

UMUTHI HEALTHCARE SOLUTIONS PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

UMUTHI HEALTHCARE SOLUTIONS PLC

COMPANY INFORMATION

Directors

C Bloom
S Gresse
P J Grimes
G P Viljoen

Company Number

11208220 (England and Wales)

Registered Office

Fitzrovia
27-28 Eastcastle Street
London
W1W 8DH

Auditors

Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

UMUTHI HEALTHCARE SOLUTIONS PLC

CONTENTS

	Page
Directors report	1
Strategic report	3
Independent auditors' report	13
Statement of comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Statement of cash flows	18
Notes to the financial statements	19

UMUTHI HEALTHCARE SOLUTIONS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present their annual report and the audited financial statements for the year ended 29 February 2020.

Directors

The following directors have held office during the period:

C Bloom
S Gresse
P J Grimes
G P Viljoen

Principal activity

The principal activity of the Company is that of an investment company focused on healthcare businesses in South Africa.

The Company was incorporated on 15 February 2018.

Strategic Report

In accordance with section 414C(11) of the Companies Act 2006 the Company chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Company in the Strategic Report on pages 3-12.

Dividend

No dividend is proposed.

Going concern

The directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of preparation for its financial statements.

UMUTHI HEALTHCARE SOLUTIONS PLC

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Jeffrey's Henry LLP be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether the Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the Companies Act 2006.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



GP VILJOEN

Director

20 April 2021

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

Principal activity

Umuthi Healthcare, the company's subsidiary (together "Umuthi"), is a technology led healthcare business based in South Africa, focused on the distribution of pharmaceuticals and the provision of medical facilities in remote areas

Review of business and future developments

A summary of the Company's results is given on page 15 of the financial statements.

Company Overview

Umuthi is a revolutionary healthcare group which combines healthcare and technology in a seamless platform which has been developed by its experienced management team over the past 10 years. This MedTech model is exciting in terms of market trends and leading-edge technology.

Umuthi currently has its main operations in South Africa but is looking to expand organically and by way of acquisition in the regions of Africa and Europe. This is possible due to the low-risk business model being ideal for the current global environment caused by the COVID-19 pandemic.

Whilst operating in a highly regulated environment and as a result of South Africa having clusters of highly developed cities and expansive rural areas, general practitioners ("GP's) are required to dispense medicines from their consulting rooms. Large pharmaceutical companies are not permitted to transact with client's directly, therein giving an opportunity for companies such as Umuthi to provide the warehousing and distribution capabilities to client's.

Company Highlights:

- Umuthi's technology platform, which has been developed over many years, utilises a highly innovative mobile application available to download on any smartphone
- The Company is launching its proprietary app which bypasses traditional distributors and trades directly with healthcare suppliers with a direct-to-market solution with standardized fulfilment and distribution services, which are fully integrated with both multi-channel order management and accounts receivable capabilities.
- Umuthi onboarded 2,000 clients during the previous financial year which represents a single digit fraction of the immediately available customers to its MedTech platform
- The bespoke platform enables the Group to pursue joint ventures with other companies and groups for providing access to the distribution network
- Umuthi is in discussions to distribute COVID-19 vaccines and related products via its distribution and warehousing capabilities

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

Objectives & Business Strategy

In 2010 the directors, identified what he believed to be a gap in the market pertaining to the healthcare industry whereby general practitioners and specialists' consultants in South Africa required assistance with practice management and other financial aspects of their practices.

They established V Professional Services to provide these practice management and financial services, having worked closely with medical practitioners for a number of years, he then became aware of the requirements of such practitioners for a reliable and efficient supply of pharmaceutical products. The directors formed Lems to meet this need.

Lems, which commenced trading in January 2017 and was acquired by Umuthi in January 2019 pursuant to the Share Exchange Agreements, supplies prescription and other medicines to medical practitioners and health centres with onsite dispensaries in rural and non-rural areas of South Africa.

Lems has purchase arrangements with two established pharmaceutical manufacturers and links with networks of clients across South Africa via the VProf Contract and V Professional Services.

The Directors believe that the Group's strategy reflects anticipated changes to medical environments. Already, a growing number of inpatient health care services are being pushed to the home and outpatient ambulatory facilities; however, many complex and very ill patients will continue to need sub-acute (step down) inpatient services. With ageing infrastructure in some countries and demand for more beds in others, the Group plans to develop its business with a view to improving inpatient and outpatient service connections with consumers and integrating digital technologies into traditional hospital services.

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

The Group's aim is to have four principal business segments, which will be:

- Supplying pharmaceuticals and other medical products to medical practitioners and dispensaries;
- Owning and operating medical facilities, including hospitals and clinics;
- Providing diagnostic solutions and facilitating medical research; and
- Offering medical insurance.

Current & Proposed Activities

The Group comprises a technology enabled healthcare business, which is principally undertaken by Lems, which delivers medical products to medical practitioners in South Africa. The Group has also entered into certain conditional agreements or letters of intent with third parties with the aim of developing a portfolio of medical centres and offering a range of related services.

The main operating subsidiary, Lems, incorporated in South Africa, supplies prescription and other medicines (known under South African regulations as "schedule 1-6 medicines") to medical practitioners and health centres with onsite dispensaries in rural and non-rural areas of South Africa. Lems has purchase arrangements with two established pharmaceutical manufacturers and links with networks of clients across the country via the VProf Contract and V Professional Services

The Directors have, among other things, relevant experience in the supply and distribution of pharmaceutical products and medicines in South Africa as well as in pharmaceutical licensing. The business is not subject to seasonal risks and the Directors believe that there will always be the requirement for medical facilities and suppliers of medicines for healthcare professionals.

Under the terms of the VProf Contract, V Professional Services is obligated to give the Group access to its internal database of clients and medical practitioners, refer clients and medical practitioners to the Group and provide relevant sales leads. In addition, V Professional Services will advertise the Group's services and make the Lems App available on its website

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

Supplying pharmaceutical retailers

Lems supplies prescription and other medicines (known as MCC “schedule 1-6” medicines) to medical practitioners and health centres with onsite dispensaries in South Africa. Any medicine classified as schedule 3 or higher is treated as a prescription medicine. Lems purchases medicines from two established pharmaceutical manufacturers (Adcock Ingram and Aspen) and has links with networks of clients across South Africa. Lems leases and operates from a 550 square metre warehouse near Johannesburg, South Africa.

Lems and other medical wholesalers do not compete on price as standard prices for medicines are set by the South African government. Lems therefore makes a set mark-up on each product sold. The gross margin made by Lems on products averages 20%. As a result, quick and efficient product delivery allows Lems to distinguish itself from the competition and reduce costs.

Lems operates in a captive, determinable market where there is a standard confirmed average spend per customer, no seasonal risks and where sales prices are governed by law. This ensures a clear, scalable model for continuous earnings and growth.

Lems, as a result of the VProf Contract and its association with V Professional Services, has access to the medical professionals recognised by this SAMA. Lems therefore benefits from SAMA’s extensive network and the marketing benefits and opportunities that accompany this.

Lems Application

Lems plans to utilise the Lems App which has been designed to enhance its product delivery offering by providing its product catalogue online to customers and enabling them to view their order status and track deliveries. The Lems App is a healthcare platform which combines up to date infrastructure and software with professional medical and laboratory devices. The Lems App was developed by V Professional Services for and on behalf of Lems and V Professional Services assigned all rights and title to Lems along with all future profits to be generated as a result of the utilisation of the Lems App.

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued)

FOR THE YEAR ENDED 29 FEBRUARY 2020

This app bypasses traditional distributors and trades directly with healthcare suppliers with a direct-to-market solution. The app has standardized fulfilment and distribution services, which are fully integrated with both multi-channel order management and accounts receivable capabilities. Significant development has gone into the app, inter alia to interface with updated medicine lists, updated weekly on the back-end. General practitioners select the required order in app and attend to payment through technology based payment portals. In a manner not dissimilar to food delivery apps, delivery is outsourced to medical courier companies, ensuring the risks and costs of delivery is not borne by Umuthi.

The interactive nature of the app allows for a seamless onboarding procedure of a client or pharmacy. The app will not only work for urban pharmacies and clients but will also cater directly to rural dispensing clients who currently have to drive far distances to the closest dispensing warehouse which is inefficient and reduces the time that can be spent on seeing patients and increasing revenue. The app also includes an interactive monitoring of minimum stock levels in the client's dispensary. When minimum stock labels are reached, the app will generate a notification to the client of an order to be placed.

Medical wholesalers are unable to compete on price and, by offering the Lems App, the Directors believe the Group will distinguish itself from competitors as well as enhancing cash flow, as all in-app payments are virtually instantaneous.

Whilst the Lems App has already been made available to certain clients of V Professional Services as part of a soft launch, the Company intends to conduct a formal launch shortly after Admission. This formal launch will include the Lems App being made available on the V Professional Services and SAMA websites (in accordance with the terms of the VProf Contract) and will coincide with the conduct of the marketing campaign.

Market and Competitive Environment

Pharmaceutical demand worldwide was estimated at \$1.25 trillion in 2019, of which 22% of that was in emerging markets. It is expected that growth in emerging markets will be driven by three primary trends:

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued)

FOR THE YEAR ENDED 29 FEBRUARY 2020

- volume growth of inexpensive generic medicines used to treat chronic diseases such as diabetes, cancer, heart disease and HIV in a growing and ageing population. This is particularly added to by the likelihood that the ageing population will survive for longer, despite suffering chronic diseases such as those listed;
- an increased ability of the population to pay for needed medicines, including through government supported programmes and/or charities and other donor supported initiatives; and
- the rise of urban middle classes, who are able to increase household spending. This should lead to an increase both in the number of people with health insurance, and also in the ability of households to pay for needed medication or supplies where insurance is not in place. This also leads to an increased demand for higher quality goods and services from an increasingly well-informed consumer group.

Supply chains of drugs and medical supplies are typically complex, with differing regulatory regimes and licensing laws potentially applying at different stages. In addition, visibility in these supply chains is often low, with little to no prior notice of deliveries. In addition, certain drugs require careful handling within temperature-controlled environments to ensure their safety. A breakdown of the supply chain could lead to such medicines being compromised, and therefore lead to a risk that consumers will receive low quality goods, or that the medicines will be unusable and therefore wasted costs.

Within Africa, the population of approximately 800 million (approximately 12% of global population) is estimated to bear a disproportionately high (estimated to be approximately 24%) of the global disease burden. This includes an estimated 22 million people with HIV, which represents approximately 67% of the global figure, and a high infant mortality death, of approximately 50% of global deaths of children under five years old. (*source: IMF, World Bank, African Development Bank*)

This is thought to be in part due to the difficulties in ensuring that medication and supplies are provided; the World Health Organisation estimates that more than 6.3 million children under the age of five die every year due to conditions that could be prevented or treated with simple, affordable medical care. Access to this medical care is made more difficult by transportation issues, including the “last mile” problem, which the Group’s proposed drone technology could work to overcome.

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued)

FOR THE YEAR ENDED 29 FEBRUARY 2020

African economies are growing faster than the economies of all other continents and approximately one third of the countries are seeing annual GDP growth of more than 6% (*source: IMF, World Bank, African Development Bank*)

In South Africa the standard sale price of pharmaceuticals is fixed by the South African Medicines Control Council.

Key Strengths

The Directors believe that the Group excels in pharmaceutical distribution by ensuring the consistent availability of quality medicines and supplies to pharmacies and clients in South Africa, ensuring that the Group is the preferred supplier of its customers. It also has access to a large pool of potential customers through V Professional Services and SAMA.

Access to groups of clients

The Group has a relationship with V Professional Services, a business owned by one of the Directors, Gerhardus Viljoen, which provides the Group with access to a network of medical practitioners in South Africa, being potentially a large customer base.

V Professional Services is a leading independent provider of accounting, administration and practice management services to independent medical practices in South Africa. Lems and V Professional Services have entered into an agreement whereby the V Professional Services will, amongst other things:

- make its database available to Lems;
- procure that Lems has access to the 25,000 clients registered with SAMA;
- refer its clients to Lems;
- seek to identify those of its clients that may be most interested in the Group's services and notify Lems of the details of such clients; and
- advertise Lems and promote the app on VProf's website and procure that SAMA do likewise.

Gerhardus Viljoen is essential to the development of the Group and its business plan due to his vision for the Group's future and the access to medical professionals that the Group is able to exploit by virtue of Gerhardus Viljoen's ownership of V Professional Services. The Company is considering engaging a senior medical practitioner as a non-executive director to strengthen the Company's relationship with the medical community, but no agreements have been reached to date.

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued)

FOR THE YEAR ENDED 29 FEBRUARY 2020

In terms of the provisions of regulation 19 of the Medicines Act, the licensee must notify the Registrar of Medicines of any changes to any particulars that was furnished in the application or appearing on the license e.g. change in business address, change in Responsible Pharmacist.

Risk Management

We recognise that effective risk management is essential to the successful delivery of the Company's strategy. As we continue to grow our business, we believe it is important to develop and enhance our risk management processes and control environment on an ongoing basis and ensure it remains fit for purpose. We continue to mature our approach to identifying and managing risks across the Company in a consistent and robust manner.

Below we describe our risk management approach, the principal risks and uncertainties faced by the Company and the controls in place to manage them.

Overview of risk management approach

The process of risk acceptance and risk management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is the first priority for the Company and the compliance team, and the finance department takes on an important oversight role in this regard.

The Company has a risk register, which provides a framework for identifying the risks that the Company is exposed to and their impact on the success of the business.

Principal risks and uncertainties

Set out below are the principal risks which we believe could materially affect the Company's ability to achieve its financial and operating objectives and control or mitigating activities adopted to manage them. The risks are not listed in order of significance.

Key employees:

Lack of retention of key employees affects the continuity and effectiveness of on-going relationships with key customers and suppliers. This risk is minimised by ensuring that remuneration packages are commensurate with the market as a whole.

Supply chain continuity:

The Company relies on third party manufacturers for the supply of the majority of raw materials. Problems with obsolescence, manufacturer facilities and political constraints relating to supplier operations may lead to delay and disruptions in the supply chain which could have a significant negative impact in the Company.

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

The Company maintains a close dialogue with key suppliers to ensure that any problems with the supply chain can be managed, and back up sources of supply are maintained where possible.

Regulatory risk:

There can be no guarantee that any of the Company's products will be able to obtain or maintain the necessary regulatory approvals in any or all of the territories in respect of which applications for such approvals are made. Where regulatory approvals are obtained, there can be no guarantee that the conditions attached to such approvals will not be considered too onerous by the Company or its future distribution partners in order to be able to market its products effectively. These regulations change on a regular basis and there is no guarantee that the Company will be able to meet and satisfy these regulations in the future.

The Company seeks to reduce this risk by manufacturing the products to recognised standards geographically, and by seeking advice from regulatory advisors and consultations with regulatory approval bodies.

Competition risk:

Certain of the Company's current and future potential competitors are substantial diagnostic product/service and healthcare companies, having significantly greater resources than those of the Company. The competitors may develop systems and products that are more effective or economic than any of those developed by the Company, rendering the Company's products obsolete or otherwise non-competitive.

The Company seeks to mitigate this risk by securing patent registration protection for its products, maintaining confidentiality agreements regarding the Company's know-how and technology, monitoring technological developments and by selecting leading businesses in their respective fields as distribution partners capable of addressing significant competition, should it arise.

Intellectual property risk:

The commercial success of the company and its ability to compete effectively with other companies depends, amongst other things, on its ability to obtain and maintain patents sufficiently broad in scope to provide protection for the Company's intellectual property rights against third parties and to exploit its products. The absence of any such patents may have a material adverse effect on the Company's ability to develop its business.

The Company mitigates this risk by developing products where legal advice indicates patent protection would be available, seeking patent protection for the Company's products, and maintaining Company know-how and software as trade secrets. The Company mitigates this risk by careful intellectual property vigilance during development and commercialisation of its products and services in each territory, and using strategies to avoid third party patent rights infringement, if such risk is identified.

UMUTHI HEALTHCARE SOLUTIONS PLC

STRATEGIC REPORT (Continued)
FOR THE YEAR ENDED 29 FEBRUARY 2020

Cyber security risk:

The Company uses computers extensively in its operations and has an online presence but does not trade online. It is at risk of attack through hacking or other methods.

This risk is mitigated by the use of robust security measures, staff training, back-up systems, and external third parties to advise and maintain our IT systems.

On behalf of the board



.....
G P VILJOEN
Director

20 April 2021

UMUTHI HEALTHCARE SOLUTIONS PLC

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

Opinion

We have audited the financial statements of Umuthi Healthcare Solutions PLC (the 'Company') for the period ended 28 February 2020 set out on pages 16 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to the statement of comprehensive income in the financial statements, which indicates that the Group incurred a net loss of £135,216 and had net cash outflows from operating activities of £135,216 for the year ended 29 February 2020. The current liabilities exceeded the current assets by £334,365 at 29 February 2020. The company is reliant on the support of its largest shareholder. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

UMUTHI HEALTHCARE SOLUTIONS PLC

INDEPENDENT AUDITOR'S REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

UMUTHI HEALTHCARE SOLUTIONS PLC

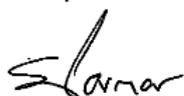
INDEPENDENT AUDITOR'S REPORT (Continued) FOR THE YEAR ENDED 29 FEBRUARY 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sanjay Parmar (Senior Statutory Auditor)
for and on behalf of

JEFFREYS HENRY LLP

Chartered Accountants and Statutory Auditors
Finsgate 5-7
Cranwood Street
London
EC1V 9EE

Date:

20 April 2021

UMUTHI HEALTHCARE SOLUTIONS PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2020

	Year to 29 February 2020	Period to 28 February 2019
	£	£
Revenue	-	-
Administrative expenses	135,216	214,150
Operating result	(135,216)	(214,150)
Finance income/(expense)	-	-
Result Before Taxation	(135,216)	(214,150)
Income tax	-	-
Total comprehensive loss for the period	(135,216)	(214,150)
Other comprehensive income:		
Items that may be reclassified profit or loss:		
Exchange differences on translating foreign operations	-	-
Other comprehensive loss for the year	(135,216)	(214,150)
Weighted average number of shares in issue ('million)	92	92
LOSS PER SHARE		
Basic and diluted loss per share (pence)	(0.15)	(0.23)
From continuing operations		

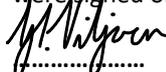
The notes on pages 19 to 28 are an integral part of these financial statements.

UMUTHI HEALTHCARE SOLUTIONS PLC

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2020

	29 February 2020	28 February 2019
	£	£
ASSETS		
Non-Current Assets		
Investment in Subsidiary	86,999	86,999
Total Non-Current Assets	86,999	86,999
Current Assets		
Other receivables	5,001	5,001
Total Assets	92,000	92,000
EQUITY AND LIABILITIES		
Current liabilities		
Intercompany Loan	349,366	214,150
Total liabilities	349,366	214,150
Equity Attributable to owners		
Share capital	90,000	87,000
Unpaid Share Capital	2,000	5,000
Retained earnings	(349,366)	(214,150)
Total equity attributable to owners	(257,366)	(122,150)
Total equity and liabilities	92,000	92,000

These financial statements were approved and authorised for issue by the Board of Directors On 20 April 2021 and were signed on its behalf by:


.....
G P VILJOEN
Director

Company Registration No. 11208220

The notes on pages 19 to 28 are an integral part of these financial statements.

UMUTHI HEALTHCARE SOLUTIONS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2020

	29 February 2020	28 February 2019
	£	£
Cash flows from operating activities		
Operating loss	(135,216)	(214,150)
Changes in working capital:		
Trade and other receivables	-	-
Trade and other payables	135,216	214,150
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalent	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

Notes to the cash flow statement

1. Non-cash transactions

During 2020 and 2019 the company did not hold any bank accounts and all payments are made from Lems Pharmaceutical Ltd based in South Africa, the wholly owned subsidiary of the Company, who is also responsible for the currency fluctuations. In 2019 the company acquired 100% in Lems Pharmaceutical Ltd by way of share for share exchange.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Accumulated deficit	Total equity
	£	£	£	£
At incorporation	1	-	-	1
Total comprehensive income for the period ended 28 February 2019	-	-	(214,150)	(214,150)
Issue of shares	94,999			94,999
Cancellation of shares	(3,000)			(3,000)
As at 28 February 2019	92,000	-	(214,150)	(122,150)
Total comprehensive income for the year ended 29 February 2020	-	-	(135,216)	(135,216)
As at 29 February 2020	92,000	-	(349,366)	(257,366)

The notes on pages 19 to 28 are an integral part of these financial statements.

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

General information

The Company was incorporated on 15 Feb 2018 as private company in England and Wales with Registered Number 11208220 under the Companies Act 2006. The Company re-registered as a plc. on 20 February 2019.

The Company has not yet commenced business and no dividends have been declared or paid since the date of incorporation. The address of its registered office is Eastcastle House, 27/28 Eastcastle Street, London, W1W 8DH.

The Financial statements are presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

1. Significant accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with applicable International Financial Reporting Standards ("IFRS") including standards and interpretations issued by the International Accounting Board, as adopted by the European Union.

The company has adopted IFRS since incorporation for the basis of preparing these financial statements.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3

1.2 Going Concern

The financial information is prepared on a going concern basis as the directors are satisfied that the Company has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the historical financial information). The directors have made enquiries with management and considered budgets and cash flow forecasts for the Company and the support of the largest shareholder, and have, at the time of approving this Financial Information, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Listing costs are recognised initially as prepayments, due to the certainty that the Board has as it pertains to the Company being admitted for trading. Such costs will be expensed in the period following admission.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Company of financial assets has been impaired.

For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables

Trade and other payables

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

1.4 Impairment of assets

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

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

asset.

Irrespective of whether there is any indication of impairment, the Company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period
- tests goodwill acquired in a business combination for impairment annually.
- tests prepayments against the likelihood of the recoverability of the amounts, in relation to the culmination of a future event.

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.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Share capital and equity

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

Ordinary shares are classified as equity.

1.6 Borrowing costs

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

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1.7 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Company entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

This consolidated financial information is presented in Pounds Sterling which is the Company presentation currency. Umuthi functional currency is Pounds Sterling.

Foreign currency transactions

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

At the end of the reporting period:

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

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 consolidated and separate 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 Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

To all periods reported, the Company has adopted those standards and interpretations that are effective and that are relevant to its operations.

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

2.2 Standards and interpretations not yet effective

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 March 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or After (*Subject to EU endorsement)	Expected impact:
• IAS 28 Investments in associates and Joint Ventures: Annual Improvements	01 January 2018	No Impact
• IAS 40 Investment Property: Transfers of Investment Property	01 January 2018	No Impact
• IFRS 9 Financial Instruments	01 January 2018	No impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	No Impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	No Impact
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	No Impact
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	No Impact

2.3 Significant judgements and sources of estimation uncertainty

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Prepayments are currently treated as current assets due to it consisting predominantly of costs attributed to the listing of the Company which is considered to be a certain event by the Board. These prepayments will be expenses in the period following the admission of the Company to trading.

Critical judgements in applying accounting policies

Management made critical judgements around the carrying value of the investment in Lems and any impairment considerations pertaining to the value of the investment as well as with regard to the treatment of prepaid listing expenses.

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

Fair value estimation

Assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

3. Risk management Capital risk management

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

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

Consistent with others in the industry, the Company monitors capital based on the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

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

The gearing ratio in 2020, 2019 respectively were as follows:

	2020	2019
Intercompany Loan	349,366	214,150
Other financial liabilities	-	-
Less: Cash and cash equivalents	-	-
Net debt	-	-
Total equity	(257,366)	(122,150)
Total capital	(257,366)	(122,150)
Gearing ratio	136%	175%

Liquidity risk

Cash flow forecasting is performed by the Company. The Company finance department monitors rolling forecasts

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity Companying's based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Company

At 29 February 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loan Account	349,366	-	-	-
Trade and other payables	-	-	-	-
At 28 February 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loan Account	214,150	-	-	-
Trade and other payables	-	-	-	-

Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, changes in market interest rates do not have any significant direct effect on its income.

Credit risk

Credit risk is managed on a Company basis.

Foreign exchange risk

The Company operates in the UK and is not exposed to foreign exchange risk.

4. Receivables

	As at 29 Feb 2020	As at 28 Feb 2019
	£	£
Amounts falling due within 1 year:		
Other receivables	5,001	5,001
	5,001	5,001

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

5. Intercompany loan

	As at 29 Feb 2020	As at 28 Feb 2019
	£	£
Amounts falling due within 1 year:		
Lems Pharmaceutical Ltd	349,366	214,150
	349,366	214,150

Amount loaned to Lems Pharmaceutical Ltd is interest free and unsecured.

6. Share capital

	Number of shares	Shares	Share premium	Total
		£	£	£
At incorporation	1	1	-	1
Issue of shares	5,000,000	5,000		5,000
Share for Share exchange	89,999,999	89,999		89,999
Share Cancellation	(3,000,000)	(3,000)		(3,000)
At 29 February 2020	92,000,000	92,000	-	92,000

On incorporation, the Company issued 1 ordinary share of £1 for consideration of £1 cash.

No Earnings Per Share has been calculated as the Company did not trade in the year to 29 February 2020.

7. Investment in Lems Pharmaceuticals

On 29 January 2019, the Company and Lems Pharmaceutical Limited entered into a share exchange agreement with each of the shareholders of Lems Pharmaceutical at that time, pursuant to which the Company agreed to purchase the entire issued share capital of Lems Pharmaceutical in exchange for the issue and allotment of 89,999,999 Ordinary Shares to the shareholders of Lems Pharmaceutical, pro rate to their holdings in Lems Pharmaceutical.

UMUTHI HEALTHCARE SOLUTIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29 FEBRUARY 2020

The Ordinary Shares were issued based on 1 Ordinary Share for each share held in Lems Pharmaceutical (after taking into account the subscriber shares of the Company). On completion of the agreement, Lems Pharmaceutical became a wholly owned subsidiary of the Company and the former shareholders of Lems Pharmaceutical held the Ordinary Shares in the same proportions as they had held shares in Lems Pharmaceutical.

8. Related parties

There were no transactions with related parties for the reporting period save for the items disclosed in note 5 and note 1 to the Cash flow statement.

9. Subsequent events

There were no material subsequent events.

10. Control

There is no one controlling shareholder.