

CP Pharma (Switzerland) Ltd, Zug

Report of the statutory auditors for

2015/16

Report of the statutory auditors on the limited statutory examination to the general meeting of

CP Pharma (Switzerland) Ltd, Zug

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of CP Pharma (Switzerland) Ltd for the year ended March 31, 2016.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Treucontrol Ltd



Andreas Landolt
Swiss Certified Accountant
Auditor in Charge

Egg, April 14, 2016

Enclosures:

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

Balance Sheet as per March 31,	2016	2015
	CHF	CHF
Assets		
Cash and cash equivalents	248'823	226'010
Accounts receivable	2'043	4'459
VAT	0	3'467
Inventory	0	18'409
Prepayments and accrued income	0	70'000
Current Assets	<u>250'867</u>	<u>322'345</u>
Total Assets	<u>250'867</u>	<u>322'345</u>
Liabilities		
Accounts payable	0	10'797
Accounts payable - intercompany	39'121	78'800
VAT	9'913	0
Accrued expenses	5'300	10'000
Current liabilities	<u>54'334</u>	<u>99'597</u>
Total liabilities	<u>54'334</u>	<u>99'597</u>
Shareholder's equity		
Share capital	250'000	250'000
Loss carried forward	-27'253	-35'136
Loss / Profit of the year	-26'214	7'884
Accumulated loss	<u>-53'467</u>	<u>-27'253</u>
Total shareholder's equity	<u>196'533</u>	<u>222'747</u>
Total liabilities and shareholder's equity	<u>250'867</u>	<u>322'345</u>

Income statement for the year	2015/16	2014/15
	CHF	CHF
Revenues		
Sales	148'641	264'490
Cost of sales	<u>-84'623</u>	<u>-159'389</u>
Total income	<u>64'018</u>	<u>105'101</u>
Operating expenses		
Staff cost	54'291	79'449
Marketing expenses	6'427	175
Other expenses	29'286	15'307
Taxes	<u>216</u>	<u>2'012</u>
Total operating expenses	<u>90'220</u>	<u>96'943</u>
Net loss / profit from operations	<u>-26'202</u>	<u>8'158</u>
Financial Income/Expenses		
Interest income	0	15
Interest and bank charges	-220	-289
Exchange differences	<u>208</u>	<u>0</u>
Total financial result	<u>-12</u>	<u>-275</u>
Loss / Profit of the year	<u>-26'214</u>	<u>7'884</u>

Notes to the financial statements as of March 31, 2016

1 General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

The accounting requires estimates and assessments by the Board of Directors which could affect the value of the reported assets and liabilities, as well as contingent liabilities at the time of preparing the accounts, but which may also have an effect on expenses and earnings for the reporting period. The Board of Directors is free to decide at its discretion the extent to which statutory freedoms will be used for accounting and valuation purposes. Within the scope permitted by the principle of caution, amortisation, value adjustments and provisions may be formed above and beyond the extent required for financial and accounting purposes, if this serves the wellbeing of the company.

2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.