

LUPIN ATLANTIS HOLDINGS SA, ZUG

*Financial Statements for the Year Ended
31 March 2018 and Report of the
Statutory Auditor*

Report of the Statutory Auditor

To the General Meeting of
LUPIN ATLANTIS HOLDINGS SA, ZUG

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Lupin Atlantis Holdings SA, which comprise the balance sheet as at 31 March 2018 and the income statement, cash flow statement and notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is 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 Board of Directors is 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 2018 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 Board of Directors.

We recommend that the financial statements submitted to you be approved.

Deloitte AG



Matthias Gschwend
Licensed Audit Expert
Auditor in Charge



Eszter Barkow
Licensed Audit Expert

Zurich, 11 May 2018
MGS/EBA/dso

Enclosures

- Financial statements (balance sheet, income statement, cash flow statement and notes)

Lupin Atlantis Holdings SA



Balance Sheet at 31 March 2018 and 31 March 2017 (in CHF'000)

	Notes	As at 31.03.18 CHF	As at 31.03.18 USD	As at 31.03.17 CHF	As at 31.03.17 USD
Assets					
Cash and cash equivalents	3	56'613	59'336	9'579	9'552
Trade receivables	4	786'257	824'076	40'029	39'917
Other current receivables		686	719	4'681	4'668
Deposit for the Intangible assets		-	-	25'071	25'000
Prepaid expenses		6'812	7'140	8'836	8'811
Total current assets		850'368	891'271	88'196	87'947
Loans to subsidiaries	5	56'038	58'733	38'920	38'810
Investments	6	355'087	362'832	303'389	309'187
Tangible assets	7	354	371	583	581
Intangible assets	8	10'155	10'644	426'527	425'324
Intangible assets under development	9	29'031	30'428	246'662	245'966
Total non-current assets		450'665	463'008	1'016'081	1'019'869
Total assets		1'301'033	1'354'278	1'104'277	1'107'816
Liabilities					
Trade creditors	10	103'290	108'258	55'905	55'748
Other current liabilities	11	1'092	1'145	1'440	1'435
Deferred income and accrued expenses		6'860	7'190	4'416	4'404
Deferred foreign currency translation gain	2	4'505	-	7'529	-
Total current liabilities		115'747	116'593	69'290	61'587
Long-term loans	12				
• From third parties		648'793	680'000	681'923	680'000
• From affiliated companies		47'705	50'000	50'141	50'000
Total long term liabilities		696'498	730'000	732'064	730'000
Equity					
Share capital		2'486	2'336	2'486	2'336
Reserves from capital contributions	13	575'977	587'669	527'350	537'669
Accumulated losses		(89'675)	(82'320)	(226'914)	(223'776)
Total shareholders' equity		488'788	507'685	302'922	316'229
Total liabilities & shareholders' equity		1'301'033	1'354'278	1'104'277	1'107'816

Lupin Atlantis Holdings SA



Income statement for the year ended 31 March 2018 and 31 March 2017 (in CHF '000)

	Notes	01.04.2017 - 31.03.2018	01.04.2017 - 31.03.2018	01.04.2016 - 31.03.2017	01.04.2016 - 31.03.2017
		CHF	USD	CHF	USD
Sales					
• To third parties		10'021	10'329	11'304	11'448
• To affiliated companies		178'741	184'234	176'170	178'418
Revenue from sales of goods		188'762	194'563	187'474	189'867
Other operating income		7'189	7'409	9'004	9'119
Total other operating income		7'189	7'409	9'004	9'119
Cost of goods sold					
• To third parties		(13'657)	(14'077)	(10'798)	(10'936)
• To affiliated companies		(62'015)	(63'921)	(53'232)	(53'912)
Total cost of goods sold		(75'672)	(77'998)	(64'030)	(64'847)
Operating Expenses					
Staff costs		(12'544)	(12'930)	(12'121)	(12'276)
Expenditure on research and development		(45'090)	(46'475)	(76'350)	(77'324)
Sales and promotional expenses		(30'185)	(31'113)	(41'471)	(42'001)
Legal and professional fees		(8'035)	(8'282)	(12'045)	(12'198)
Taxes and Rates		(582)	(600)	(1'705)	(1'727)
License & registration expenses		(1'620)	(1'670)	(1'217)	(1'233)
Rent		(260)	(268)	(400)	(405)
Insurance		(93)	(96)	(57)	(58)
Other operating expenses	14	(1'686)	(1'738)	(2'501)	(2'533)
Impairment of Intangible Assets	15	(1'416)	(1'460)	(501)	(507)
Loan Impairment		(8)	(8)	(123)	(125)
Depreciation & Amortization		(46'088)	(47'504)	(43'106)	(43'656)
Total operating expenditure		(147'608)	(152'144)	(191'598)	(194'043)
Operating Loss		(27'329)	(28'169)	(59'149)	(59'904)
Financial costs		(19'513)	(20'113)	(16'578)	(16'789)
Financial income		1'656	1'707	1'130	1'144
Total financial income /(loss) net		(17'857)	(18'406)	(15'448)	(15'645)
Other Income	16	177'699	183'160	-	-
Other expenses	17	(491)	(506)	-	-
Results on foreign exchange, net	2	5'269	5'431	(372)	(377)
Total other income / (loss)		182'478	188'086	(372)	(377)
Profit / (Loss) before Taxation		137'292	141'511	(74'970)	(75'926)
Direct taxes		(53)	(55)	(58)	(59)
Net Profit /(Loss) for the Year		137'239	141'456	(75'028)	(75'985)
Losses carried forward		(226'914)	(223'776)	(151'886)	(147'791)
Accumulated losses end of the year		(89'675)	(82'320)	(226'914)	(223'776)

Lupin Atlantis Holdings SA



Cash flow statement for the period ended 31 March 2018 and 31 March 2017 (in CHF'000)

	2017-2018 CHF	2017-2018 USD	2016-2017 CHF	2016-2017 USD
Annual Gain / (Loss)	137'239	141'456	(75'028)	(75'985)
Adjustment for the year				
Investment income (dividend) recognized in profit and loss (dividend)	-	-	-	-
Other (income)/expenditure not related to cash flow	(38'590)	-	885	-
Depreciation amortization and impairment	47'504	48'964	43'606	44'163
Total Adjustment	146'152	190'420	(30'537)	(31'822)
Decrease/(increase) in trade receivables and other current receivables	(742'233)	(780'211)	(12'407)	(11'025)
Increase/(decrease) in prepaid expenses	2'024	1'672	(8'702)	(8'672)
Increase/(decrease) in trade creditor and other current liabilities	47'038	52'220	4'150	1'922
Increase/(decrease) in the deposit for Intangible assets	25'071	25'000	32'685	35'000
Increase/(decrease) in deferred income and accrued expenses	2'444	2'786	859	709
Cash inflow / (outflow) from operating activities	(519'504)	(508'113)	(13'950)	(13'889)
- Payments for investments in (purchase of) financial assets (incl. loans, shares, securities etc.)	(68'816)	(73'568)	(105'386)	(107'065)
- Payments for investments in (purchase of) tangible fixed assets	(0)	(26)	(81)	(54)
+ Receipt of payments from divestment (sale) of intangible fixed assets	586'728	581'491	(61'019)	(34'204)
Cash inflow / (outflow) for investment activities	517'911	507'897	(166'485)	(141'322)
- Payments for capital reductions with release of funds				
+ Receipt of payments from capital increases (incl. additional paid in capital)	48'627	50'000	156'063	160'000
+/- Receipt/repayments of long-term interest-bearing liabilities	-	-	30'935	1'630
Cash inflow / (outflow) for financing activities	48'627	50'000	186'998	161'630
Net increase in cash and cash equivalents	47'034	49'784	6'563	6'419
Cash and cash equivalents on 1st April	9'579	9'552	3'016	3'133
Net increase in cash and cash equivalents	47'034	49'784	6'563	6'419
Cash and cash equivalents on 31 March	56'613	59'336	9'579	9'552

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

NOTES

(Incl. additional information)

1. General information

General information

Lupin Atlantis Holdings SA ("the Company") was incorporated in Switzerland on 15 June 2007. The Company's principal activity is to acquire and own intellectual properties in addition to the business of having pharmaceutical products developed/manufactured under contract research manufacturing agreements and the sales of such products in offshore markets.

Legal form, registered office and capital

As of 8 April 2016, the registered office of Lupin Atlantis Holdings SA was moved to Zug, Landis & Gyr-Strasse 1. The shareholder's capital amounts to CHF 2'486.

Information on full-time positions on annual average

Lupin Atlantis Holding SA has 43 FTEs during the current financial year (previous year: 48 FTEs).

Consolidation of financial statements

The Company's ultimate parent, Lupin Limited, India, prepares consolidated financial statements, including the financial statements of the Company and its subsidiaries.

2. Significant Accounting Policies

Key accounting and valuation principles

Principles of financial reporting

The present annual accounts for Lupin Atlantis Holding SA 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 ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

Foreign currency items

Since most of the transactions of the Company, including the cash flows, income and expenditures are transacted in USD, the functional currency of the Company is USD. Transactions in currencies other than USD are converted into USD using the exchange rate prevailing at the transaction date.

The financial statements are presented in Swiss Francs. For the conversion of the financial statements from USD to CHF the equity items (Share Capital and Capital Reserves) and the investments are presented at the historical rate. Current and non-current assets excluding investments and all short and long term monetary receivables and payables denominated in foreign currencies are converted into CHF at the exchange rates at the balance sheet date (1 USD = CHF 0.9541; previous year 1 USD = CHF 1.0028). All items in the income statement have been converted using the average exchange rate of the year (1 USD = CHF 0.9702; previous year: 1 USD = CHF 0.9874).

In prior year the net gain on foreign exchange in the amount of CHF 6'664 has been recognized in the balance sheet. In the current year the net gain on foreign exchange in the amount of CHF 4'505 is also recognized in the balance sheet account as the deferred foreign currency translation gain.

Revenue Recognition

Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred by the Company.

Revenue from sale of goods is stated net of returns, applicable trade discounts, rebates and allowances.

Revenue is recognized when it is reasonably certain that the ultimate collection will be made.

Interest income is recognized on time proportion basis.

Depreciation and amortization

Depreciation and Amortization on fixed assets and intangible assets is provided on Straight Line Method, over the useful life of the assets, as estimated by management. Current estimated useful life is as follows:

Assets	Estimated Useful Life
Leasehold Improvements	5 years
Furniture and Fixtures	3 to 5 years
Office Equipment	3 years
Intangible assets	Up to 10 years.

Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its estimated future benefits. An impairment loss is charged to Income Statement in the year in which an asset is identified as impaired.

Research and Development

Acquisition costs of products under research and development are recognized as intangible assets under development. Expenses incurred on research and development are charged to the Income Statement of the year.

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

Information relating to items on the balance sheet and profit and loss account

3. Cash and cash equivalents

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
of which in CHF	921	965	961	958
of which in USD	34'964	36'646	8'523	8'499
of which in EUR	1'646	1'725	94	94
of which deposits in USD	19'082	20'000	-	-
Total	56'613	59'336	9'579	9'552

4. Trade receivables

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
Receivables from third parties	5'690	5'964	3'319	3'310
Receivables from parent company	59'020	61'859	2'989	2'981
Receivables from subsidiaries	664'697	696'669	5'888	5'871
Receivables from other affiliated companies	56'850	59'584	27'833	27'755
Total	786'257	824'076	40'029	39'917

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 than 50% of the voting shares.

All the other related companies are considered affiliated companies.

5. Loans to subsidiaries

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
Nanomi BV	45'002	47'166	27'621	27'543
Laboratorios Grin S.A. DE C.V.	10'750	11'267	11'299	11'267
Lupin Latam Inc	286	300	-	-
Lupin Ukraine LLC	-	-	125	125
(allowance for the Lupin Ukraine LLC Loan)	-	-	(125)	(125)
Total	56'038	58'733	38'920	38'810

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

6. Investments

Investments	Book value in USD'000		Book value in USD'000		Voting rights in %		Additional share information	Additional share information
	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Lupin Pharma Canada	3'707	3'729	3'707	3'729	100%	100%	330 000 100 shares (shares do not have face value)	330 000 100 shares (shares do not have face value)
Lupin Inc.	165'956	170'050	117'329	120'050	100.00%	100.00%	50 million shares of par value CHF 0.001 each	50 million shares of par value CHF 0.001 each
Lupin GmbH	1'500	1'511	1'500	1'511	100.00%	100.00%	200 partnership shares of par value CHF 100 each	200 partnership shares of par value CHF 100 each
Nanomi BV	15'107	17'074	12'264	13'659	100.00%	100.00%	1.818.181 shares of par value EUR 0.01 each	1.818.181 shares of par value EUR 0.01 each
Medquimica Industria Farmaceutica Ltda.	67'666	64'300	67'666	64'300	94.98%	94.98%	166.174.272 quotes of par value 1 R\$ each	166.174.272 quotes of par value 1 R\$ each
Lupin Pharma LLC	497	502	497	502	99.90%	99.90%	1 Share of nominal value of 99'900 Russian rubles	1 Share of nominal value of 99'900 Russian rubles
YL-Biologics LTD; Japan	443	570	443	570	45.00%	45.00%	450 shares of par value JPY 50,000 each	450 shares of par value JPY 50,000 each
Laboratories Grin S.A. DE C.V; Mexico	95'179	99'975	95'179	99'975	100.00%	100.00%	187 million shares of par value MXN each	187 million shares of par value MXN each
Lupin Europe LTD	4'204	4'298	4'204	4'298	100.00%	100.00%	251'000 Voting share of par value GBP each	251'000 Voting share of par value GBP each
Lupin Middle East FYLLC	552	545	552	545	100.00%	100.00%	2000 Shares of par value 1'000 AUD each	2000 Shares of par value 1'000 AUD each
Lupin Ukraine LLC	4	4	4	4	99.90%	99.00%	99.9% of the Share Capital	99.9% of the Share Capital
Lupin Japan & Asia Pacific K.K	44	44	44	44	100.00%	100.00%	100 Shares of par value 50 000 JPY each	100 Shares of par value 50 000 JPY each
Lupin Latam INC	199	200	0	0	100.00%	100.00%	1000 Shares of par value 0.001 USD each	1000 Shares of par value 0.001 USD each
Lupin Europe GmbH	29	31	0	0	100.00%	0.00%	25 000 Shares of par value 1 EUR each	
Total	355'087	362'832	303'389	309'187				

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

Notes:

- 1) Lupin Pharma Canada Ltd. was incorporated in 2009 for the purpose of supporting new product development and commercialisation of Lupin products in Canada.
- 2) Lupin Inc. was incorporated by the Company in June 2013 in the state of Maryland, USA. Now, Lupin Inc. is engaged in owning intellectual properties and in distribution of pharmaceutical products. A capital contribution of USD 50 million has been made during the current year.
- 3) Lupin GmbH was incorporated by the Company in August 2013 in the Kanton of Schaffhausen, Switzerland as a Group Management Service company.
- 4) Nanomi BV is a Dutch Company with a proprietary delivery technology platform and was incorporated in the year 2004. Nanomi BV was acquired in January 2014 with a view to enter into the niche area of complex injectables.
- 5) Medquimica Industria Farmaceutica Ltda. is a broad based pharmaceutical company engaged in the development, manufacturing & commercialization of branded generics, pure generics and OTC products.
- 6) Lupin Pharma LLC was incorporated in 2015-2016 in order to maximize opportunities on Russian market. Due to change in circumstances, the company will be liquidated in the following years.
- 7) YL Biologics Limited is a 55:45 Joint Venture entity between Yoshindo Inc., Japan (55%) and the Company (45%).

YL Biologics was incorporated in Japan in April, 2014 for the primary purpose of licensing, development and commercialization of Bio-similar Products in the Japan. Pursuant to the Joint Venture agreement dated 23 April 2014 the parties have associated themselves in a joint venture relationship with a primary purpose of establishment and development of business in Japan. The parties shall make all commercially reasonable efforts to cooperate with each other in order to achieve such purpose.

- 8) Laboratorios Grin S.A de C.V., Mexico is a 61 year old specialized ophthalmic company and was acquired in September 2014.
- 9) Lupin Europe LTD was acquired in 2015-2016 in order to maximize opportunities in the UK market.
- 10) Lupin Middle East FZ LLC was acquired in 2015-2016 in order to maximize opportunities in the Middle East region.
- 11) Lupin Ukraine LLC was incorporated to maximize opportunities on Ukrainian market. Due to change in circumstances, the company will be liquidated in the following years
- 12) Lupin Japan &Asia Pacific K.K. was incorporated in December 2016 as a management service provider for the APAC region.
- 13) Lupin Latam Inc. was incorporated in March 2017 as a management service provider for the LATAM region.
- 14) Lupin Europe GmbH was incorporated in February 2018 as a MA Holder for EU region.

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

7. Tangible fixed assets

	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2017
	CHF	USD	CHF	USD
Leasehold improvements	280	293	295	294
Furniture & fixtures	489	512	520	518
Office equipment	151	158	133	132
less depreciation & value adjustments	(566)	(593)	(364)	(363)
Total	354	371	583	581

8. Intangible assets

	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2017
	CHF	USD	CHF	USD
Licenses and patents	57'285	60'040	515'335	513'881
less amortization & value adjustments	(47'130)	(49'397)	(88'808)	(88'557)
Total	10'155	10'644	426'527	425'324

9. Intangibles under development

	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2017
	CHF	USD	CHF	USD
Etanercept	10'543	11'050	10'630	10'600
Celon Pharma / Adviar	3'816	4'000	4'011	4'000
NCE-LNP 1892 Hyperparathyroidism	-	-	16'045	16'000
Generic molecules	4'847	5'080	6'558	6'540
Portfolio of Temmler acquired products	9'825	10'297	10'327	10'297
Portfolio of Gavis acquired products	-	-	199'090	198'529
Total	29'031	30'428	246'662	245'966

Notes:

- 1) Etanercept – This biopharmaceutical product is used for the treatment of rheumatoid arthritis, plaque psoriasis, psoriatic arthritis, ankylosing spondylitis and Juvenile Idiopathic Arthritis.
- 2) Celon Pharma - the company is developing with Celon Pharma SA a dry powder inhaler (DPI) for commercialization in the US market.

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

- 3) NCE-LNP 1892 Hyperparathyroidism - during the fiscal year 2014/2015 the company entered into an IP assignment agreement pertaining to the New Chemical Entity LNP1892 which is a calcimimetic drug in development stage. During this financial year, the product was sold.
- 4) Generic molecules – LAHSA acquired a portfolio of four generic molecules that are currently at various development stages.
- 5) Portfolio of Temmler acquired products - LAHSA acquired specialty product portfolio from Temmler Pharma GmbH, Germany. These products address rare disease areas like Myasthenia Gravis, Huntington disease as well as fast-growing dermatology products for anti-wart treatment.
- 6) Portfolio of Gavis acquired products - LAHSA along with its US subsidiary Lupin Inc. acquired GAVIS Pharmaceuticals LLC and Novel Laboratories Inc. (GAVIS), USA. This acquisition enhances Lupin's scale in the US generic market and also broadens Lupin's pipeline in dermatology, controlled substances and other high-value and niche generics. GAVIS portfolio has currently marketed products, products under approval with US FDA and products under development. During this financial year, the portfolio was sold.

10. Trade creditors

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
Creditors to third parties	3'086	3'234	5'295	5'280
Creditors to parent company	9'325	9'774	14'917	14'875
Creditors to subsidiaries	3'180	3'333	8'008	7'986
Creditors to other affiliated companies	87'699	91'917	27'686	27'608
Total	103'290	108'258	55'905	55'748

11. Other current liabilities

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
Interests	370	388	714	712
Pension Funds	309	324	325	324
VAT payables	413	433	400	399
Total	1'092	1'145	1'440	1'435

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

12. Long-term loans & repayment structure

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
1 - 5 years	648'793	680'000	681'923	680'000
> 5 years	Loans from affiliated companies	47'705	50'000	50'141
Total	696'498	730'000	732'064	730'000

13. Reserves from capital contributions (AGIO)

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
Received in FY 11-12	47'223	44'669	47'223	44'669
Received in FY 14-15	128'507	131'000	128'507	131'000
Received in FY 15-16	195'557	202'000	195'557	202'000
Received in FY 16-17	156'063	160'000	156'063	160'000
Received in FY 17-18*	48'627	50'000	-	-
Total	575'977	587'669	527'350	537'669

*To be confirmed by the ESTV

14. Other operating expenses

	for the year ended 31.03.2018 CHF	for the year ended 31.03.2018 USD	for the year ended 31.03.2017 CHF	for the year ended 31.03.2017 USD
Travel & Entertainment	719	741	887	899
Office expenses	140	144	263	266
Conference & Membership	335	345	551	558
Recruitment & Training	62	64	257	261
Administrative expenses	187	193	232	235
Auditors remuneration	243	251	311	314
Total	1'686	1'738	2'501	2'533

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

15. Impairment of Intangible Assets

During the financial year 2018/2017 Lupin Atlantis Holding SA impaired following intangible assets:

	for the year ended 31.03.2018 CHF	for the year ended 31.03.2018 USD	for the year ended 31.03.2017 CHF	for the year ended 31.03.2017 USD
1) Cannab (Temmler)	-	-	568	507
2) Tacrolimus Capsule (Prograf)	1'416	1'460	-	-
Total	1'416	1'460	568	507

16. Other income

	for the year ended 31.03.2018 CHF	for the year ended 31.03.2018 USD	for the year ended 31.03.2017 CHF	for the year ended 31.03.2017 USD
Compensation received	3'881	4'000	-	-
Profit on Sales of IP Assets	173'819	179'160	-	-
Total	179'669	183'160	0	0

The sales of IP Assets is the source of the positive cash flow generation of the investment activities.

17. Other expenses

	for the year ended 31.03.2018 CHF	for the year ended 31.03.2018 USD	for the year ended 31.03.2017 CHF	for the year ended 31.03.2017 USD
1) Lupin Pharma LLC	487	502	-	-
2) Lupin Ukraine LLC	4	4	-	-
Total	491	506	0	0

LUPIN ATLANTIS HOLDINGS SA



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 AND 2017
(IN CHF'000)

18. Residual amount of leasing liabilities

Leasing liabilities, which will not expire and may not be terminated within twelve months, are subject to the following repayment structure.

	As at 31.03.2018 CHF	As at 31.03.2018 USD	As at 31.03.2017 CHF	As at 31.03.2017 USD
< 1 year	36	38	86	86
1 – 5 years	53	55	132	132
> 5 years	-	-	-	-
Total	89	93	219	218

19. Contingent liabilities

The company is currently involved in few litigation cases which outcome is difficult to predict and the amount of the eventual liability is not possible to estimate. Therefore, no provision was made in relation to the possible outcome of the above mention cases.

20. Fees for audit services and other services

	31.03.2018 CHF	31.03.2018 USD	31.03.2017 CHF	31.03.2017 USD
Audit services	212	218	195	200
Other services	-	-	-	-
Total	212	212	195	200

The above mentioned fees represent only the audit fees for the respective year. Any related provisions are excluded here. The other services are defined as the services provided only by statutory auditor. Services provided by other departments or divisions of the statutory auditor are not presented here.

21. Consistency in presentation and comparability

Certain prior year figures have been adjusted for comparative purposes.

The presentation currency of the financial statements is the CHF. The USD amount represent the amounts in functional currency.

22. Significant events occurring after the balance sheet date

On 3rd May 2018, the Company signed the Novation agreement with Lupin Inc., Lupin Limited and Consortium of Banks regarding the transfer of the Long term loan in the amount of USD 680 million to Lupin Inc.. This transaction is a part of the Asset Purchase Agreement dated 21 March 2018 signed between Lupin Inc. and the Company.

There are no further items to be disclosed according to Art. 959c of the Swiss Code of Obligations (Co).