

LUPIN GMBH, ZUG

Financial Statements for the year ended
31 March 2019 and Report of the
Statutory Auditor

Report of the Statutory Auditor

To the Partners' Meeting of
LUPIN GMBH, ZUG

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Lupin GmbH, which comprise the balance sheet as at 31 March 2019, and the income statement and notes for the year then ended.

Managing Officers' Responsibility

The Managing Officers are 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 Managing Officers are 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 the 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 2019 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 (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 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 Managing Officers.

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.

Deloitte AG

Matthias Gschwend
Licensed Audit Expert
Auditor in Charge

Eszter Barkow
Licensed Audit Expert

Zurich, 1 May 2019
MGS/EBA/dso

Enclosures

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

LUPIN GMBH



BALANCE SHEET AT 31 MARCH 2019 AND 31 MARCH 2018

		CHF	USD	CHF	USD
	Notes	31.3.2019	31.3.2019	31.3.2018	31.3.2018
Assets					
Cash and cash equivalents	3.1.	1,974,991	1,985,261	1,442,602	1,511,991
Trade receivables	3.2.	2,662,709	2,676,555	2,590,979	2,715,605
Other current receivables		223,577	224,740	237,725	249,161
Total current assets		4,861,277	4,886,556	4,271,306	4,476,757
Tangible fixed assets	3.3.	20,857	20,965	3,115	3,264
Total non-current assets		20,857	20,965	3,115	3,264
Total assets		4,882,134	4,907,521	4,274,421	4,480,021
Liabilities					
Accounts Payable	3.4.	883,920	888,516	832,451	872,492
Other current liabilities	3.5.	14,565	14,641	8,877	9,304
Provisions	3.6.	1,814,412	1,823,847	1,517,972	1,590,986
Deferred foreign currency translation gain	2.	83,003	-	-	-
Total current Liabilities		2,795,900	2,727,004	2,359,300	2,472,783
Partners capital		20,000	21,524	20,000	21,524
Statutory capital reserves from capital contributions	3.7.	1,480,000	1,489,061	1,480,000	1,489,061
Legal retained earnings		4,000	4,139	4,000	4,139
Voluntary retained earnings		582,234	665,793	411,121	492,514
Total Partners' equity		2,086,234	2,180,517	1,915,121	2,007,238
Total equity and liabilities		4,882,134	4,907,521	4,274,421	4,480,021

LUPIN GMBH



INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2019 AND 31 MARCH 2018

		CHF	USD	CHF	USD
	Notes	01.04.2018- 31.03.2019	01.04.2018- 31.03.2019	01.04.2017- 31.03.2018	01.04.2017- 31.03.2018
Net revenue from services		7,418,131	7,512,031	7,524,981	7,621,277
Personnel expenses		(4,773,334)	(4,833,756)	(5,197,186)	(5,356,901)
Other operational costs		(2,267,855)	(2,296,562)	(1,823,552)	(1,879,591)
Depreciation on tangible fixed assets		(7,368)	(7,461)	(7,251)	(7,474)
Total operating expenditure		(7,048,557)	(7,137,780)	(7,027,989)	(7,243,967)
Other Expenses	3.8.	(165,196)	(167,287)	(107,588)	(110,894)
Operating profit		204,377	206,964	389,405	266,416
Forex Translation Gain / (Loss)	2.	(23,649)	(23,948)	(47,377)	79,121
Extr., non-recurring or prior period income / (cost)	3.9.	3,977	4,028	76,761	79,120
Total other income		(19,672)	(19,921)	29,384	158,241
Annual Profit / (Loss) before tax		184,706	187,044	418,789	424,658
Direct taxes		(13,593)	(13,765)	-	-
Annual profit / (loss)		171,113	173,279	418,789	424,658
Profit / (Losses) Carried Forward		411,121	492,514	(7,668)	67,857
Allocation to legal reserves		-	-	-	-
Voluntary Retained earnings, end of the year		582,234	665,793	411,121	492,514



NOTES TO THE FINANCIAL STATEMENTS

(including additional information)

1. General information

General information

Company's principal activity is to provide management services to the Lupin group entities across the globe.

Legal form, registered office and capital

Lupin GmbH was incorporated in Switzerland on 15 August 2013. The Partner's capital amounts to CHF 20,000. As of 4 May 2016, the registered office of Lupin GmbH is located in Zug, Landys & Gyr Strasse 1.

Information on full-time positions on annual average

Lupin GmbH has an annual average of full-time positions less than 10 FTE.

2. Key accounting and valuation principles

Basic principle

Principles of financial reporting

The present annual accounts for Lupin GmbH have been prepared in accordance with the regulations of Swiss financial reporting law. The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

Estimates and assumptions made by management

Financial reporting under the Code of Obligations requires certain estimates and assumptions to be made by management. These are made continuously and are based on past experience and represent the best estimate at the moment they are made. The results subsequently achieved may deviate from these estimates.

Actual items in the annual accounts, which are based on the estimates and assumptions made by management are provisions.



Foreign currency items

Since most of transactions of the company, including the cash flow, income and expenditure, are transacted in USD, the functional currency is nominated as USD. Transactions in currencies other than USD are converted into USD using the exchange rate prevailing at the transaction date or average rate of exchange. The presentational currency of the financial statements is the CHF. The USD amount represent the amounts in functional currency.

The USD figures have been converted into CHF using the historical exchange rate for equity in foreign currency. Non-current assets (Tangible Assets) and all the short and long term monetary receivables and payables denominated in foreign currency are converted into CHF at the exchange rates at the balance sheet date (CY: 1 USD = CHF 0.9948, PY: 1 USD = CHF 0.9541). The Partners Equity items (Share Capital and Capital Reserves) are presented at the historical rate. All items in the income statement have been converted using the average exchange rate for the year (CY: 1 USD = CHF 0.9875, PY: 1 USD = CHF 0.9702).

In prior year the unrealized FX loss of CHF 47,377 was recognized in the Income Statement. In the current year the unrealized FX gain of CHF 83,003 was deferred and presented in the Balance Sheet.

Related parties

Related parties include parent company, subsidiary companies and other related companies. Parent company is a company that owns more than 50% of the voting shares. Subsidiaries are defined as companies in which is held directly more the 50% of the voting shares. All the other related companies are considered affiliated companies.

Transactions with related parties must take place under proper market conditions (dealing at an arm's length) and covered with the agreements.

Trade receivables

Trade receivables are recorded at their original net invoice amount, less, if necessary a value adjustment for specific receivables carrying risk (contingency reserves).

Tangible fixed assets

The straight-line depreciation method is used for tangible fixed assets according to their expected useful life.

Computers and hardware - 3 years

If there is any evidence of an over-valuation, the accounting values are checked and adjusted where necessary.

Revenue recognition

Lupin GmbH records the gross invoice amounts from services income, after deduction of value-added tax, as revenue from services. Revenue from service charges is recognized on rendering of the related services in accordance with the terms of the agreements. Revenue is recognized when it is reasonably certain that the ultimate collection will be made.



3. Information relating to items on the balance sheet and income statement

3.1. Cash and cash equivalents

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
of which in CHF	887,819	892,436	614,990	644,571
of which in USD	1,087,172	1,092,825	827,613	867,421
Total	1,974,991	1,985,261	1,442,602	1,511,991

3.2. Trade receivables

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
Receivables from affiliated companies	1,509,196	1,517,044	2,565,247	2,688,635
Receivables from shareholders	1,153,513	1,159,511	25,732	26,970
Total	2,662,709	2,676,555	2,590,979	2,715,605

3.3. Tangible fixed assets

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
Computers and hardware	54,576	54,860	28,335	29,698
less depreciation and value adjustments	(33,719)	(33,895)	(25,220)	(26,433)
Total	20,857	20,965	3,115	3,264

3.4. Accounts Payable

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
Liabilities to third parties	82,926	83,357	35,179	36,871
Liabilities to affiliated companies	800,994	805,159	797,272	835,621
Total	883,920	888,516	832,451	872,492



3.5. Other current liabilities

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
Third Parties	11,906	11,968	5,961	6,247
Liabilities for VAT	2,659	2,673	2,917	3,057
Total	14,565	14,641	8,877	9,304

3.6. Provisions

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
Provisions for Audit Fees	29,845	30,000	28,623	30,000
Provisions for Bonus	1,598,620	1,606,933	1,383,544	1,450,092
Provision for Taxes	185,947	186,914	105,805	110,894
Total	1,814,412	1,823,847	1,517,972	1,590,986

3.7. Reserves from capital contributions

	CHF	USD	CHF	USD
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
Received in 2015	1,480,000	1,489,061	1,480,000	1,489,061
Total	1,480,000	1,489,061	1,480,000	1,489,061

Approved by ESTV

3.8 Other Expenses

Other expenses are including the current year non Swiss Corporate Income Taxes.

3.9 Extraordinary, non-recurring or prior period cost

The extraordinary, non-recurring or prior period income or cost represent the prior period Corporate Income Taxes.

3.10 Significant events occurring after the balance sheet date

There were no significant events after the balance sheet date.



Proposal of the Managing Officers for the appropriation of available earnings

The Managing Officers propose to the next Annual General Meeting not to transfer any amount to the general reserves. The Managing Officers also propose that the amount of CHF 582,234 shall be carried forward to the next financial year.

in CHF	2019
Annual profit / (loss)	171,113
Brought forward from previous year	411,121
Reduction/allocation to legal reserves	-
Available earnings as per 31 March 2018	582,234
Proposed allocation to general reserves	-
Balance to be carried forward	582,234