

LUPIN GMBH, ZUG

*Financial Statements for the year ended
31 March 2017 and Report of the Statutory Auditor*

Report of the Statutory Auditor

To the Partners' Meeting of
LUPIN GMBH, ZUG

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Lupin GmbH, which comprise the balance sheet as at 31 March 2017, and the income statement and notes for the year then ended.

Managing Officers' Responsibility

The Managing Officers are responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Managing Officers are further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 March 2017 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

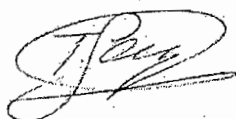
In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Managing Officers.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG



Matthias Gschwend
Licensed Audit Expert
Auditor in Charge



Till Lemper
Licensed Audit Expert

Zurich, 19 May 2017
MGS/TLE/rma

Enclosures

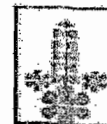
- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

LUPIN GMBH



BALANCE SHEET AT 31 MARCH 2017 AND 2016

		CHF	USD	CHF	USD
Assets	Notes	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Cash and cash equivalents	3.1.	1'956'222	1'950'705	853'914	887'091
Trade receivables	3.2.	3'336'890	3'327'480	3'456'671	3'590'974
Other current receivables		402'572	401'436	89'192	92'657
Accrued income and prepaid expenses		3'864	3'853	161'381	167'650
Total current assets		5'699'548	5'683'475	4'561'158	4'738'372
Tangible fixed assets	3.3.	10'769	10'738	17'249	17'920
Total non-current assets		10'769	10'738	17'249	17'920
Total assets		5'710'317	5'694'214	4'578'407	4'756'292
Liabilities					
Accounts Payable	3.4.	1'748'743	1'743'812	846'085	878'958
Other current liabilities	3.5.	98'816	98'537	325'846	338'506
Provisions	3.6.	2'275'701	2'269'284	1'620'729	1'683'699
Deferred foreign currency translation gain	2	90'724		20'311	
Total current Liabilities		4'213'985	4'111'633	2'812'971	2'901'164
Partners capital		20'000	21'524	20'000	21'524
Statutory capital reserves from capital contributions	3.7.	1'480'000	1'489'061	1'480'000	1'489'061
Legal retained earnings		4'000	4'139	300	328
Voluntary retained earnings		(7'668)	67'857	265'136	344'216
Total Partners' equity		1'496'332	1'582'581	1'765'436	1'855'128
Total equity and liabilities		5'710'317	5'694'214	4'578'407	4'756'292



INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

	Notes	CHF 01.04.2016- 31.03.2017	USD 01.04.2016- 31.03.2017	CHF 01.04.2015- 31.03.2016	USD 01.04.2015- 31.03.2016
Net revenue from services		7'639'386	7'737'145	8'307'336	8'543'126
Personnel expenses		(5'193'666)	(5'260'128)	(6'187'932)	(6'363'566)
Other operational costs		(2'101'645)	(2'128'539)	(1'716'703)	(1'765'429)
Depreciation on tangible fixed assets		(8'012)	(8'114)	(7'413)	(7'624)
Total operating expenditure		(7'303'323)	(7'396'782)	(7'912'048)	(8'136'619)
Other Expenses		(288'355)	(292'045)	(110'911)	(114'059)
Operating profit		47'708	48'318	284'377	292'449
Forex Translation Loss	2	(102'430)	(103'740)	-	26'413
Extraordinary, non-recurring or prior period cost	3.9	(202'250)	(204'839)	-	-
Total other income		(304'680)	(308'579)	-	26'413
Annual (loss) / profit before tax		(256'972)	(260'261)	284'377	318'862
Direct taxes		(12'132)	(12'287)	(24'873)	(25'579)
Annual (loss) / profit for the year		(269'104)	(272'548)	259'504	293'282
Profit / (Losses) Carried Forward		265'436	344'543	5'932	51'261
Allocation to legal reserves		(4'000)	(4'139)	(300)	(328)
Voluntary Retained earnings, end of the year		(7'668)	67'857	265'136	344'216

LUPIN GmbH



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

NOTES

(including additional information)

1. General information

General information

Company's principal activity is to provide management services to the Lupin group entities across the globe.

Legal form, registered office and capital

Lupin GmbH was incorporated in Switzerland on 15th August 2013. The Partner's capital amounts on CHF 20.000. The registered office of Lupin GmbH was moved to Zug, Landys & Gyr Strasse 1 as of 4th May 2016,

Information on full-time positions on annual average

Lupin GmbH has an annual average of full-time positions less than 10 FTE.

Information on previous year's figures

The previous year's figures were prepared according to the new financial reporting law and restated for comparative purposes in order to achieve a consistent representation and breakdown of the figures. Any differences in valuation resulting from the application of the new financial reporting law have been posted to the current financial year.

2. Key accounting and valuation principles

Basic principle

Principles of financial reporting

The present annual accounts for Lupin GmbH have been prepared in accordance with the regulations of Swiss financial reporting law. The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

Estimates and assumptions made by management

Financial reporting under the Code of Obligations requires certain estimates and assumptions to be made by management. These are made continuously and are based on past experience and represent the best estimate at the moment they are made. The results subsequently achieved may deviate from these estimates.

Actual items in the annual accounts, which are based on the estimates and assumptions made by management are provisions.

LUPIN GmbH



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

Foreign currency items

Since most of transactions of the company, including the cash flow, income and expenditure, are transacted in USD, the functional currency is nominated as USD. Transactions in currencies other than USD are converted into USD using the exchange rate prevailing at the transaction date or average rate of exchange. The presentational currency of the financial statements is the CHF. The USD amount represent the amounts in functional currency.

The USD figures have been converted into CHF using the historical exchange rate for equity in foreign currency. Non-current assets (Tangible Assets) and all the short and long term monetary receivables and payables denominated in foreign currency are converted into CHF at the exchange rates at the balance sheet date (CY: 1 USD = CHF 1.0028, PY: 1 USD = CHF 0.9626). The Partners Equity items (Share Capital and Capital Reserves) are presented at the historical rate. All items in the income statement have been converted using the average exchange rate for the year (CY: 1 USD = CHF 0.9874, PY: 1 USD = CHF 0.9724).

In prior year the unrealized FX the unrealized gain of CHF 20'311 was deferred. In the current year the unrealized gain of CHF 90'724 is also deferred.

Related parties

Related parties include parent company, subsidiary companies and other related companies. Parent company is a company that owns more than 50% of the voting shares. Subsidiaries are defined as companies in which is held directly more the 50% of the voting shares. All the other related companies are considered affiliated companies.

Transactions with related parties must take place under proper market conditions (dealing at an arm's length) and covered with the agreements.

Trade receivables

Trade receivables are recorded at their original net invoice amount, less, if necessary a value adjustment for specific receivables carrying risk (contingency reserves).

Tangible fixed assets

The straight-line depreciation method is used for tangible fixed assets according to their expected useful life. Exceptions are made for undeveloped land and land which are not depreciated. Useful lives are established as follows and are revised each year:

Computers and hardware - 3 years

If there is any evidence of an over-valuation, the accounting values are checked and adjusted where necessary.

Revenue recognition

Lupin GmbH records the gross invoice amounts from services income, after deduction of value-added tax, as gross profits from goods and services. Revenue from service charges is recognized on rendering of the related services in accordance with the terms of the agreements. Revenue is recognized when it is reasonably certain that the ultimate collection will be made.

LUPIN GmbH



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

3. Information relating to items on the balance sheet and income statement

3.1. Cash and cash equivalents

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
of which in CHF	397'515	396'394	318'912	331'303
of which in USD	1'558'706	1'554'311	535'002	555'788
Total	1'956'222	1'950'705	853'914	887'091

3.2. Trade receivables

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Receivables from affiliated companies	1'942'751	1'937'273	2'759'130	2'866'331
Receivables from shareholders	1'394'139	1'390'208	697'541	724'643
Total	3'336'890	3'327'480	3'456'671	3'590'974

3.3. Tangible fixed assets

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Computers and hardware	29'782	29'698	27'689	28'765
less depreciation and value adjustments	(19'013)	(18'960)	(10'440)	(10'845)
Total	10'769	10'738	17'249	17'920

3.4. Accounts Payable

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Liabilities to third parties	191'899	191'358	67'355	69'972
Liabilities to affiliated companies	1'556'844	1'552'453	778'730	808'987
Total	1'748'743	1'743'812	846'085	878'958

LUPIN GmbH



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

3.5. Other current liabilities

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Third Parties	42'214	42'095	239'495	248'800
Liabilities for VAT	56'602	56'442	86'351	89'707
Total	98'816	98'537	325'846	338'506

3.6. Provisions

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Provisions for Bonus	1'910'746	1'905'358	1'486'313	1'544'061
Provision for Taxes	364'955	363'926	134'416	139'638
Total	2'275'701	2'269'284	1'620'729	1'683'699

3.7. Reserves from capital contributions

	CHF	USD	CHF	USD
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Received in 2015	1'480'000	1'489'061	1'480'000	1'489'061
Total	1'480'000	1'489'061	1'480'000	1'489'061

Approved by ESTV

3.8. Significant events occurring after the balance sheet date

There were no significant events after the balance sheet date.

LUPIN GmbH



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

Proposal of the Managing Officers for the appropriation of available earnings

The Managing Officers propose to the next Annual General Meeting not to transfer any amount to the general reserves. The Managing Officers will also propose that the amount of CHF (7'668) shall be carried forward to the next financial year.

in CHF	2017
Annual (loss) / profit for the year	(269'104)
Brought forward from previous year	265'436
Reduction/allocation to legal reserves	(4'000)
Available earnings as per 31 March 2017	(7'668)
Proposed allocation to general reserves	-
Balance to be carried forward	(7'668)