expense | 11,065,638 | 9,047,137 |
| **Profit for the period** | **23,592,755** | **18,154,101** |
| | | |
| **Other comprehensive income/(loss)** | | |
| | | |
| ***Items that will be reclassified to profit or loss*** | | |
| Exchange differences on translation of foreign operations | (20,532,067) | 7,601,212 |
| | | |
| ***Items that will not be reclassified to profit or loss*** | | |
| Remeasurements of defined benefit obligations | (18,183) | (61,712) |
| Income tax relating to items that will not be reclassified to profit or loss | 6,354 | 21,357 |
| | | |
| **Other comprehensive income for the period, net of tax** | **(20,543,896)** | **7,560,857** |
| | | |
| **Total comprehensive income for the period** | **3,048,859** | **25,714,958** |

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Jubilant Pharma Limited**
**Condensed Consolidated Statement of Changes in Equity**
**(All amounts in USD, unless otherwise stated)**

| | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Equity share capital **** | **Merger reserve #** | **Other capital reserve # #** | **Remeasurements of defined benefit obligations @@** | **Foreign currency translation reserve $** | **Retained earnings** | **Total equity** |
| **Balance as at 1 April 2017** | **326,758,994** | **(68,787,724)** | **(11,441,561)** | **(397,738)** | **(29,087,576)** | **111,186,516** | **328,230,911** |
| Profit for the period | - | - | - | - | - | 18,154,101 | 18,154,101 |
| Other comprehensive income | - | - | - | (40,355) | 7,601,212 | - | 7,560,857 |
| **Total comprehensive income for the quarter** | **-** | **-** | **-** | **(40,355)** | **7,601,212** | **18,154,101** | **25,714,958** |
| **Balance as at 30 June 2017** | **326,758,994** | **(68,787,724)** | **(11,441,561)** | **(438,093)** | **(21,486,364)** | **129,340,617** | **353,945,869** |
| | | | | | | | |
| **Balance as at 1 April 2018** | **326,758,994** | **(68,787,724)** | **(11,441,561)** | **(444,282)** | **(22,222,177)** | **160,303,396** | **384,166,646** |
| Profit for the period | - | - | - | - | - | 23,592,755 | 23,592,755 |
| Other comprehensive income | - | - | - | (11,829) | (20,532,067) | - | (20,543,896) |
| **Total comprehensive income for the quarter** | **-** | **-** | **-** | **(11,829)** | **(20,532,067)** | **23,592,755** | **3,048,859** |
| **Balance as at 30 June 2018** | **326,758,994** | **(68,787,724)** | **(11,441,561)** | **(456,111)** | **(42,754,244)** | **183,896,151** | **387,215,505** |
| | | | | | | | |

** No. of shares as at 30 June 2018 and 31 March 2018 is 326,758,994. There is no change in the number of shares during the current quarter. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings

\# Represents difference between the consideration and carrying amount of net assets/liabilities for transactions among entities under common control to transfer out/in of any business or shares of entities under common control.

\#\# Primarily represents effect of transactions with shareholders (other than those accounted for in merger reserve).

@@ Remeasurement of defined benefit obligations comprises actuarial gains and losses and return on plan assets

$ Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within the equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Jubilant Pharma Limited**
**Condensed Consolidated Statement of Cash Flows**
**(All amounts in USD, unless otherwise stated)**

| Particulars | Quarter ended 30 June 2018 | Quarter ended 30 June 2017 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | 34,658,393 | 27,201,238 |
| Adjustments for: | | |
| Depreciation, amortization and impairment | 9,853,712 | 8,013,180 |
| Unrealised foreign exchange gain, net | (1,318,976) | (568,218) |
| Finance income | (1,127,606) | (1,167,031) |
| Finance costs | 7,333,838 | 6,341,148 |
| Loss / (gain) on disposal of property, plant and equipment (net) | 15,671 | (264) |
| **Operating cash flow before working capital changes** | **49,415,032** | **39,820,053** |
| Decrease in trade receivable | 16,268,805 | 12,138,342 |
| Decrease / (increase) in other assets including other financial assets | 4,931,750 | (2,326,995) |
| Increase in inventories | (11,855,994) | (5,840,018) |
| (Decrease) / increase in trade payables | (6,579,858) | 616,852 |
| Decrease in other liabilities including other financial liabilities | (692,576) | (1,667,931) |
| **Cash generated from operations** | **51,487,159** | **42,740,303** |
| Income taxes paid (net of refund) | (14,594,358) | (13,479,607) |
| **Net cash generated from operating activities** | **36,892,801** | **29,260,696** |
| **B. Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment and other intangible assets | (13,013,698) | (12,949,831) |
| Proceeds from disposal of property, plant and equipment | 64,215 | 481 |
| Acquisition of business (refer note 10) | (1,462,353) | - |
| Interest received | 177,834 | 231,561 |
| Others | - | (48,792) |
| **Net cash used in investing activities** | **(14,234,002)** | **(12,766,581)** |
| **C. Cash flow from financing activities** | | |
| Repayment of long term loans and borrowings ^ | (475,727) | (21,307,023) |
| (Repayments of) / proceeds from short term loans repayable on demand, net | (2,628,759) | 6,979,813 |
| Repayments of loans to related parties | (1,045,868) | (1,050,000) |
| Finance costs paid | (7,610,163) | (7,957,507) |
| **Net cash used in financing activities** | **(11,760,517)** | **(23,334,717)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C+D)** | **10,898,282** | **(6,840,602)** |
| D. Effect of exchange rate changes | (705,269) | 580,908 |
| Cash and cash equivalents at the beginning of the period | 27,086,489 | 48,409,120 |
| **Cash and cash equivalents at the end of the period** | **37,279,502** | **42,149,426** |

^ Revolver credit facility of Jubilant HollisterStier LLC is presented on net basis

The accompanying notes form an integral part of these condensed consolidated financial statements.

## Note 1. Corporate Information

Jubilant Pharma Limited ("JPL, Singapore" or "the Company") is incorporated and domiciled in Singapore. The address of its registered office is 160 Robinson Road, #17-01 SBF Center, Singapore 068914. The address of its principal place of business is 6 Temasek Boulevard, #20-06 Suntec Tower Four, Singapore 038986.

Jubilant Life Sciences Limited ("Jubilant India") is the immediate and ultimate holding company of JPL, Singapore.

Jubilant Pharma Limited through its subsidiaries in USA, Canada, Europe and India is engaged in manufacturing and marketing of various pharmaceutical products and services like active pharmaceutical ingredients, dosage forms (tablets and capsules), contract manufacturing of sterile injectables, allergy therapy products and radiopharmaceutical products in various markets spread over United States, Canada, Europe, Asia and other geographies identified on the basis of revenue earned.

## Note 2. Basis of accounting

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2018 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

## Note 3. Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are same as those applied in the last annual financial statements.

Effective 1 April 2018, the Group adopted IFRS 15 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of IFRS 15 on the condensed consolidated interim financial statements.

## Note 4. Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2018.

## Note 5. Recent accounting pronouncements

### Standards issued but not adopted

***IFRS 16, Leases***

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 April 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases of warehouse and factory facilities.

In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Group does not expect the adoption of IFRS 16 to impact its ability to comply with the loan covenants.

i. Determining whether an arrangement contains a lease

   On transition to IFRS 16, the Group can choose whether to:
   - apply the IFRS 16 definition of a lease to all its contracts; or
   - apply a practical expedient and not reassess whether a contract is, or contains, a lease.

   The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

ii. Transition

   As a lessee, the Group can either apply the standard using a:
   - retrospective approach; or
   - modified retrospective approach with optional practical expedients.

   The lessee applies the election consistently to all of its leases.

The Group plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

***IFRIC 23, Uncertainty over Income Tax treatments***

On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 "Income taxes", are applied where there is uncertainty over income tax treatments IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.

The interpretation provides specific guidance in several areas where previously IAS 12 was silent. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IFRIC Interpretation 23 is effective for annual reporting period beginning on or after 1 January 2019. The Group is in the process of evaluating the impact of the interpretation.

**Annual improvements — 2015-2017 cycle**

In December 2017, IASB has issued the Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRSs. The amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted.

***IAS 12, Income Taxes***

An entity shall recognise the income tax consequences of dividends as defined in IFRS 9 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group is in the process of evaluating the impact of the amendment on its consolidated financial statements.

***IAS 23, Borrowing Costs***

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group is in the process of evaluating the impact of the amendments on its consolidated financial statements.

## Note 6. Loans and borrowings (current and non-current)

| | Currency | Nominal interest rate | Year of maturity | Face value | Carrying amount |
|---|---|---|---|---|---|
| **Balance as at 31 March 2018** | | | | | **408,492,249** |
| **Additions** | | | | | |
| - Finance lease obligations | USD | 4%-5% p.a. | 2021 | 1,861,771 | 1,861,771 |
| - Increase in fair value of stock settled debt instrument | USD | - | - | - | 3,270,000 |
| **Repayments** | | | | | |
| - Short term loans repayable on demand, net | INR | 6%-9% p.a. | - | (2,628,759) | (2,628,759) |
| - Short term loans from related parties, net | INR | 7% p.a. | - | (1,045,870) | (1,045,870) |
| - Finance lease obligations | USD | 4%-5% p.a. | | (475,727) | (475,727) |
| **Others** | | | | | (358,739) |
| **Balance as at 30 June 2018** | | | | | **409,114,925** |

## Note 7. Fair value measurements

| | | | As at 30 June 2018 | | | As at 31 March 2018 | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Level of hierarchy | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| ***Financial assets*** | | | | | | | | |
| Trade receivables | (a) | | - | - | 88,372,406 | - | - | 105,941,967 |
| Cash and cash equivalents | (a) | | - | - | 37,279,502 | - | - | 27,086,489 |
| Other financial assets | (d),(e) | 3 | - | - | 57,775,141 | - | - | 59,523,146 |
| **Total financial assets** | | | **-** | **-** | **183,427,049** | **-** | **-** | **192,551,602** |
| ***Financial liabilities*** | | | | | | | | |
| Loans and borrowings | (c),(e) | 1,3 | 100,170,000 | - | 308,944,925 | 96,900,000 | - | 311,592,249 |
| Trade payables | (a) | | - | - | 58,019,770 | - | - | 62,176,755 |
| Employee benefits | (a),(b) | | - | - | 21,649,388 | - | - | 20,765,192 |
| Other financial liabilities | (a) | | - | - | 7,421,784 | - | - | 11,488,868 |
| **Total financial liabilities** | | | **100,170,000** | **-** | **396,035,867** | **96,900,000** | **-** | **406,023,064** |

### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values of loans and borrowings, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|---|
| Loans and borrowings (stock settled debt instrument) | *Discounted cash flows:* The valuation model considers the weighted present value of payments required to be made to the lender upon the occurrence or non-occurrence of specific events (i.e. Initial Public Offering, Private Equity Investment) | • Probabilities assigned to the occurrence of specific events each of which has a specified payout to the lender.<br>• Adjusted discount rate 14% (31 March 2018: 14%) | The estimated fair value would increase (decrease) if the probabilities assigned to the occurrence of an IPO were greater (lower); the adjusted discount rate was lower (higher) |

**Financial instruments not measured at fair value**

The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments not measured at fair value:

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|---|
| Other financial assets (loan to related parties) | *Discounted cash flows:* The valuation model considers the present value of expected receipts discounted using an adjusted discount rate | Adjusted discount rate 9.39% (31 March 2018: 8.47%) | The estimated fair value would increase (decrease) if the adjusted discount rate was lower (higher) |

Although the Group believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements of the stock settled debt instrument, changing one or more of the assumptions used to reasonably possible alternative assumptions would reduce profit or loss by the following amounts:

| | Impact on profit or loss |
|---|---|
| **30 June 2018** | |
| 100% probability assigned to an IPO being achieved one year later | (5,247,086) |
| **30 June 2017** | |
| 100% probability assigned to an IPO being achieved one year later | (7,796,501) |

**Note:**

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial liabilities has not been disclosed as there is no significant difference between carrying value and fair value.

(c) Fair value of loans and borrowings is as below:

| | Level | Fair value | |
|---|---|---|---|
| | | **As at 30 June 2018** | **As at 31 March 2018** |
| Bond | **1** | 290,610,000 | 294,750,000 |
| Other borrowings (including current maturities)* | **3** | 112,345,123 | 111,951,024 |
| **Total** | | **402,955,123** | **406,701,024** |

* The fair value of borrowings is based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

| | **As at 30 June 2018** | **As at 31 March 2018** |
|---|---|---|
| Opening balance | 96,900,000 | 86,189,548 |
| Loss recognised in profit or loss (included in finance costs) | 3,270,000 | 10,710,452 |
| **Closing balance** | **100,170,000** | **96,900,000** |

(d) Fair value of other financial assets is as below:

| | Level | Fair value | |
|---|---|---|---|
| | | **As at 30 June 2018** | **As at 31 March 2018** |
| Other financial assets * | **3** | 56,595,403 | 59,570,047 |

* The fair value of other financial assets is based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance income over the life of the asset and current market interest rates.

(e) There are no transfers between level 1, level 2 and level 3 during the quarter ended 30 June 2018 and year ended 31 March 2018.

**Note 8. Segment information**

The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of segment and to make decision about allocation of resources. Hitherto, the Group presented "Pharmaceuticals" as one operating segment, however driven by market conditions and other business developments during the year ended 31 March 2018, the CODM decided to regularly review information at below mentioned segment levels. Accordingly, the Group has determined following reportable segment based on nature of its product and service and previous period figure have now been presented to conform to current period presentation: (i) Active Pharmaceuticals Ingredients (APIs) and Generics; and (ii) Speciality Pharmaceuticals.

**Information about reportable segments**

| | **Total segment revenue** | | **Inter-segment revenue** | | **Revenue from external customers** | |
|---|---|---|---|---|---|---|
| | **Quarter ended 30 June 2018** | **Quarter ended 30 June 2017** | **Quarter ended 30 June 2018** | **Quarter ended 30 June 2017** | **Quarter ended 30 June 2018** | **Quarter ended 30 June 2017** |
| **REVENUE** | | | | | | |
| APIs and Generics | 54,551,110 | 52,419,606 | 41,000 | 41,000 | 54,510,110 | 52,378,606 |
| Specialty Pharmaceuticals | 121,962,089 | 72,754,725 | - | - | 121,962,089 | 72,754,725 |
| **Total** | 176,513,199 | 125,174,331 | 41,000 | 41,000 | 176,472,199 | 125,133,331 |

| | Quarter ended 30 June 2018 | Quarter ended 30 June 2017 |
|---|---|---|
| **RESULTS** | | |
| APIs and Generics | 6,729,726 | 3,658,035 |
| Specialty Pharmaceuticals | 37,505,001 | 31,001,132 |
| **Segment total** | 44,234,727 | 34,659,167 |
| Un-allocated corporate expenses (net of un-allocated income) | (3,370,102) | (2,283,812) |
| Finance income | 1,127,606 | 1,167,031 |
| Finance costs | (7,333,838) | (6,341,148) |
| **Profit before tax** | 34,658,393 | 27,201,238 |
| Income tax expense | (11,065,638) | (9,047,137) |
| **Profit for the year** | 23,592,755 | 18,154,101 |

| | Segment assets | | Segment liabilities | |
|---|---|---|---|---|
| | As at 30 June 2018 | As at 31 March 2018 | As at 30 June 2018 | As at 31 March 2018 |
| APIs and Generics | 387,108,748 | 402,942,945 | 42,955,435 | 46,351,984 |
| Specialty Pharmaceuticals | 463,456,074 | 466,128,888 | 51,350,560 | 52,293,557 |
| **Segment total** | 850,564,822 | 869,071,833 | 94,305,995 | 98,645,541 |
| Un-allocated corporate assets / liabilities | 64,347,180 | 56,056,369 | 433,390,502 | 442,316,015 |
| **Total** | 914,912,002 | 925,128,202 | 527,696,497 | 540,961,556 |

**Note 9. Income tax expense**

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

**Reconciliation between average effective tax rate and applicable tax rate for the quarter ended 30 June 2018 and 30 June 2017:**

| | Quarter ended 30 June 2018 | Quarter ended 30 June 2017 |
|---|---|---|
| Profit from continuing operations before Income Tax Expense | 34,658,393 | 27,201,238 |
| Statutory Tax Rate | 17% | 17% |
| Tax at Singapore Tax rate of 17% | 5,891,927 | 4,624,210 |
| **Tax effect of amounts which are not deductible (taxable) in calculating Taxable Income** | | |
| Incremental allowance for research and development | (654,717) | (597,067) |
| Effect of state taxes | 93,649 | 30,413 |
| Tax rate difference | 5,184,642 | 3,780,678 |
| Others* | 550,137 | 1,208,903 |
| | **11,065,638** | **9,047,137** |

* Primarily includes effect of tax on exempt income, non-deductible expenses, prior year reassessments, utilization / recognition of deferred tax assets, which was originally recognized through equity.

## Note 10. Business combination

On 31 August 2017, subject to customary closing conditions, the Group, through Jubilant Draximage Radiopharmacies Inc. (a wholly owned step-down subsidiary), acquired through an Asset Purchase Agreement ("APA") substantially all of the assets comprising the Radiopharmacy Business and assumed only certain specific, related liabilities, from Triad Isotopes, Inc. ("Triad") for a purchase consideration of 21,605,722. The acquisition cost of 2,504,000 has been expensed as incurred and included as part of legal and professional expense within other expenses during the previous year.

Triad operated the second largest radiopharmacy network in the US with more than 50 pharmacies under its fold. This acquisition is a strong strategic fit with our niche radiopharma business and will help us better directly serve healthcare providers and their patients with high quality radiopharma products.

This being a business purchase has been accounted for in accordance with the IFRS 3(R) "Business Combinations" and the preliminary purchase price allocation as at 30 June 2018 due to pending finalization of certain information about fair valuation of few items of property, plant and equipment and other intangible assets.

The following table summarizes the recognized amount of assets acquired and liabilities assumed at the date of acquisition:

| **Particulars** | **Fair value** |
|---|---:|
| Property, plant and equipment | 8,499,210 |
| Other intangible assets | 1,614,339 |
| Inventories | 4,774,213 |
| Trade receivables | 16,594,094 |
| Other financial assets | 3,351,984 |
| Other assets | 978,130 |
| Loans and borrowings | (3,003,722) |
| Provisions | (2,158,863) |
| Trade payables | (16,756,323) |
| Employee benefits | (3,316,838) |
| Other liabilities | (344,336) |
| **Net assets acquired** | **10,231,888** |
| Goodwill | 11,373,834 |
| **Total consideration paid in cash** | **21,605,722** |

Goodwill comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for tax purposes.