Nanomi B.V.

Zutphenstraat 51
7575 EJ OLDENZAAL

Report on the financial statements for 2016/2017

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1. Annual report

1. Report on the financial statements

1.1 Balance sheet as at 31 March 2017
(After proposed appropriation of result)

		31 March 2017		31 March 2016	
ASSETS		€	€	€	€
Fixes assets					
Tangible fixed assets	[1]				
Building		604.963		275.809	
Plant and equipment		3.945.212		2.177.552	
Assets under construction		209.600		-	
			4.759.775		2.453.361
Financial fixed assets	[2]				
Other fixed assets		361.016		-	
			361.016		-
Current assets					
Trade and other receivables	[3]				
Trade receivables		-		48.279	
Taxes and social security charges		348.075		162.121	
Prepayments and to be invoiced		186.195		257.545	
			534.270		467.945
Cash and cash equivalents	[4]		665.534		163.418
Total assets			6.320.595		3.084.724

1.1 Balance sheet as at 31 March 2017

(After proposed appropriation of result)

		31 March 2017		31 March 2016	
EQUITY AND LIABILITIES		€	€	€	€
Shareholders' equity	[5]				
Issued share capital		18.182		18.182	
Share premium reserve		24.236		24.236	
Other reserves		-23.165.263		-10.939.407	
			-23.122.845		-10.896.989
Long term liabilities	[6]				
Debts to participating interest		25.850.000		11.384.977	
			25.850.000		11.384.977
Current liabilities	[7]				
Accounts payable		1.866.730		1.496.541	
Liabilities group companies		1.139.308		20.123	
Taxes and social security charges		91.116		61.524	
Other payables		496.286		975.394	
Accruals		-		43.154	
			3.593.440		2.596.736
Total equity and liabilities			6.320.595		3.084.724

1.2 Profit and loss account 2016/2017

		2016/2017		2015/2016	
		€	€	€	€
Net sales	[8]		-		207.212
Wages	[9]	1.301.766		2.116.323	
Social security charges	[10]	263.227		199.173	
Pension costs	[11]	88.883		64.836	
Other personnel expenses	[12]	609.970		473.248	
Depreciation tangible fixed assets	[13]	857.151		436.273	
Other operating expenses	[14]	8.588.013		4.835.557	
Total operating expenses			11.709.010		8.125.410
Operating result			-11.709.010		-7.918.198
Interest income and similar revenues	[15]	1.438		-	
Interest expenses and similar charges	[16]	-518.284		-201.620	
Financial income and expenses			-516.846		-201.620
Result after tax			-12.225.856		-8.119.818

1.3 Notes to the financial statements 2016/2017

General

Relationship with parent company and principal activities
The company (chamber of commerce number 08124418), having its legal address in Hengelo, is a private limited liability company under Dutch law, with 100% of the shares held by Lupin Atlantis Holdings SA at Schaffhausen. Lupin acquired all outstanding Nanomi shares on January 30th of 2014 with the aim to leverage the Nanomi intellectual property and development programs in entering the market of generic complex injectables. As part of the Lupin group, Nanomi will develop complex injectable products for Lupin.

The activities of Nanomi primarily consist of:
The development of medical and pharmaceutical products.

Basis of preparation
The financial statements have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

1.3 Notes to the financial statements 2016/2017

Going concern

Financial situation

The total liabilities exceed the total assets on the balance sheet which results in a negative equity of € 23,1 million. This situation is caused by the losses that Nanomi B.V. has suffered in recent years because of major investments made in research & development which must lead to products that generate positive cash flows.

Nanomi B.V. largely depends on the willingness of 100% shareholder Lupin Atlantis Holdings SA to continue the funding provided. The maturity date of the creditline is 31 December 2026. Nanomi B.V. and Lupin Atlantis Holdings SA both have the right to terminate the loan agreement on ninety days written notice to the other party. As a result of this situation there is material uncertainty about the going concern of Nanomi B.V.

Measures

Nanomi's 100% shareholder Lupin Atlantis Holdings SA will provide the funding required to enable Nanomi to continue its business as going concern. Lupin Atlantis Holdings SA has provided Nanomi with a letter of support. This support consists of not recalling the existing finance facilities if the financial position of the company does not allow this. Also to support the company with additional funding if the financial position requires this. Next to this content wise, this support will be valid till May 23, 2018.

Expectations

The primary goal of Nanomi B.V. is the development of generic versions of complex injectables. These activities take a long time span and by nature carry a risk. For this reason the investments in the R&D activity are not activated.

The management of Nanomi B.V. believes that there is no uncertainty related to going concern. Management expects positive cashflows for the long term which will exceed the investments made in the past years and years to come.

Going concern

Based on the expectations and measures taken the financial statements have been prepared on going concern assumption.

1.3 Notes to the financial statements 2016/2017

Accounting policies

General
The principles applied for the valuation of assets and liabilities and result determination are based on the historical cost convention. Unless stated otherwise, assets and liabilities are presented at nominal value.
An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the value can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease in a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase in a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of all or all future economic benefits and all or almost all risks relating to assets or liabilities to a third party, the asset or liability is no longer included on the balance sheet. Assets and liabilities are not included on the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer.
The financial statements are presented in euros.

Using estimates and judgements
The preparation of the financial statements requires that management make judgements and use estimates and assumptions that affect the application of the accounting principles and the reported value of the assets and liabilities and the income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continually reviewed. Revised estimates are stated in the period in which the estimate is revised and in future periods for which the revision has consequences.
The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions.
• accruals.

Principles for the translation of foreign currency
Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date.

1.3 Notes to the financial statements 2016/2017

Financial instruments
Financial instruments comprise primary financial instruments, such as receivables and payables. For the principles applying to the primary financial instruments, please refer to the treatment of each relevant balance sheet item. The company is not using derivates.

Tangible fixed assets
Plant and equipment and other fixed operating assets are stated at cost, less accumulated depreciation and impairment losses.

The cost consists of the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Depreciation is calculated as a percentage of the acquisition costs on a straight-line basis over the estimated useful life.

Depreciation rates:	
Building	20 %
Plant and equipment	20 %
Assets under construction	0 %

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.

Financial fixed assets

Receivables are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, the assets are measured at amortised cost using the effective interest method, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables.

Impairment
For tangible and intangible fixed assets an assessment is made as of each balance sheet date as to whether there are indications that these assets are subject to impairment. If there are such indications, the recoverable value of the asset is estimated. The recoverable value is the higher of the value in use and the net realisable value. If it is not possible to estimate the recoverable value of an individual asset, then the recoverable value of the cash flow generating unit to which the asset belongs is estimated.
If the carrying value of an asset or a cash flow generating unit is higher than the recoverable value, an impairment loss is recorded for the difference between the carrying value and the recoverable value. In case of an impairment loss of a cash flow generating unit, the loss is first allocated to goodwill that has been allocated to the cash flow generating unit. Any remaining loss is allocated to the other assets of the unit in proportion to their carrying values. Reversal of an impairment loss that was recorded in the past only takes place in case of a change in the estimates used to determine the recoverable value since the recording of the last impairment loss. In such case, the carrying value of the asset (or cash flow generating unit) is increased up to the amount of the estimated recoverable value, but not higher than the carrying value that would have applied (after depreciation) if no impairment loss had been recorded in prior years for the asset (or cash flow generating unit).

1.3 Notes to the financial statements 2016/2017

Receivables, to be invoiced and prepaid expenses
Receivables are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, the assets are measured at amortised cost using the effective interest method, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents
Cash and cash equivalents are stated at nominal value and are, unless stated otherwise, at free disposal of the company.

Equity
Financial instruments taking the legal form of shareholders' equity instruments are presented under shareholders' equity. Distributions to the holders of these instruments are deducted from shareholders' equity after deduction of any related benefit related to tax on profit.
Financial instruments taking the legal form of a financial obligation are presented under loan capital. Interests, dividends, income and expenses related to these financial instruments are taken to the profit and loss account.

Premium reserves
The share premium reserve relates to the part of the paid up and subscribed capital, which is higher than the nominal value of the issued shares.

Long-term and current liabilities
At initial recognition, long-term and current liabilities and other financial obligations are measured at fair value. After initial recognition, the liabilities are measured at amortised cost using the effective interest method. In the event of a premium or discount or transaction costs, the amortised cost is equal to the nominal value of the debt.

Principles for the determination of the result

Revenue recognition
Revenues from the sale of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, when delivery has taken place, the price has been or can be determined, and there is reasonable certainty that the selling price can be collected. Generally, these criteria are met when goods have been delivered and acceptance, if necessary, from the client has been obtained.
Revenues from services rendered are recognised in the profit and loss account when the revenue amount can be determined in a reliable manner, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

1.3 Notes to the financial statements 2016/2017

Pension charges
The group has a pension plan which is financed through contributions to an insurance company. The pension obligations are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

The annual accrual on the pension entitlements amount to 3,81-25,76% of the pensionable salary that is based on the gross wage net of a deductible € 13.123. The pensionable salary is capped at € 103.317. Based on the administrative regulations the group has no obligation to make additional contributions in het event of a deficit.

Leasing
The company may enter into financial and operating leases. A lease contract where the risks and rewards associated with ownership of the leased property are transferred substantially all to the lessee, is referred to as a financial lease. All other leases are classified as operating leases. In classifying leases, the economic reality of the transaction is decisive rather than its legal form.
Operating leases
If the company acts as lessee in an operating lease, then the leased property is not capitalised. Lease payments regarding operating leases are charged to the profit and loss account on a straight-line basis over the lease period.

Taxation
Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period.
Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.
Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.
If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognised for taxable temporary differences.
For deductible temporary differences, unused loss carry forwards and unused tax credits, a deferred tax asset is recognised, but only in so far as it is probable that taxable profits will be available in the future for offset or compensation.
Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Deferred tax assets and liabilities are stated at nominal value.

1.4 Notes to the balance sheet as at 31 March 2017

ASSETS

Fixed assets

Tangible fixed assets [1]

	Building	Plant and equipment	Assets under construction	Total 2016/2017
	€	€	€	€
Accumulated costs	339.217	2.850.039	-	3.189.256
Accumulated depreciation	-63.408	-672.487	-	-735.895
Carrying amount as at 1 April 2016	275.809	2.177.552	-	2.453.361
Investments	449.507	2.504.458	209.600	3.163.565
Depreciation	-120.353	-736.798	-	-857.151
Changes 2016/2017	329.154	1.767.660	209.600	2.306.414
Accumulated costs	788.724	5.354.497	209.600	6.352.821
Accumulated depreciation	-183.761	-1.409.285	-	-1.593.046
Carrying amount as at 31 March 2017	604.963	3.945.212	209.600	4.759.775

1.4 Notes to the balance sheet as at 31 March 2017

Financial fixed assets [2]

	31 March 2017	31 March 2016
	€	€
Other fixed assets		
Loan Delpharm Dijon (LT)	361.016	-

Delpharm Dijon shall reimburse the loan (maximum € 1.352.000) in monthly installments to Nanomi B.V., starting September 2017 until September 2021 (period=48 months). First installment will be € 36.000, further installments will be € 28.000.

Trade and other receivables [3]

Trade receivables		
Account receivables	-	48.279

A provision for doubtful debts is not considered necessary.

Taxes and social security charges		
VAT	301.138	154.963
Other taxes	46.937	7.158
	348.075	162.121

Prepayments and to be invoiced		
Loan Delpharm Dijon (ST)	71.672	-
To be received grant CARE-MI	-	175.829
Prepaid insurance	-	2.316
Prepaid electricity	6.870	3.670
Prepaid rent	24.848	21.356
Others	82.805	54.374
	186.195	257.545

All receivables have a remaining term of maturity of less than one year.

Cash and cash equivalents [4]

ING Bank, number 65.08.29.662	655.784	161.297
Sabadell, ES16 0081 1566 6300 0103 2704	9.750	2.121
	665.534	163.418

The cash and cash equivalent are freely at the disposal of Nanomi B.V..

1.4 Notes to the balance sheet as at 31 March 2017

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY [5]

	2016/2017	2015/2016
	€	€
Issued shared capital		
Year end balance	18.182	18.182

The company's authorised capital amounts to € 90.000 and consists of 9.000.000 shares with a nominal value of € 0,01.The fully paid and shared capital amounts to 1.818.200 shares with a total amount of EUR 18.182.

Share premium reserve		
Year end balance	24.236	24.236

Other reserves		
Opening balance	-10.939.407	-2.819.589
Appropriation of result for the year	-12.225.856	-8.119.818
Year end balance	-23.165.263	-10.939.407

1.4 Notes to the balance sheet as at 31 March 2017

LONG TERM DEBT [6]

	31 March 2017	31 March 2016
	€	€
Debts to participating interest		
Loan Lupin Atlantis Holdings SA	25.850.000	11.384.977

1. Lupin Atlantis Holdings SA (hereafter Lender) grants a loan to the Borrower in the principal amount of up to € 40.000.000. The Borrower may request partial disbursement of Loan, subject to a minimum amount of € 50.000. Lender will make such requested disbursements available to Borrower within 10 working days.
2. The principal amount of the loan will be provided for a duration of two years from the Effective Date until expiring on 31 December 2026.
3. The Borrower may at any time and without penalty or premium repay all or part of the principal amount, however in minimum amounts of € 50.000 per repayment;
4. The disbursed part of the Loan shall carry interest at the rate of Swiss safe harbor rate specified annually by the Circular of the Swiss federal tax authorities (ESTV) on the authorized interest rates for loans among related parties (ESTV Rundschreiben: Steuerlich anerkannte Zinssätze für Vorschüsse oder Darlehen in Fremdwährungen) (“Circular”). For 2016 the rate is
• 2.75% for the first € 10.000.000 (LAHSA’s own debt cost of 2.25% + 0.5%)
• 2.50% for all above € 10.000.000 (LAHSA’s own debt cost of 2.25% + 0.25%)
5. The Agreement can be terminated by either party with immediate effect in the following cases:
(i) If Borrower or Lender cease to be a member of the Lupin group
(ii) In case of dissolution of the Lender or of the Borrower.
(iii) If any event of default of obligation by either party; insolvency or bankruptcy or admission by Borrower of its inability to pay its debts as they mature; any kind of adverse change in Borrower's financial situation that is likely to threaten the repayment of any drawing

The disbursed part of the Loan including accrued interest shall be repayable immediately in the event that Borrower has been declared bankrupt or has entered into a situation that he has effectively ceased to be able to meet his debts in full or has commenced liquidation procedures or is in default as to the payment of principal or interest pursuant to the terms of this agreement during a period of four weeks following notice of default to Borrower;

1.4 Notes to the balance sheet as at 31 March 2017

6. Current liabilities [7]

	31 March 2017	31 March 2016
	€	€
Accounts payables		
Accounts payables	1.866.730	1.496.541
Liabilities group companies		
Liabilities group companies	1.139.308	20.123
Taxes and social security charges		
Payroll taxes	84.612	53.816
Pension	197	1.389
Other taxes (Spain)	6.307	6.319
	91.116	61.524
Other payables		
Bonus employees incl. settlements	206.905	740.247
Holiday allowance	239.749	189.969
Others	49.632	45.178
	496.286	975.394
Accruals		
Pre invoiced grant NanoNext	-	36.633
Pre invoiced Lyophilizer	-	6.521
	-	43.154

All current liabilities have a remaining term of maturity of less than one year.

Off balance sheet rights and obligations

Tax losses carried forward

At balance sheet date, an amount of € 25,8 million tax losses is available for compensation. These losses can be offset against expected future fiscal profits for a period of nine years.

Obligations

The company has signed a rent contract for the rental of the property at the location Zutphenstraat 25, 27, 29, 37, 45, 47, 51 and 67e 7575 EJ Oldenzaal. The rent is € 150.000 per year excl. VAT. The rent expires 31 July 2019. The company has signed a leasecontract for 3 cars. The lease is € 33.000 per year excl. VAT. The lease expires May 2021.

At balance sheet date, there are other obligations (purchase) for an amount of € 120.000.

Bank facility

The current account overdraft facility at the ING Bank amounts to € 500.000 as at 31 March 2017, and the interest rate is based on ING basis rate + 2,6%. The security consists of right of pledge on company assets.

1.5 Notes to the profit and loss account 2016/2017

	2016/2017	2015/2016
	€	€
Net sales [8]		
Other sales	-	124.161
Grant CARE-MI	-	82.939
Grant Nanonext Nanosieves	-	112
	-	207.212

	2016/2017	2015/2016
Wages [9]		
Gross wages and salaries	1.946.096	2.069.326
Mutation Holiday allowance	49.780	89.152
Gross wages Spain	86.705	70.279
	2.082.581	2.228.757
Sickness benefit received	-11.316	-
Grant received WBSO	-769.499	-112.434
	1.301.766	2.116.323

During the financial year 2016/2017 the average number of employees of the group, converted into FTE, amounted to 38 (2015/2016; 32).

	2016/2017	2015/2016
Social security costs [10]		
Social security costs	247.185	184.105
Social security costs Spain	16.042	15.068
	263.227	199.173

	2016/2017	2015/2016
Pension costs [11]		
Pension costs	88.883	64.836

	2016/2017	2015/2016
Other personnel expenses [12]		
Other personnel costs	609.970	473.248

1.5 Notes to the profit and loss account 2016/2017

	2016/2017	2015/2016
	€	€
Depreciation tangible assets [13]		
Building	120.353	54.228
Plant and equipment	736.798	382.045
	857.151	436.273

	2016/2017	2015/2016
Other operating expenses [14]		
Accommodation expenses	223.669	172.461
Selling and distribution expenses	220.006	150.609
Car expenses	40.888	28.569
Office expenses	205.699	73.959
General expenses	127.288	136.277
R&D expenses	7.770.463	4.273.682
	8.588.013	4.835.557

Interest income and expenses

	2016/2017	2015/2016
Interest income and similar revenues [15]		
Interest Delpharm	1.438	-

	2016/2017	2015/2016
Interest expenses and similar charges [16]		
Interest loan Lupin Atlantis Holdings SA	491.750	194.817
Other Interest and costs	3.895	6.803
Exchange transactions in foreign currency	22.639	-
	518.284	201.620

Oldenzaal, 20 April 2017
Nanomi B.V.

T.R.A. Volle

K.R. Nielsen

O. Franssen

Auditors

BAKER TILLY BERK

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To the board of directors and shareholders of
Nanomi B.V.

INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 2016/2017 included in the annual report

Our opinion
We have audited the financial statements 2016/2017 of Nanomi B.V., based in Oldenzaal.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Nanomi B.V. as at March 31, 2017, and of its result for 2016/2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1. the balance sheet as at March 31, 2017;
2. the profit and loss account for 2016/2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.
We are independent Nanomi B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BAKER TILLY BERK

Unaudited comparative information
The financial statements for the year ended March 31, 2016 have not been audited. Therefore, the amounts included for comparison in the profit and loss account and related disclosures, as well as the amounts in the notes to the profit and loss account included for comparison have not been audited.

B. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.
Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.
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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Almelo, April 20, 2017

Baker Tilly Berk N.V.

Was signed by:

drs. G.J. Kamerling RA