

UPL Deutschland GmbH			
Balance Sheet as on 31st March 2018			
		EUR	EUR
Particular		Mar' 2018	Mar' 2017
ASSETS			
Intangible Fixed Assets			
Product Registration		1.437.232	1.391.100
Fixed Assets			
other Equipment, Factory and office Equipment		21.169	12.531
Total intangible and tangible Assets		1.458.401	1.403.631
Current Assets			
Inventories		8.030.146	4.254.879
Trade and Other Receivables		2.950.754	3.602.670
Group Receivables		13.001.561	11.627.861
Cash and Bank		4.018.434	6.303.624
Prepaid expenses		24.992	23.389
Deferred tax assets		0	0
		28.025.886	25.812.423
Total Assets		29.484.287	27.216.054
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital		25.000	25.000
P & L Account Balance BF		1.583.498	599.394
Current Period Profit/ Loss		1.066.569	984.104
Shareholder's Interests		2.675.067	1.608.498
Current liabilities			
Group Payables		13.713.355	12.206.557
Trade an other Payables		2.514.500	4.064.152
Accrued liabilities		10.120.195	8.911.006
Deferred tax liabilities		461.170	425.841
		26.809.220	25.607.556
Total Equity and Liabilities		29.484.287	27.216.054

Signature Baker Tilly
Stephan Martens

Signature Management of UPL Deutschland GmbH

UPL Deutschland GmbH

Income Statement for the period ended 31st March 2018

Particulars	EUR Mar' 2018	EUR Mar' 2017
Revenue	40.995.753	29.044.004
Other operating Income	177.600	49.870
Cost of Sales	-35.813.895	-24.895.915
Administrative Costs	-3.753.386	-2.828.764
Depreciation	-443.249	-350.383
Operating Profit	1.162.823	1.018.812
Less:		
Finance earnings	202.008	52.345
Finance Costs	-180.434	-96.229
Profit after Finance costs	1.184.398	974.928
Prior Period Adjustment	0	0
PROFIT/ LOSS BEFORE TAXATION	1.184.398	974.928
Taxation	-117.828	9.176
PROFIT/ LOSS AFTER TAXATION	1.066.569	984.104
SURPLUS TRANSFERRED TO RESERVES	1.066.569	984.104

Signature Baker Tilly
Stephan Martens



Signature Management of UPL Deutschland GmbH

UPL Deutschland GmbH, Brühl

Notes for the fiscal year ending 31 March 2018

1. Principal activities of the Company

UPL Deutschland GmbH is registered at the trade Register Cologne with the number 68518.

Principle activities:

- Service in the area of plant growth
- Wholesale and retail of chemical products in specialists and general stores, and on market stands.

2. Financial Statements

a) Basis of preparation:

Financial Statements are produced on a going concern basis. There are no circumstances known which would indicate the inability of the Company to continue operating.

The financial Statements are presented for the twelve-month period ending 31st March 2018. In accordance with sect. 264a para. 1 HGB the financial statements were set up based on the sections 242 to 288 HGB.

The preparation of the Profit and Loss accounts was made in accordance with the total cost method as per sect. 275 para.2 HGB.

b) Fixed Assets

Intangible assets consist of Product registrations expenses which are accounted for at purchase cost net of the amortisation carried on during the year based upon a 5 year straight line amortisation plan. The same is in line with group accounting policy.

Fixed assets are shown in the balance sheet at their historical costs reduced by depreciation.

Accounts	31.03.17	Increase	Decrease	31.03.18
Plant and machinery	0,00	8.837,00	0,00	8.837,00
Furniture and Fixtures	17.238,01	1.287,50	0,00	18.525,51
Computer equipments	18.017,46	3.848,00	0,00	21.865,46
Product Registration	1.980.818,00	484.046,71	0,00	2.464.864,71
Gross Block	2.016.073,47	498.019,21	0,00	2.514.092,68
Plant and machinery	0,00	1.472,83	0,00	1.472,83
Furniture and Fixtures	9.279,26	1.836,62	0,00	11.115,88
Computer equipments	13.445,24	2.025,18	0,00	15.470,42
Product Registration	589.717,83	437.914,53	0,00	1.027.632,36
Total Depreciation	612.442,33	443.249,16	0,00	1.055.691,49
Impairment	0,00	0,00	0,00	0,00
Net Block	1.403.631,14	54.770,05	0,00	1.458.401,19

c) Stocks

The inventories are valued with a weighted average purchase price.

	Mar' 2018	Mar' 2017
Stock of finished goods	8.030.145,79	4.254.879,00
Total	8.030.145,79	4.254.879,00

d) Receivables

Receivables are long term if they are due after more than one year from the balance sheet date. They are short term if they are due within one year from the balance sheet date.

Receivables are stated at amounts due at the balance sheet date and are adjusted by write downs taking into account the probability of prepayment. Depending on the type of receivables, write downs are charged to other operating costs or financial costs.

Trade Receivables

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in forward-looking estimates are analysed. This policy is in line with the Group's policy on Impairment of financial assets. As the company has a securitisation of trade receivable program with Rabo Bank under which the trade receivables are sold on a non-recourse basis in the framework Sale of receivable agreement no ECL has been recognised.

At 31 March 2018, the amount of trade receivables sold to UPL Finance BV (an unrelated party) on a non-recourse basis in the framework of the receivables sale agreement amounts to €32,119 k. These receivables are derecognised from the balance sheet.

e) Monetary Assets

Monetary assets include cash in hand and cash at bank. These include Bank deposits maturing within three months of the balance sheet date, cheques, bills of exchange and similar instruments due within three months from the date of issue. Monetary assets also include interest due but not received. Cash and cash equivalents are stated at face value.

f) Shareholders's Equity

Share capital is stated at nominal value in the amount specified in Article of Association and entered in the Commercial registers.

Shareholders	Mar' 2018		Mar' 2017	
	number of Shares	Nominal Value	number of Shares	Nominal Value
UPL Europe Ltd	25.000	25.000,00	25.000	25.000,00

Retained Earnings	Mar' 2018	Mar' 2017
P&L Account BF	1.583.497,56	599.393,76
Current Period Profit/ (Loss)	<u>1.066.569,40</u>	<u>984.103,81</u>
Total	2.650.066,96	1.583.497,57

g) Accrued liabilities

Accruals are recognised at amounts of likely liabilities, which relate to the current reporting period, in particular with regards to

- Goods and services provided to the company by its creditors, if the amount of the liability can be reliably estimated.
- The obligation to provide, in the future, goods and services, relating to current activities, to unknown persons, the amount of which can be estimated even though the timing of a liability is not yet known, including amounts relating to guarantee and warranty service relating to products sold.

Accrued liabilities are recognised in the income statement in proportion to the goods or services provided.

	Mar' 2018	Mar' 2017
Provision for Corporate Tax	82.500,00	0,00
Provision for Discount	9.633.878,15	8.657.146,94
Accruals - non group	<u>403.817,34</u>	<u>253.859,43</u>
Thereof for		
Bonus payments to employees	245.964,00	94.032,65
Social Security costs	5.664,05	0,00
Payments to sales partner	80.000,00	76.776,00
Bank factoring fees	7.189,29	0,00
Legal expenses	40.000,00	40.000,00
Holiday accrual	0,00	21.050,78
Audit	25.000,00	22.000,00
Total	10.120.195,49	8.911.006,37

h) Liabilities

Liabilities are long term if they are due more than one year from the balance sheet date. Liabilities are short term if they are due within a year from the balance sheet date

Liabilities are stated at amounts due with respect to goods and services received, including the interest due at the accounting date.

i) Revenue Recognition

Revenues are recognised at the time goods are delivered or services are provided. Revenues are recognised to the net amount with regards to value-added taxes or any discount allowed.

The sale of products are deducted by an amount of 14.127.690,18 EUR for rebate and discounts.

	2017/2018	2016/2017
Third party	40.816.411,10	28.790.261,30
- thereof sale of products	40.753.421,10	28.790.261,30
- thereof royalty	62.990,00	0,00
Intercompany	<u>179.341,40</u>	<u>253.742,96</u>
Total	40.995.752,59	29.044.004,26

j) Cost of sales

	2017/2018	2016/2017
Cost of sales RM	35.008.377,62	24.179.817,23
Other costs	<u>805.516,94</u>	<u>716.098,00</u>
Total	35.813.894,56	24.895.915,23

k) Administrative Costs

	2017/2018	2016/2017
People	1.255.464,17	1.032.761,51
Office / professional non group	1.854.019,61	1.276.246,03
- Thereof exceptional in relation to legal expenses *	882.707,95*	447.519,00*
Group Expenses	<u>643.902,02</u>	<u>519.756,00</u>
Total	3.753.385,80	2.828.763,54

* During the year the company incurred legal expenses of 883k EUR (prior year 447k EUR) in relation to pursuing legal actions against companies and individuals alleged to be counterfeiting its products. Whilst the company is fully prepared to take strong legal action against counterfeiters, these levels of fees are exceptional in nature and not expected to recur.

l) Finance earnings

	2017/2018	2016/2017
From UPL Europe	202.008,19	52.455,05
others	<u>0.00</u>	<u>-110.18</u>
Total	202.008,19	52.344,87

m) Finance Costs

	2017/2018	2016/2017
Group	0,00	0,00
To Third parties	<u>180.433,68</u>	<u>96.228,92</u>
Total	180.433,68	96.288,92

n) Related party Disclosure for During the year transactions

Related Party Name	Nature of Transaction	Apr 17 - Mar 18	Apr 16 - Mar 17
UPL BENELUX	Sales	158.320,00	43.986,96
UPL BENELUX	Purchases	3.950,00	-
UPL BENELUX	Recharge of IPR	-	24.756,00
CEREXAGRI BV	Purchases	25.292.736,20	13.834.714,90
CEREXAGRI BV	Recharge of Expenses	-	-
UPL IBERIA, S.A.	Sales	- 16.272,50	9.500,00
UPL IBERIA, S.A.	Purchases	79.114,40	38.736,00
UPL ITALIA	Sales	-	-
UPL ITALIA	Purchases	350,00	-
UPL FRANCE	Sales	37.293,90	-
UPL FRANCE	Purchases	107.840,00	98.720,00
CEREXAGRI SAS	Purchases	543.373,00	448.119,00
UPL LIMITED (INDIA)	Purchases	-	45.772,60
UPL GIBRALTAR	Purchases	119.666,32	-
UPL EUROPE Ltd.	Sales	-	200.256,00
UPL EUROPE Ltd.	Purchases	3.328.196,00	4.717.441,80
UPL EUROPE Ltd.	Management Fee	636.000,00	495.000,00
UPL EUROPE Ltd.	Recharge of Registrations	484.047,00	766.234,00
UPL EUROPE Ltd.	Recharge of Expenses	7.902,00	531.167,93
UPL EUROPE Ltd.	Recharge of Expenses to UK	20.561,03	105.000,00
UPL EUROPE Ltd.	Loan Taken	-	-
UPL EUROPE Ltd.	Loan Given	12.963.969,48	11.642.065,98
UPL EUROPE Ltd.	Loan Interest due to GmbH (BOA)	202.008,00	52.455,05
UPL HOLDINGS LTD BV	Recharge of Expenses	12.761,71	-

Related party Disclosure for Outstanding balances on closing date

Related Party Name	Natur of Outstanding Balance	Mar-18	Mar-17
UPL BENELUX	Payables	-	12.378,00
CEREXAGRI BV	Payables	11.085.401,30	6.743.996,20
CEREXAGRI SAS	Payables	498.253,00	290.828,40
UPL IBERIA, S.A.	Payables	420,00	21.600,00
UPL FRANCE	Receivable	37.293,90	-
UPL FRANCE	Payables	-	39.680,00
UPL EUROPE Ltd.	Payables	2.129.280,92	5.098.074,26
UPL EUROPE Ltd.	Loan Given	12.963.969,48	11.642.065,98
UPL EUROPE Ltd.	Loan Interest Receivable	297,46	14.204,89

o) Tax Reconciliation

	EUR	EUR
	2017-18	2016-17
Profit on ordinary activities before tax due to IFRS	1.184.397,78	974.928,29
Rate of Corporate Tax %	30,875 %	30,875 %
Adjustments GERMAN GAAP		
Cancellation of stock write off prior year:	+28.274,45	+478.389,97
Stock write off actual year differences in price (SAP price -> last invoice price)	-100.000,00	-28.370,93
Only for IFRS R&D cost are capitalized, local GAAP shown as costs	-46.132,18	-523.317,20
Profit on ordinary activities before tax due to GERMAN GAAP	1.066.540,05	901.630,13
Tax Adjustments (only major items are listed)		
1 Boa interco loan interest	0,00	0,00
2 Interest to Grp Cos	0,00	0,00
3 Subordinated Loan In	130.508,39	94.125,09
4 BOA-CP Bank Charges	2.247,26	2.103,83
5 Lease Rental (20 %)	42.765,35	7.934,62
6 Lease #400751 (50%)	35.847,89	17.479,22
7 Software 25%	0,00	0,00
Less tax exemption limit	-100.000,00	-100.000,00
Thereof 25 %	27.309,64	5.410,69
Final profit after adjustments local business tax	1.103.556,61	956.633,67
Loss carried forward local business tax	-1.010.353,33	-956.633,67
local business tax 14%	14.100,00	0,00
Final profit after adjustments corporate tax	1.076.246,964	923.409,99
Loss carried forward corporate tax	-644.509,01	-923.409,99
corporate tax 15% -> rounded	64.800	0,00
Solidarity tax 5,5% on corporate tax	3.600	0,00
Final tax GERMAN GAAP	-82.500,00	0,00
Effective Tax Rate (final tax German GAAP /divided/ Profit on ordinary activities before tax due to GERMAN GAAP)	7,7%	0,00
Deferred taxes current year (for issues see above "adjustments GERMAN GAAP")	8.511,28	134.341,17
Cancellation deferred taxes previous year (for issues see above "adjustments GERMAN GAAP")	-43.839,65	-143.516,99
Refund from 2014	0,00	0,3
Deferred tax for the year	-35.328,37	9.175,52
Final Tax IFRS Package	-117.828,38	9.175,52

Unused Tax losses/ Taxes carried forward

The tax declarations for 2017 are not prepared yet (the tax government has not provided the upload formula for the year 2017). The preliminary tax losses carried forward are consumed. There are no unused tax losses.

p) Average Number of Employees

The company employs thirteen people.

Permanent number of employees: 13 (prior year: 13)

Contractual number of employees: 0 (prior year: 0)

3. Other information

The Profit of 1.066.569,40 EUR will be carried forward.

Brühl, 10. April 2018

UPL Deutschland GmbH

Management



Trevor Holland



Mandar J. Kadam



Dr. Michael Krajewski

To the Board of Directors
UPL Deutschland GmbH
Kölnstr. 107
50321 Brühl

We have audited the accompanying balance sheet of UPL Deutschland GmbH as of March 31, 2018 and the related statements of income for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with German auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UPL Deutschland GmbH as of March 31st, 2018 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Germany.

Düsseldorf, 13. April 2018

Stephan Martens

Partner

