

Report of the Statutory Auditor
to the General Meeting of

CARBOGEN AMCIS HOLDING AG Bubendorf

on the financial statements 2017/2018



Report of the Statutory Auditor
to the General Meeting of
CARBOGEN AMCIS HOLDING AG
Bubendorf

As statutory auditor, we have audited the accompanying financial statements of CARBOGEN AMCIS HOLDING AG, which comprise the balance sheet, the income statement and notes for the year ended 31 March 2018.

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 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 and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 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 further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Baker Tilly OBT Ltd



Kevin McCabe
licensed audit expert
auditor in charge



Adrian Treier
licensed audit expert

Zurich, May 31, 2018

- Financial statements 2017/2018 (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

2017/2018

CARBOGEN AMCIS HOLDING AG
Bubendorf

- **Financial statements 2017/2018**
 - Balance sheet as per 31 March 2018
 - Income statement 2017/2018
 - Notes to the financial statements as per 31 March 2018

- **Proposed appropriation of the available earnings**

CARBOGEN AMCIS HOLDING AG, Bubendorf**31 MARCH 2018** **31 MARCH 2017**
CHF **CHF****BALANCE SHEET AS OF 31 MARCH 2018****ASSETS**

Cash and cash equivalents	18'133	484'618
Other short-term receivables	1'748'068	695'995
<i>Other short-term receivables - from third parties</i>	1'325'973	0
<i>Other short-term receivables - from related parties</i>	422'095	695'995
Prepaid expenses and accrued income	13'838	0
<i>Prepaid expenses and accrued income - from third parties</i>	13'838	0
Total current assets	1'780'039	1'180'613
Investments in subsidiaries	140'383'468	103'007'108
Intangible assets	0	11'989
Other financial assets	0	235'021
Other long-term receivables	0	8'881'650
<i>Other long-term receivables - from related parties</i>	0	8'881'650
Total non-current assets	140'383'468	112'135'768
TOTAL ASSETS	142'163'507	113'316'381

BALANCE SHEET AS OF 31 MARCH 2018**LIABILITIES AND SHAREHOLDERS' EQUITY**

Short-term interest-bearing liabilities	17'488'243	13'634'730
<i>Short-term interest-bearing liabilities - due to third parties</i>	4'981'170	3'195'550
<i>Short-term interest-bearing liabilities - due to related parties</i>	12'507'073	10'439'180
Other short-term liabilities	1'441'389	396'224
<i>Other short-term liabilities - due to third parties</i>	68'037	0
<i>Other short-term liabilities - due to related parties</i>	1'373'351	396'224
Accrued expenses and deferred income	1'248'367	349'463
<i>Accrued expenses - due to third parties</i>	526'710	349'463
<i>Accrued expenses - due to related parties</i>	721'657	0
Total current liabilities	20'177'998	14'380'417
Long-term interest-bearing liabilities	8'390'265	15'323'773
<i>Long-term interest-bearing liabilities - due to third parties</i>	8'390'265	14'065'673
<i>Long-term interest-bearing liabilities - due to related parties</i>	0	1'258'100
Total non-current liabilities	8'390'265	15'323'773
Share capital	30'600'000	28'000'000
Statutory capital reserve		
Capital contribution reserves	284'450	0
Other capital reserves	24'415'550	0
Legal retained earnings	3'572'030	2'700'030
Voluntary retained earnings	48'570'163	35'476'699
Net profit for the year	6'153'051	17'435'463
Total shareholders' equity	113'595'244	83'612'192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	142'163'507	113'316'381

CARBOGEN AMCIS HOLDING AG, Bubendorf**1 April 2017
31 March 2018
CHF****1 April 2016
31 March 2017
CHF****INCOME STATEMENT FOR FY 2018 AND 2017**

Income from dividends	7'500'000	17'983'834
Income from licences and trademarks	746'674	750'671
Total income	8'246'674	18'734'505
Amortization of intangible assets	-11'989	-19'714
Office and administration expenses	-260'934	-72'378
Management fees	-663'000	-
Capital tax	-26'437	-10'042
Total expenses	-962'359	-102'135
Financial income	378'063	241'444
Financial expenses	-1'416'917	-1'329'123
Profit before taxes	6'245'461	17'544'691
Income taxes	-92'409	-109'228
Net profit for the year	6'153'051	17'435'463

Notes to the 2017/18 financial statements

1 Applied principles

Applied accounting law

These financial statements were prepared according to the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Significant valuation principles have been applied in the preparation of these financial statements which are not prescribed by law are described below. It should be noted, that in accordance with the Swiss Code of Obligations, the company's financial statements may be influenced by the creation and release of hidden reserves.

Valuation principles

Assets are valued at cost. Liabilities are recorded at nominal value.

All assets and liabilities in foreign currencies are translated by applying the exchange rate prevailing on the balance sheet date. Exchange rate differences are recognized in profit and loss.

Earnings and expenses originating in foreign currencies are translated at the exchange rate prevailing on the respective transaction dates.

These financial statements were created under the historical cost principle and the board of directors believes that the company will continue to operate in the foreseeable future. In the presentation of prior year information, certain positions have been re-presented in alignment with the current year presentation format - see Note 6.

Intangible assets

The intangible assets are depreciated over periods of up to 20 years or the useful life, if lower.

2 Investments in subsidiaries

	31.03.2018	31.03.2017
CARBOGEN AMCIS AG, Bubendorf (CH) <i>Share of capital and voting rights</i>	100%	100%
CARBOGEN AMCIS SAS, Riom (FR) <i>Share of capital and voting rights</i>	100%	100%
CARBOGEN AMCIS Ltd., Manchester (UK) <i>Share of capital and voting rights</i>	100%	100%
CARBOGEN AMCIS (SHANGHAI) CO. LTD. <i>Share of capital and voting rights</i>	100%	-

3 Full-time equivalents

The average number of full-time equivalent employees during the reporting year, as well as the previous year, is zero.

4 Audit fees

	2017/2018	2016/2017
Audit services	107'134	8'240
Other services	46'605	0
Total	153'739	8'240

5 Related party disclosure

Other short-term receivables from related parties (CHF 422'095 as per 31 March 2018; CHF 695'995 as per 31 March 2017) include:

- receivables from shareholder of CHF 0 (as per 31 March 2018) and CHF 455'825 (as per 31 March 2017)
- receivables from group companies of CHF 442'095 (as per 31 March 2018) and CHF 240'170 (as per 31 March 2017).

Other long-term receivables from related parties (CHF 0 as per 31 March 2018; CHF 8'881'650 as per 31 March 2017) include:

- receivables from group companies of CHF 0 (as per 31 March 2018) and CHF 8'881'650 (as per 31 March 2017)

Short-term interest-bearing liabilities due to related parties (CHF 12'507'073 as per 31 March 2018; CHF 10'439'180 as per 31 March 2017) include:

- liabilities to group companies of CHF 12'507'073 (as per 31 March 2018) and CHF 10'439'180 (as per 31 March 2017).

Other short-term liabilities from related parties (CHF 1'373'531 as per 31 March 2018; CHF 375'085 as per 31 March 2017) include:

- liabilities to shareholder of CHF 1'220'657 (as per 31 March 2018) and CHF 375'085 (as per 31 March 2017)
- liabilities to group companies of CHF 152'694 (as per 31 March 2018) and CHF 0 (as per 31 March 2017)

Long-term interest-bearing liabilities due to related parties (CHF 0 as per 31 March 2018; CHF 1'258'100 as per 31 March 2017) include:

- liabilities to group companies of CHF 0 (as per 31 March 2018) and CHF 1'258'100 (as per 31 March 2017)

6 Additional information

The financial reporting of the CARBOGEN AMCIS GROUP has been revised in the year under review. Therefore the financial statement deviates from the principle of consistency in representation. For the purpose of transparency note 6 shows the balance sheet once with the previous mapping and once with the current mapping for the financial year ending 31 March 2017.

Note 6: BALANCE SHEET AS OF 31 MARCH 2017**ASSETS**

Cash and cash equivalents	484'618	484'618
Other short-term receivables	695'995	695'995
<i>Other short-term receivables - from related parties</i>	<i>695'995</i>	<i>695'995</i>
Total current assets	1'180'613	1'180'613
Investments in subsidiaries	103'007'108	103'007'108
Intangible assets	11'989	11'989
Other financial assets	235'021	235'021
Other long-term receivables	8'881'650	8'881'650
<i>Other long-term receivables - from related parties</i>	<i>8'881'650</i>	<i>8'881'650</i>
Total non-current assets	112'135'768	112'135'768
TOTAL ASSETS	113'316'381	113'316'381

Note 6: BALANCE SHEET AS OF 31 MARCH 2017**LIABILITIES AND SHAREHOLDERS' EQUITY**

Short-term interest-bearing liabilities	13'634'730	13'737'516
<i>Short-term interest-bearing liabilities - due to third parties</i>	3'195'550	3'298'336
<i>Short-term interest-bearing liabilities - due to related parties</i>	10'439'180	10'439'180
Other short-term liabilities	396'224	375'085
<i>Other short-term liabilities - due to related parties</i>	396'224	375'085
Accrued expenses and deferred income	349'463	267'816
<i>Accrued expenses - due to third parties</i>	349'463	0
<i>Other accrued expenses</i>	0	267'816
Total current liabilities	14'380'417	14'380'417
Long-term interest-bearing liabilities	15'323'773	15'323'773
<i>Long-term interest-bearing liabilities - due to third parties</i>	14'065'673	14'065'673
<i>Long-term interest-bearing liabilities - due to related parties</i>	1'258'100	1'258'100
Total non-current liabilities	15'323'773	15'323'773
Share capital	28'000'000	28'000'000
Legal retained earnings	2'700'030	2'700'030
Voluntary retained earnings	35'476'699	35'476'699
Net profit for the year	17'435'463	17'435'463
Total shareholders' equity	83'612'192	83'612'192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	113'316'381	113'316'381

CARBOGEN AMCIS HOLDING AG, Bubendorf

Proposed appropriation of retained earnings (in CHF)

The Board of Directors proposes the following appropriation of available earnings:

	31 March 2018
Voluntary retained earnings (carried forward)	52'040'163
Extraordinary dividend distributed to shareholders (see note below)	-3'470'000
Net profit for the year	6'153'051
Total available earnings	54'723'214
Allocation to the legal retained earnings	-307'970
Proposed dividend	-2'750'000
Carried forward	<u><u>51'665'244</u></u>

Note for the financial year ending 31 March 2018

At the extraordinary general assembly held on 22nd of December 2017 a dividend of CHF 3'470'000 was resolved with payment to be made in the period to 31 March 2018.