



Lupin Research, Inc.

Lupin Research Inc.

Financial Statements

As of and for the Year Ended

March 31, 2017

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KPMG LLP
1 East Pratt Street
Baltimore, MD 21202-1128

Independent Auditor's Report

The Board of Directors and Stockholder
Lupin Research Inc.:

We have audited the accompanying financial statements of Lupin Research Inc., which comprise the balance sheet as of March 31, 2017, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 internal control relevant to the entity's preparation and fair presentation 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, 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 referred to above present fairly, in all material respects, the financial position of Lupin Research Inc. as of March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

May 18, 2017

LUPIN RESEARCH INC.
BALANCE SHEET

March 31, 2017

ASSETS	
Current assets:	
Prepaid expenses and other current assets	\$ 1
Total assets	<u>\$ 1</u>

LIABILITIES AND STOCKHOLDER'S EQUITY	
Total liabilities	\$ -
Stockholder's equity:	
Common stock	1
Retained earnings	-
Total stockholder's equity	<u>1</u>
Total liabilities and stockholder's equity	<u>\$ 1</u>

See accompanying notes to financial statements.

LUPIN RESEARCH INC.
STATEMENT OF OPERATIONS

Year Ended
March 31,
2017

Service revenues	\$	-
Other sales		-
Total revenues		-
Costs and expenses:		
Cost of revenues		-
Selling, general and administrative		-
Research and development		-
Operating income before tax		-
Income tax expense		-
Net income	\$	-

See accompanying notes to financial statements.

LUPIN RESEARCH INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

	Common Stock, \$0.001 Par Value		Retained Earnings	Total Stockholder's Equity
	Shares	Amount		
Balance at April 1, 2016	1,000	\$ 1	\$ —	\$ 1
Capital contributions	—	—	—	—
Net income	—	—	—	—
Balance at March 31, 2017	1,000	\$ 1	\$ —	\$ 1

See accompanying notes to financial statements.

LUPIN RESEARCH INC.
STATEMENT OF CASH FLOWS

	Year Ended March 31, 2017
Operating activities:	
Net income	\$ -
Adjustments to reconcile net loss to net cash used in operating activities:	
Net cash provided by (used in) operating activities	-
Net cash provided by (used in) investing activities	-
Net cash provided by (used in) financing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents—beginning of period	-
Cash and cash equivalents—end of period	\$ -

See accompanying notes to financial statements.

LUPIN RESEARCH INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

1. Organization and Description of the Business

Lupin Research Inc. (the Company) was incorporated in the United States of America (USA) under the Laws of the State of Delaware on March 8, 2016. The Company is a consolidated subsidiary of Lupin Atlantis Holdings SA, who is wholly owned by Lupin Limited, the Company's ultimate parent company. The Company's core business is to engage in the research and development activities in the pharmaceutical sector for identification of new products, technologies and therapy areas. The Company will record expenditures when incurred and through a transfer pricing agreement with Lupin Limited, is reimbursed based upon actual cost plus 10 percent margin.

2. Summary of Significant Accounting Policies and Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification and Accounting Standards Update of the Financial Accounting Standards Board.

3. Subsequent Events

The Company evaluates events or transactions that occur after the balance sheet date but prior to the issuance of financial statements and concluded that no subsequent events have occurred through May 18, 2017 that require adjustment to or disclosure in the Company's financial statements, except on April 1, 2017, the Company commenced research and development operations and began generating revenue and incurring expenses.