

**LUPIN HOLDINGS B.V.**  
Amsterdam, the Netherlands  
Financial Statements  
March 31, 2018

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### FINANCIAL STATEMENTS

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**1 BALANCE SHEET AS AT MARCH 31, 2018**  
(before appropriation of the profit)

		March 31, 2018	March 31, 2017
		USD	USD
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial fixed assets</b>	<b>(1)</b>		
Participations in group companies		216,076,674	216,064,678
Amounts due from group companies		63,190,125	59,395,288
		<u>279,266,799</u>	<u>275,459,966</u>
<b>Current assets</b>			
<b>Receivables, prepayments and accrued income</b>	<b>(2)</b>	1,506,212	5,991,199
<b>Cash and Cash equivalents</b>	<b>(3)</b>	9,000,314	6,136,281
		<u>10,506,526</u>	<u>12,127,480</u>
<b>TOTAL ASSETS</b>		<u><u>289,773,325</u></u>	<u><u>287,587,446</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>(4)</b>		
Issued and paid-up capital		130,391,911	113,141,784
Share premium reserve		103,387,463	103,387,463
Other reserves		52,272,672	66,585,715
Result for the year		2,094,546	2,937,084
		<u>288,146,592</u>	<u>286,052,046</u>
<b>Provisions</b>	<b>(5)</b>	1,406,069	1,375,909
<b>Current liabilities</b>	<b>(6)</b>	220,664	159,491
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>289,773,325</u></u>	<u><u>287,587,446</u></u>

2 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		<u>2017/2018</u>	<u>2016/2017</u>
		USD	USD
<b>Expenses</b>			
General and administrative expenses	(7)	115,726	153,248
<b>Operating result</b>		<u>(115,726)</u>	<u>(153,248)</u>
Result on participations / subsidiaries	(8)	509,006	1,542,708
Interest and similar income	(9)	2,350,305	2,143,803
Withholding tax	(10)	(84,637)	(46,872)
Interest and similar expenses	(11)	(6,862)	(116,955)
<b>Financial income and expenses</b>		<u>2,767,812</u>	<u>3,522,684</u>
<b>Result from ordinary business activities before tax</b>		2,652,086	3,369,436
Taxation on result from ordinary business activities	(12)	(557,540)	(432,352)
<b>Result after tax</b>		<u><u>2,094,546</u></u>	<u><u>2,937,084</u></u>

### **3 NOTES TO THE FINANCIAL STATEMENTS**

#### **3.1 GENERAL**

##### **Activities**

Lupin Holdings B.V. ("the Company") is a Dutch private company with limited liability, incorporated in Amsterdam on March 30, 2007. The Company mainly acts as a holding and finance company.

##### **Registered address**

The registered and actual address of Lupin Holdings B.V. (CoC number 34270847) is Naritaweg 165 in Amsterdam.

##### **Group structure**

The Company is a member of the Lupin group. The ultimate parent company of this group is Lupin Limited, Mumbai, India. The financial statements of the Company are included in the financial statements of Lupin Limited, Mumbai, India.

##### **Consolidation**

Consolidated Financial Statements have not been prepared, as is permitted by Article 408, Book 2 of the Netherlands Civil Code. Pursuant to the conditions of this article, the Company will file with the Trade Register of the Chamber of Commerce in Amsterdam the consolidated financial statements of its ultimate parent company Lupin Limited, Mumbai, India.

##### **Related party transactions**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide the true and fair view.

#### **3.2 GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board, taking into account the exemptions offered by the Dutch Accounting Standards Board.

The financial statements have been prepared based on the historical cost. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention.

##### **Estimates**

In applying the accounting policies and guidelines for preparing the financial statements, management makes a range of estimates and judgments that might be essential for the amounts disclosed in the financial statements. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statements items in question. Actual amounts may differ from these estimates.

### 3.3 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

#### Restatement of the previous year's figures

The comparative figures have changed compared with the financial statements 2016/2017, because in the financial statements 2016/2017 the "Issued and paid-up capital" was not translated at year-end rate in accordance with Article 373.5 of the Dutch Civil Code. The comparative figures have been adjusted and show the figures as if this error had not occurred. This restatement has no impact on total equity and has no impact on the result.

The only impact it has is on the division between Issued-and paid-up capital and the other reserves as at March 31, 2017, as shown below (in USD):

	Previous	Restated	Impact
Issued-and paid up capital	120,178,288	113,141,784	- 7,036,504
Other reserves	59,549,211	66,585,715	+7,036,504

#### Foreign currency

##### *Functional currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in USD, which is the functional and presentation currency of the Company.

##### *Transactions, receivables and liabilities*

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

##### **Financial fixed assets**

Participating interests, including majority investments where significant influence can be exercised, are stated at acquisition cost in accordance with Article 214.325 of the Guideline for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board, with reference to Part 9, Book 2, Article 408 of the Dutch Civil Code or in case of a permanent impairment of the value of the shares, it is measured at impaired value; any write-offs are disclosed in the income statement.

Other financial fixed assets (including securities) dedicated to serve the operations of the Company permanently, are valued at the lower of cost and market value.

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at mortised cost. For determining the value, any impairments are taken into account.



### **Impairment of non-current assets**

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognized immediately in the income statement.

If it is established that a previously recognized impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognized. A reversal of an impairment loss is recognized immediately in the income statement.

### **Accounts receivable**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### **Cash and Cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown as part of debts to lending institutions in current liabilities on the balance sheet. Cash and cash equivalents are carried at face value.

### **Provisions**

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is likely to require an outflow of resources and the extent of which can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligation at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

### ***Provisions for deferred income tax assets and liabilities***

Deferred income tax assets and liabilities are recognised to provide for temporary differences between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are deductible temporary differences and available fiscal losses are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and fiscal losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in group companies, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxes are recognised at face value.

### **Current liabilities**

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognized at the amortized cost price.

When there are no premiums, discounts or transaction costs, the amortized cost is equal to the nominal value.

## **3.4 PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **General**

Profit or loss is determined as the difference between the realizable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized.

### **Exchange rate differences**

Exchange rate differences arising upon the settlement or conversion of monetary items are recognized in the income statement in the period that they arise.

### **Financial income and expenses**

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Dividends receivable from associates not carried at net asset value and securities are recognized as soon as the Company acquires the right to them.

### **Taxation**

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.



4 NOTES TO THE BALANCE SHEET AS OF MARCH 31, 2018

ASSETS

FIXED ASSETS

1. Financial fixed assets

	Participations in group companies	Amounts due from group companies	Total
	USD	USD	USD
Book value as of April 1, 2017	216,064,678	59,395,288	275,459,966
Additions	12,000	40,000	52,000
Disposals	-	(750,000)	(750,000)
Exchange difference	-	204,837	204,837
Value decreases	(4)	-	(4)
Reclassification from short term to long term	-	4,300,000	4,300,000
Book value as of March 31, 2018	<u>216,076,674</u>	<u>63,190,125</u>	<u>279,266,799</u>
		<u>3/31/2018</u>	<u>3/31/2017</u>
		USD	USD
<b>Participations in group companies</b>			
Hormosan Pharma GmbH		19,877,866	19,877,866
Pharma Dynamics (Proprietary) Ltd		116,617,237	116,617,237
Multicare Pharmaceuticals Philippines Inc*		4,145,913	4,145,913
Generic Health Pty Ltd		20,036,589	20,036,589
Lupin Mexico SA de CV*		764,581	764,581
Lupin Philippines Inc*		998,044	998,044
Generic Health Sdn Bhd*		90,427	78,427
Medquimica Industria Farmaceutica LTDA		3,919,348	3,919,348
Lupin Pharma LLC		1	2
Lupin Ukraine LLC		1	4
Kyowa Pharmaceutical Industry Co. Ltd		49,626,667	49,626,667
		<u>216,076,674</u>	<u>216,064,678</u>

Name, Registered office	Ownership	Aquisition cost	Impairment	Carrying value
	%	USD	USD	USD
Hormosan Pharma GmbH Germany	100.00	19,877,866	-	19,877,866
Pharma Dynamics (Proprietary) Ltd South Africa	100.00	116,617,237	-	116,617,237
Multicare Pharmaceuticals Philippines Inc* Philippines	51.00	4,145,913	-	4,145,913
Generic Health Pty Ltd Australia	100.00	20,036,589	-	20,036,589
Lupin Mexico SA de CV* Mexico	100.00	764,581	-	764,581
Lupin Philippines Inc* Philippines	100.00	998,044	-	998,044
Generic Health Sdn Bhd* Malaysia	100.00	90,427	-	90,427
Medquimica Industria Farmaceutica LTDA Brazil	4.56	3,919,348	-	3,919,348
Lupin Pharma LLC Russia	0.10	2	(1)	1
Lupin Ukraine LLC Ukraine	0.10	4	(3)	1
Kyowa Pharmaceutical Industry Co. Ltd Japan	99.82	49,626,667	-	49,626,667
		<u>216,076,678</u>	<u>(4)</u>	<u>216,076,674</u>

\* Includes shares held by Nominees / Fellow Subsidiary.

#### Amounts due from group companies

Name	Interest rate	CCY	Amount in CCY	3/31/2018	3/31/2017
				USD	USD
Hormosan Pharma GmbH	1.30%	EUR	1,250,000	1,540,125	1,335,288
Lupin Healthcare (UK) Ltd	3.10%		-	6,000,000	6,000,000
Lupin Atlantis Holdings SA	3.10%		-	50,000,000	50,000,000
Lupin Pharma Canada Ltd	3.10%		-	1,250,000	2,000,000
Lupin Middle East FZ-LLC	3.10%		-	100,000	60,000
Medquimica Industria Farmaceutica LTDA	3.10%		-	4,300,000	-
				<u>63,190,125</u>	<u>59,395,288</u>

All loans are denominated in USD, except for a loan in EUR to Hormosan Pharma GmbH. The loans to Hormosan Pharma GmbH, Lupin Healthcare (UK) Ltd (former Lupin (Europe) Ltd), Lupin Atlantis Holdings SA and Lupin Middle East FZ-LLC are provided for unlimited period. The repayment date of the loan to Lupin Pharma Canada Ltd - March 23, 2022. The repayment date of the loan to Medquimica Industria Farmaceutica LTDA - July 3, 2022.

## CURRENT ASSETS

	3/31/2018	3/31/2017
	USD	USD
<b>2. Receivables, prepayments and accrued income</b>		
Amounts due from group companies	750,000	4,800,000
Interest on loans from group companies	689,216	1,172,324
Taxes and social securities	2,723	5,572
Interest on time deposit	53,298	4,569
Prepayments and accrued income	10,975	8,734
	<u>1,506,212</u>	<u>5,991,199</u>

Name	CCY	Amount in CCY	3/31/2018	3/31/2017
			USD	USD
<b>Amounts due from group companies</b>				
Lupin Pharma Canada Ltd*	-		750,000	500,000
Medquimica Industria Farmaceutica LTDA	-		-	4,300,000
			<u>750,000</u>	<u>4,800,000</u>

\*Part of loan receivable that was repaid on April 3, 2017 (USD 500,000) and part of the loan receivable that was repaid on April 3, 2018 (USD 750,000).

The repayment date of the loan to Medquimica Industria Farmaceutica LTDA - July 3, 2022. The loan in the amount of USD 4,300,000 was reclassified from short term to long term "Amounts due from the group companies" due to the change in the maturity date during the financial year. The loan bears a fixed interest at 3.10% per annum. Interest percentage changed as of July 3, 2017 from 1.85% per annum to 3.10% per annum. Before the interest percentage changed as of April 1, 2017 from 6% per annum to 1.85% per annum.

### Interest on loans from group companies

Accrued Interest on Loan Hormosan Pharma GmbH	EUR	4,062	5,005	-
Accrued Interest on Loan Lupin Atlantis Holdings SA		-	387,500	712,153
Accrued Interest on Loan Lupin Pharma Canada Ltd		-	13,950	36,068
Accrued Interest on Loan Lupin Middle East FZ-LLC		-	775	1,084
Accrued Interest on Loan Medquimica Industria Farmaceutica LTDA		-	281,986	423,019
			<u>689,216</u>	<u>1,172,324</u>

	3/31/2018	3/31/2017
	USD	USD
<b>Taxes and social securities</b>		
Value added tax	<u>2,723</u>	<u>5,572</u>

### 3. Cash and Cash equivalents

	<u>CCY</u>	<u>Amount in CCY</u>	<u>3/31/2018</u>	<u>3/31/2017</u>
			USD	USD
Citibank International PLC, the Netherlands - Current Account	EUR	400,650	493,642	595,445
Citibank International PLC, the Netherlands - Current Account		-	421,497	1,021,141
Citibank International PLC, London - Current Account	EUR	2	2	2
State Bank of India, London - Current Account	EUR	5	6	5
Time deposit State Bank of India, London		-	8,085,167	4,519,688
			<u>9,000,314</u>	<u>6,136,281</u>

The cash and cash equivalents are fully at the Company's free disposal.

## EQUITY AND LIABILITIES

### 4. Equity

	Issued and paid-up capital	Share premium reserve	Other reserves	Result for the year	Total
	USD	USD	USD	USD	USD
Book value as of April 1, 2017	113,141,784	103,387,463	66,585,715	2,937,084	286,052,046
Result for the year	-	-	-	2,094,546	2,094,546
Result appropriation	-	-	2,937,084	(2,937,084)	-
Revaluation	17,250,127	-	(17,250,127)	-	-
Book value as of March 31, 2018	<u>130,391,911</u>	<u>103,387,463</u>	<u>52,272,672</u>	<u>2,094,546</u>	<u>288,146,592</u>

The Company's authorised share capital amounts to EUR 200,000,000 and consists of 200,000 ordinary shares with a nominal value of EUR 1,000 each. As at March 31, 2018, 105,829 shares were issued and fully paid-up. Exchange differences due to translation in the issued and paid-up capital are added to the translation reserve. The year-end rate used for translation is EUR/USD: 1.2321 (2017: 1.0691).

	3/31/2018	3/31/2017
	USD	USD
<b>5. Provisions</b>		
Deferred income tax	<u>1,406,069</u>	<u>1,375,909</u>
<b>Deferred income tax</b>		
	2017/2018	2016/2017
	USD	USD
Book value as of April 1, 2017	1,375,909	1,408,183
Allocation	30,160	-
Exchange differences	-	(32,274)
Book value as of March 31, 2018	<u>1,406,069</u>	<u>1,375,909</u>

The deferred corporate income tax charge of USD 1,406,069 is fully related to unrealized exchange profits for a total of USD 5,624,276.

	<u>3/31/2018</u>	<u>3/31/2017</u>
	USD	USD
<b>6. Current liabilities</b>		
Trade creditors	17,431	32,986
Taxes and social securities	173,804	82,495
Interest received in advance	-	2,800
Accruals and deferred income	29,429	41,210
	<u>220,664</u>	<u>159,491</u>
<b>Taxes and social securities</b>		
Corporate income tax (Net off advance tax)	<u>173,804</u>	<u>82,495</u>

#### **COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET**

##### Letter of Support

The Company has granted a letter of support to its subsidiary Generic Health Pty Limited until March 31, 2019.

##### Guarantees

The Company has signed a comfort letter stating its condition as guarantor, principal payer and jointly liable for the faithful, conclusive, and punctual compliance with all principal and ancillary obligations undertaken by its group company Medquimica Industria Farmaceutica LTDA, arising from the Lease Agreement by the subsidiary on General Legend Desenvolvimento Inmobiliario e Comercial Ltda.



5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2017/2018

7. General and administrative expenses

	2017/2018	2016/2017
	USD	USD
<i>General expenses</i>		
Management expenses	10,916	10,068
Legal and professional expenses	97,058	135,180
Bank expenses	3,804	3,886
Rental fees office space	1,255	1,281
Non recoverable VAT	2,693	2,833
	<u>115,726</u>	<u>153,248</u>

Financial income and expenses

8. Result on participations / subsidiaries

Dividend received from participations/ subsidiaries	509,010	390,991
Result on sale of investment in subsidiary	-	1,151,717
Impairment of investments	(4)	-
	<u>509,006</u>	<u>1,542,708</u>

	CCY	Amount in CCY	2017/2018	2016/2017
			USD	USD
<i>Dividend received from participations /subsidiaries</i>				
Multicare Pharmaceuticals Philippines Inc	PHP	26,160,900	509,010	390,991
			<u>2017/2018</u>	<u>2016/2017</u>
			USD	USD

Impairment of investments

Impairment of Lupin Pharma LLC	(1)	-
Impairment of Lupin Ukraine LLC	(3)	-
	<u>(4)</u>	<u>-</u>

9. Interest and similar income

Interest income banks	-	147
Exchange differences (unrealized)	269,966	-
Interest income Hormosan Pharma GmbH	19,368	18,102
Interest income Lupin Healthcare (UK) Ltd	188,584	188,582
Interest income Lupin Atlantis Holdings SA	1,571,528	1,571,528
Interest income Lupin Pharma Canada Ltd	62,862	77,715
Interest income Lupin Middle East FZ-LLC	2,522	1,886
Interest income Medquimica Industria Farmaceutica LTDA	121,267	261,586
Interest income on time deposit	114,208	24,257
	<u>2,350,305</u>	<u>2,143,803</u>

	2017/2018	2016/2017
	USD	USD
<b>10. Withholding tax</b>		
Withholding tax on dividend received	(50,901)	(39,099)
Withholding tax on interest accrued	(1,550)	(4,008)
Withholding tax on interest received	(32,186)	(3,765)
	<u>(84,637)</u>	<u>(46,872)</u>
<b>11. Interest and similar expenses</b>		
Interest expense banks	(3,638)	(271)
Exchange differences (realized)	(3,204)	(23,204)
Exchange differences (unrealized)	-	(93,480)
Interest on CIT	(20)	-
	<u>(6,862)</u>	<u>(116,955)</u>
<b>12. Taxation on result from ordinary business activities</b>		
Corporate income tax	(527,380)	(432,352)
Deferred income tax expense	(30,160)	-
	<u>(557,540)</u>	<u>(432,352)</u>

**Post balance sheet events**

No major post balance sheet events affecting the financial statements have occurred to date.

**Appropriation of the result for the 2016/2017 financial year**

The 2016/2017 annual accounts were adopted by the General Meeting held on May 22, 2017. The General Meeting has determined the appropriation of the result as it was proposed.

**Appropriation of the result for 2017/2018**

The Board of Managing Directors proposes to add the profit for 2017/2018 of USD 2,094,546 to the other reserves. This proposed appropriation of result has not been reflected in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

**Emoluments of directors and supervisory directors**

During the year under review, the Company had four Managing Directors, who received no remuneration during the current or the previous financial year. The Company has no Board of Supervisory Directors.

**Staff**

During the financial year 2017/2018 the Company had no employees.

**Signing of the financial statements**

Amsterdam, December 20, 2018

S. Makharia

J.P.V.G. Visser

M. A. H. Martis

T.R.A. Volle

## **OTHER INFORMATION**

### **1 Statutory appropriation of result**

Based on article 23 of the Articles of Association the result is at disposal of the General Meeting.

1. The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the financial statements, the profits will be reserved.

2. The General Meeting has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting distribute shall have effect without the consent of the Management Board. The Management Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

3. A claim of a Shareholder for payment of a distribution on Shares shall be barred after five years have elapsed.

4. In calculating the amount of any distribution on Shares, Shares held by the Company shall be disregarded.

### **2 Independent Audit**

Reference is made to the independent auditor's report hereinafter.

Auditors



To the Board of Directors of  
Lupin Holdings B.V.

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## **INDEPENDENT AUDITOR'S REPORT**

### **A. Report on the audit of the financial statements for the year ended, March 31, 2018 included in the financial report**

#### **Our opinion**

We have audited financial statements for the financial year ended on March 31, 2018 of Lupin Holdings B.V. based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position Lupin Holdings B.V. as at March 31, 2018 and its result for the year ended March 31, 2018 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, 2018;
2. the profit and loss account for the year ended March 31, 2018;
3. the notes comprising a summary of the accounting principles and other 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 of Lupin Holdings B.V. in accordance, 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.

**B. Description of responsibilities regarding the financial statements****Responsibilities of the board of directors for the financial information**

The board of directors is responsible for the preparation and fair presentation of financial statements in accordance with Part 9 of book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors 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, the board of director is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors 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 engagement 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 this special purpose financial information. 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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- 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 special information 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 represents the underlying transactions and events free from material misstatement.

We communicate with those charge with governance regarding, among other, 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.

Amsterdam, January 21, 2019

Baker Tilly (Netherlands) N.V.

*signed by*

H.R. Dikkeboom RA  
Audit Partner