

Company Registration No. 05918270

HIKMA ACQUISITIONS (UK)
LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2016



Company Registration No. 05918270

HIKMA ACQUISITIONS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

Page

Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditors' report	7
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to financial statements	12-19

Company Registration No. 05918270

HIKMA ACQUISITIONS (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Gurpal S Atwal
Peter A Speirs
Jane C Hyde

COMPANY SECRETARY

Peter A Speirs

REGISTERED OFFICE

1 New Burlington Place
London
W1S 2HR

SOLICITORS

Slaughter and May
1 Bunhill Row
London
EC1Y 8YY

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

HIKMA ACQUISITIONS (UK) LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report and the audited financial statements for the year ended 31 December 2016.

Principal activities and future developments

Hikma Acquisitions (UK) Limited (the "Company") is ultimately a wholly owned subsidiary of Hikma Pharmaceuticals PLC ("Hikma"). The principal activity of the Company during the year was that of a holding company within the Hikma group (the "Group"). The Strategic Report for Hikma summarises the strategy for the Hikma group. As a holding company, the Company is, on occasion, involved in the implementation of the Hikma strategy.

The Company achieved a nil result for the year ended 31 December 2016 (2015: profit \$3,000,000). The result was due to no dividend being received during the year as a result of a reduction in income from Group undertakings.

The Company's financial position as at 31 December 2016, in terms of net assets, was \$2,633,821,310 (2015: \$1,184,741,414). The increase in net assets was primarily in exchange for an increased investment in Hikma Holdings (UK) Limited as detailed below.

On 29 February 2016, Hikma acquired two companies, Roxane Laboratories Inc. and West-Ward Columbus Inc (formerly Boehringer Ingelheim Roxane Inc.) from the Boehringer Ingelheim Group. As a consequence of subsequent restructuring around the acquisition, the share capital and share premium was increased during 2016. The Company had a corresponding increase in the investment in its subsidiary, Hikma Holdings (UK) Limited of \$1,947,520,999. As a result of a re-evaluating of the assets of the investment, the company recognised an impairment of \$673,441,103.

On 2 August 2016, the Company issued 1,000 Ordinary Shares of £1 (\$1.34) each, with a share premium of \$174,998 per share, to Hikma Pharmaceuticals PLC in exchange for certain intellectual property assets with a book value of \$175,000,000. The assets were subsequently transferred to Hikma Holdings (UK) Limited, a wholly owned subsidiary in exchange for 1,000 Ordinary Shares of £1 (\$1.34) each with a share premium of \$174,988 per share.

The Company has not directly undertaken activities in to the field of research and development and does not have branches outside of the United Kingdom.

Principal risks and uncertainties

The Directors have determined that the principal risks and uncertainties facing the Company are that:

- Hikma ceases to be in a position to provide financial support to the Company at a time when that support is required; and
- the Company is transferred outside the Group leading to a change in the strategic priorities and associated costs.

Further information in respect of the risk factors impacting Hikma and the Company, including how they are managed and mitigated, can be obtained from the Group Annual report for the year ended 31 December 2016. The Group Annual Report is publicly available, but does not form part of this report and financial statements, and are available at Hikma's registered office or from the Hikma website at www.Hikma.com

Financial risk management

From the perspective of the Company, financial risk management is integrated with the financial risk management of the Group and is not managed separately. Accordingly, financial risk management of the Group, which includes that of the Company, is discussed on page 58 of the Group's Annual Report for the year ended 31 December 2016 which does not form part of this report. The Directors consider that the Company's exposure to cash flow, credit and liquidity risk is not material for the assessment of assets, liabilities and the financial statements.

Company Registration No. 05918270

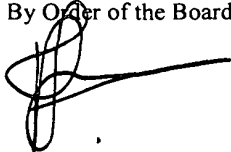
HIKMA ACQUISITIONS (UK) LIMITED

STRATEGIC REPORT (Continued)

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

By Order of the Board



Peter A Speirs

Company Secretary

Date: ~~28 September~~ 2017

HIKMA ACQUISITIONS (UK) LIMITED

DIRECTORS' REPORT

The Directors' present their annual report together with the audited financial statements and the independent auditors' report for the year ended 31 December 2016. The Company is exempt from the obligation to prepare group financial statement as it's a wholly owned subsidiary of Hikma Pharmaceuticals PLC ("Hikma") which prepares consolidated financial statements that are publicly available.

In accordance with s414C(11) of the Companies Act 2006, the Company has chosen to include certain information in the strategic report on page 2 as follows:

- the financial risk management objectives and policies of the Company;
- the exposure of the Company to cash flow, credit and liquidity risk;
- the likely future developments of the Company;
- the research and development activities of the Company; and
- the branches outside the United Kingdom.

Results and dividends

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The Directors have not recommended a final dividend (2015: \$nil) or declared an interim dividend (2015: \$3,000,000) during the year.

Political contributions

The Company did not make any political contributions during the year (2015: \$nil).

Employees

The Company had no employees in the current or prior year.

Domicile

The Company is domiciled in the United Kingdom of Great Britain and Northern Ireland.

Creditor payment policy

The Company's creditor payment policy is defined by Hikma, applied across the Group and disclosed in the financial report and financial statements of Hikma.

Post balance sheet events

On 11 May 2017, Hikma Pharmaceuticals PLC ("Hikma"), the ultimate parent company of Hikma Acquisitions (UK) Limited, announced the receipt of a complete response letter from the United States Food and Drug Administration (the "FDA") in relation to its abbreviated new drug application for its generic version of GlaxoSmithKline's Advair Diskus® ("Generic Advair"). Since then Hikma has had constructive discussions with the FDA and has been able to clarify and resolve a number of the questions raised. The discussions with FDA have confirmed Hikma's initial assessment that there were no material issues regarding the substitutability of the proposed device. Discussions with the FDA to address the remaining questions are ongoing.

The impact of the likely delay in the launch of Generic Advair on the Company's 2017 financial statements is continuing to be assessed.

Going concern

Hikma Acquisitions (UK) Limited had net assets of \$2,633,821,310. The Company has a letter of support in place from its ultimate parent company, Hikma, which states that, should it be required, Hikma will provide financial support to the company for additional funding or to enable it to discharge its liabilities as they fall due for the foreseeable future. The Directors have assessed the ability of Hikma to provide that support and, on that basis, have concluded that the application of the going concern basis of preparation of the financial statements is appropriate.

HIKMA ACQUISITIONS (UK) LIMITED

DIRECTORS' REPORT (Continued)

Directors

The Directors who served the Company during the year and since the year end, together with the relevant dates of resignation and appointment, were as follows:

Gurpal S Atwal
Peter A Speirs
Jane C Hyde (appointed 12 April 2016)

The Directors did not receive any emoluments in relation to their services to the Company.

Directors' indemnities

The Company has not provided any indemnity provisions for its Directors.

Statement of disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he /she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s400 of the Companies Act 2006.

PricewaterhouseCoopers LLP were appointed by the Directors to act as auditors for the year ended 31 December 2016. The auditors have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed in the board meeting to approve the 2016 financial statements.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework," and applicable law.)

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed; subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company Registration No. 05918270

HIKMA ACQUISITIONS (UK) LIMITED

DIRECTORS' REPORT (Continued)

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed by order of the Board.

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line.

Peter A Speirs

Company Secretary

Date: ~~28 September~~ 2017

Independent auditors' report to the members of Hikma Acquisitions (UK) Limited

Report on the financial statements

Our opinion

In our opinion, Hikma Acquisitions (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

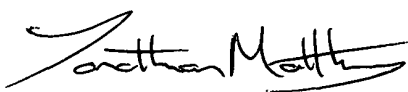
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jonathan Matthews (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2017

Company Registration No. 05918270

HIKMA ACQUISITIONS (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
Dividends income	3	-	3,000,000
PROFIT BEFORE TAXATION		-	3,000,000
Tax on result	4	-	-
RESULT FOR THE FINANCIAL YEAR		-	3,000,000

The Company's audit fees are borne by Hikma Pharmaceuticals PLC, its ultimate parent company.

All activities derive from continuing operations.

There is no other comprehensive income. Accordingly, no separate statement of total other comprehensive income has been presented.

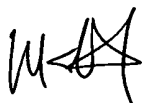
HIKMA ACQUISITIONS (UK) LIMITED

BALANCE SHEET

As at 31 December 2016

	Note	2016 \$	2015 \$
NON-CURRENT ASSETS			
Investments	5	2,633,882,182	1,184,802,286
Intangible assets	6	-	-
TOTAL NON-CURRENT ASSETS		<u>2,633,882,182</u>	<u>1,184,802,286</u>
CURRENT ASSETS			
Cash and cash equivalents		<u>566</u>	<u>566</u>
TOTAL CURRENT ASSETS		<u>566</u>	<u>566</u>
NON-CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	7	<u>51,743</u>	<u>51,743</u>
TOTAL NON-CURRENT LIABILITIES		<u>51,743</u>	<u>51,743</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	8	<u>9,695</u>	<u>9,695</u>
TOTAL CURRENT LIABILITIES		<u>9,695</u>	<u>9,695</u>
NET ASSETS		<u>2,633,821,310</u>	<u>1,184,741,414</u>
CAPITAL AND RESERVES			
Called up share capital	9	20,179	18,866
Share premium account	9	1,449,078,583	-
Statement of comprehensive income		<u>1,184,722,548</u>	<u>1,184,722,548</u>
TOTAL SHAREHOLDERS' FUNDS		<u>2,633,821,310</u>	<u>1,184,741,414</u>

The financial statements on pages 9 to 19 (Company registration number No. 05918270) were approved by the Board of Directors on ~~28 September~~ ²⁰¹⁷ and signed on its behalf by



Gurpal S Atwal
Director

Date: ~~28 September~~ ²⁰¹⁷

HIKMA ACQUISITIONS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Called up share capital	Share premium	Statement of comprehensive income	Total shareholders' funds
	\$	\$	\$	\$
BALANCE AT 1 JANUARY 2015	18,866	-	1,184,722,548	1,184,741,414
Profit for the financial year	-	-	3,000,000	3,000,000
Dividends paid	-	-	(3,000,000)	(3,000,000)
BALANCE AT 31 DECEMBER 2015 AND 1 JANUARY 2016	18,866	-	1,184,722,548	1,184,741,414
 Issue of equity shares	1,313	1,449,078,583	-	1,449,079,896
Result for the financial year	-	-	-	-
BALANCE AT 31 DECEMBER 2016	<u>20,179</u>	<u>1,449,078,583</u>	<u>1,184,722,548</u>	<u>2,633,821,310</u>

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

A- Basis of Preparation

The financial statements of Hikma Acquisitions (UK) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The Company's registered office is at 1 New Burlington Place, London W1S 2HR.

The Company's ultimate parent undertaking, Hikma Pharmaceuticals PLC includes the company in its consolidated financial statements. The consolidated financial statements of Hikma Pharmaceuticals PLC are prepared in accordance with International Financial Reporting Standards, as issued by the IASB and International Financial Reporting Standards, as adopted by the EU ("IFRS EU") and are available to the public and may be obtained from the registered office at 1 New Burlington Place, London, W1S 2HR.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The currency used in the preparation of the financial statements is the US Dollar as the majority of the Company's business is conducted in US Dollars (\$).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
- 10(d), (statement of cash flows);
- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 111 (cash flow statement information); and
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new UK GAAP that has been issued but is not yet effective).

The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into with wholly-owned members of the group.

- New standard, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2016, have had a material impact on the company

Going Concern

The financial statements have been prepared on a going concern basis as noted in the Directors' report on page 4.

B- Significant Accounting Policies

- Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2016

1. ACCOUNTING POLICIES (Continued)

B- Significant Accounting Policies (Continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can reverse. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

- Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

- Share Capital

Equity instruments issued are recorded at the proceeds received, net of direct issue cost.

- Dividend Income

Dividend income is recognised when the right to receive payment is established.

- Dividend Distribution

Dividend distribution to the company's shareholders (Hikma Pharmaceuticals PLC) are recognised as a liability in the company's financial statements in the period in which the dividend are approved by the company shareholders.

2. CRITICAL ACCOUNTING ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A- Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Investments in subsidiaries:

Investments in Group companies are valued at cost less accumulated impairment losses. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

3. DIVIDEND INCOME

	2016	2015
	\$	\$
Dividend received from Hikma Holdings (UK) Limited	-	3,000,000
	-	3,000,000

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2016

4. TAXATION ON RESULT

(a) Analysis of charge in the year

	2016 \$	2015 \$
Current tax:		
UK corporation tax at 20% (2015: 20.25%) based on the result for the year	-	-
Current tax charge / (credit)	-	-

(b) Factors affecting current tax charge:

The tax assessed on the profit for the year differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 \$	2015 \$
Result before taxation	-	3,000,000
Tax at the standard rate of corporation tax in UK of 20% (2015: 20%)	-	607,500
Factors affecting charge for the year:		
Non-taxable income	-	(607,500)
Total tax charge / (credit)	-	-

Factors that may affect the future tax charge

A reduction in the rate of corporation tax from 20% to 19% from 1 April 2017 was substantively enacted on 26 October 2015 and will impact the Company's current tax charge from 1 April 2017.

A reduction in the corporation tax rate from 19% to 17% from 1 April 2020 was substantively enacted on 6 September 2016 and will impact the Company's deferred tax charge from 1 April 2020.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date.

5. INVESTMENTS

The Company owns 100% of the issued share capital of the below company:

	\$
Beginning balance at 1 January 2016	1,184,802,286
Additions :	
Investment in Hikma Holdings (UK) Limited	2,122,520,999
Impairments	
Investment in Hikma Holdings (UK) Limited	(673,441,103)
Ending balance at 31 December 2016	2,633,882,182

On 29 February 2016, the Hikma Group acquired two companies, Roxane Laboratories Inc. and West-Ward Columbus Inc (formerly Boehringer Ingelheim Roxane Inc.) from the Boehringer Ingelheim Group. As a consequence of a subsequent restructuring around the acquisition, the share capital and share premium was increased during 2016. The Company had a corresponding increase in the investment in its subsidiary, Hikma Holdings (UK) Limited of \$1,947,520,999. As a result of a re-evaluating of the assets of the investment, the

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

Company recognised an impairment of \$673,441,103. On 2 August 2016, the company issued 1,000 ordinary shares of £1 (\$1.34) with a share premium of \$174,988 per share to Hikma Pharmaceuticals PLC in exchange for certain intellectual property assets with a book value of \$175,000,000. The assets were subsequently transferred to Hikma Holdings (UK) Limited, a wholly owned subsidiary in exchange for 1,000 ordinary shares of £1 (\$1.34) each with a share premium of \$174,998 per share.

Related undertakings

The following table is a full list of the Company's related undertakings. The registered office address of each entity, or in the case of unincorporated entities, the principal place of business is also disclosed below. Unless stated otherwise the subsidiary undertakings are wholly owned or wholly owned and held indirectly by other group subsidiaries held indirectly by the company with ordinary shares issued (or the equivalent of ordinary shares in the relevant country of incorporation). In some of the jurisdictions in which the Group operates share classes are not defined and in these instances, for the purposes of disclosure, the shares issued have been classified as ordinary shares. The Company does have any joint venture companies or associated undertakings.

Company	Country of Incorporation	Address of Registered office
Hikma Holdings (UK) Limited	United Kingdom	1 New Burlington Place, London, W1S 2HR
Hikma UK Limited	United Kingdom	1 New Burlington Place, London, W1S 2HR
Bedford Property Holdings, Inc.	United States	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware 19801
Eurohealth (USA) Inc	United States	Corporation Trust Center, 1209 Orange Street, Wilgmington, DE 19801, County of New Castle (registerest Agent is the Corporation Trust Company)
Hikma (Maple) Limited	United Kingdom	1 New Burlington Place, London, W1S 2HR
Hikma Americas Inc	United States	C T Corporation System, 800 S Gay Street, Suite Knoxville TN 2021 37929-9710
Hikma Pharma Benelux B.V	Netherlands	Nieuwe Steen 36 1625 HV HOORN, The Netherlands
Hikma Pharmaceuticals Industries (S.A.E)	Egypt	16 Ahmed Hosny Street, First Zone, Naser City, Cairo, Egypt
Hikma CIS JSC	Kazakhstan	Apt. 1, House 7, Building-28, "Keremet" Microdistrict, Bostandykskiy District, A15C8X2, Almaty, Kazakhstan
Hikma Farmaceutica (Portugal) S.A (70%)	Portugal	Estrada Rio Da Mo no. 8, 8a, 8B-Fervenca, 2705-906, Terugem SNT, Portugal

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

Company	Country of Incorporation	Address of Registered office
Hikma Finance (Ireland) Limited	Ireland	2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland
Hikma Finance (Luxembourg) SARL	Luxembourg	20 rue des Peupliers, L-2328 Luxembourg
Hikma for Importation Co. LLC	Egypt	12 El-Esraa Street, El-Mohandeseen, Lebanon Square, Giza, Egypt
Hikma Pharma GmbH	Germany	Lochhamer Strasse 13 82152 Martinsried, Deutschland PO Box 1561 82144 Planegg, Deutschland
Hikma Pharma S.A.E. (99.9%)	Egypt	12 El-Esraa Street, El-Mohandeseen, Lebanon Square, Giza, Egypt
Hikma Slovakia s.r.o	Bratislava, the Slovak Republic	Seberíniho 1, 821 03 Bratislava
Hikma Specialized Pharmaceuticals S.A.E. (97.7%)	Egypt	10 D, 11 D, Industrial Zone, Badr City, Cairo, Egypt
Lifotec Farmaceutica S.G.P.S S.A	Portugal	Estrada Nacional 9, Fervença, São João das Lampas e Terrugem, Sintra
Roxane Laboratories Inc.	United States	Corporation Trust Company of Nevada 701 S Carson Street Suite 200 Carson City, Nevada 89701
Thymoorgan GmbH	Germany	Schiffgraben 23, DE-38690, Goslar, OT Vienenburg, Deutschland
Thymoorgan Pharmazie GmbH (98%)	Germany	Schiffgraben 23, DE-38690, Goslar, OT Vienenburg, Deutschland
West-Ward Columbus Inc.	United States	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware 19801
West-Ward Holdings Limited	United Kingdom	1 New Burlington Place, London, W1S 2HR
West-Ward Injectables, Inc	United States	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware 19801

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

Company		Country of Incorporation	Address of Registered office
West-Ward Corp	Pharmaceuticals	United States	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware 19802
West-Ward International Limited	Pharmaceuticals	United Kingdom	1 New Burlington Place, London, W1S 2HR

6. INTANGIBLE ASSETS

	Product related Intangibles	Total
	\$	\$
Cost at 1 January 2016	-	-
Additions	175,000,000	175,000,000
Disposals	(175,000,000)	(175,000,000)
Cost at 31 December 2016	-	-
Accumulated amortisation at 1 January 2016	-	-
Amortisation charge for the year	-	-
Accumulated amortisation at 31 December 2016	-	-
Net book amount at 1 January 2016	-	-
Net book amount at 31 December 2016	-	-

On 2 August 2016, the Company issued 1,000 Ordinary Shares of £1 (\$1.34) each, with a share premium of \$174,998 per share, to Hikma Pharmaceuticals PLC in exchange for certain intellectual property assets with a book value of \$175,000,000. The assets were subsequently transferred to Hikma Holdings (UK) Limited, a wholly owned subsidiary for 1,000 Ordinary Shares of £1 (\$1.34) each with a share premium of \$174,998 per share.

7. CREDITORS: amounts falling due after more than one year

	2016	2015
	\$	\$
Due to Hikma Pharmaceuticals PLC	51,743	51,743
	51,743	51,743

The above amounts are non-interests bearing and do not have a repayment schedule.

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

8. CREDITORS: amounts falling due within one year

	2016	2015
	\$	\$
Other creditors	9,695	9,695
	<u>9,695</u>	<u>9,695</u>

The above amounts are non-interests bearing and do not have a repayment schedule.

9. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares of £1 each

	Number of shares	Called up share capital \$	Share Premium \$	Total \$
Allotted and fully paid				
At 1 January 2015	10,039	18,866	-	18,866
Shares issued during the year	-	-	-	-
At 31 December 2015	<u>10,039</u>	<u>18,866</u>	<u>-</u>	<u>18,866</u>
Shares issued during the year	1,010	1,313	1,449,078,583	1,449,079,896
Share premium	-	-	-	-
At 31 December 2016	<u>11,049</u>	<u>20,179</u>	<u>1,449,078,583</u>	<u>1,449,098,762</u>

On 2 August 2016, 1,000 Ordinary Shares were issued at \$1.34 (£1.00) each along with share premium attributed to the issuance of these shares of \$174,998,660 which has been accounted for as a share premium reserve. On 30 September 2016, 10 Ordinary Shares were issued at \$1.30 (£1.00) each along with share premium attributed to the issuance of these shares of \$1,274,079,883, which has been accounted for as a share premium reserve.

10. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking and controlling party is Hikma Pharmaceuticals PLC, a company incorporated and registered in England and Wales. Hikma Pharmaceuticals PLC heads the smallest and largest group for which consolidated financial statements including the Company's position and results are prepared. Copies of the consolidated financial statements may be obtained from 1 New Burlington Place, London, W1S 2HR.

HIKMA ACQUISITIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. SUBSEQUENT EVENTS

On 11 May 2017, Hikma Pharmaceuticals PLC ("Hikma"), the ultimate parent company of Hikma Acquisitions (UK) Limited, announced the receipt of a complete response letter from the United States Food and Drug Administration (the "FDA") in relation to its abbreviated new drug application for its generic version of GlaxoSmithKline's Advair Diskus® ("Generic Advair"). Since then Hikma has had constructive discussions with the FDA and has been able to clarify and resolve a number of the questions raised. The discussions with FDA have confirmed Hikma's initial assessment that there were no material issues regarding the substitutability of the proposed device. Discussions with the FDA to address the remaining questions are ongoing.

The impact of the likely delay in the launch of Generic Advair on the Company's 2017 financial statements is continuing to be assessed.