

# **LUPIN GMBH, ZUG**

Financial Statements for the year ended  
31 March 2018 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 2018, 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 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 (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, 9 May 2018  
MGS/EBA/sal

## Enclosures

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

# LUPIN GMBH



BALANCE SHEET AT 31 MARCH 2018 AND MARCH 2017

		CHF	USD	CHF	USD
	Notes	31.03.2018	31.03.2018	31.03.2017	31.03.2017
<b>Assets</b>					
Cash and cash equivalents	3.1.	1'442'602	1'511'991	1'956'222	1'950'705
Trade receivables	3.2.	2'590'979	2'715'605	3'336'890	3'327'480
Other current receivables		237'725	249'161	402'572	401'436
Accrued income and prepaid expenses		-	-	3'864	3'853
<b>Total current assets</b>		<b>4'271'306</b>	<b>4'476'757</b>	<b>5'699'548</b>	<b>5'683'475</b>
Tangible fixed assets	3.3.	3'115	3'264	10'769	10'738
<b>Total non-current assets</b>		<b>3'115</b>	<b>3'264</b>	<b>10'769</b>	<b>10'738</b>
<b>Total assets</b>		<b>4'274'421</b>	<b>4'480'021</b>	<b>5'710'317</b>	<b>5'694'214</b>
<b>Liabilities</b>					
Accounts Payable	3.4.	832'451	872'492	1'748'743	1'743'812
Other current liabilities	3.5.	8'877	9'304	98'816	98'537
Provisions	3.6.	1'517'972	1'590'986	2'275'701	2'269'284
Deferred foreign currency translation gain	2	-	-	90'724	-
<b>Total current Liabilities</b>		<b>2'359'300</b>	<b>2'472'783</b>	<b>4'213'985</b>	<b>4'111'633</b>
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		411'121	492'514	(7'668)	67'857
<b>Total Partners' equity</b>		<b>1'915'121</b>	<b>2'007'238</b>	<b>1'496'332</b>	<b>1'582'581</b>
<b>Total equity and liabilities</b>		<b>4'274'421</b>	<b>4'480'021</b>	<b>5'710'317</b>	<b>5'694'214</b>

# LUPIN GMBH



INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2018 AND 31 MARCH 2017

	Notes	CHF 01.04.2017- 31.03.2018	USD 01.04.2017- 31.03.2018	CHF 01.04.2016- 31.03.2017	USD 01.04.2016- 31.03.2017
<b>Net revenue from services</b>		<b>7'524'981</b>	<b>7'621'277</b>	<b>7'639'386</b>	<b>7'737'145</b>
Personnel expenses		(5'197'186)	(5'356'901)	(5'193'666)	(5'260'128)
Other operational costs		(1'823'552)	(1'879'591)	(2'101'645)	(2'128'539)
Depreciation on tangible fixed assets		(7'251)	(7'474)	(8'012)	(8'114)
<b>Total operating expenditure</b>		<b>(7'027'989)</b>	<b>(7'243'967)</b>	<b>(7'303'323)</b>	<b>(7'396'782)</b>
<b>Other Expenses</b>	3.8	<b>(107'588)</b>	<b>(110'894)</b>	<b>(288'355)</b>	<b>(292'045)</b>
<b>Operating profit</b>		<b>389'405</b>	<b>266'416</b>	<b>47'708</b>	<b>48'318</b>
Forex Translation Gain / (Loss)	2	(47'377)	79'121	(102'430)	(103'740)
Extr., non-recurring or prior period income / (cost)	3.9	76'761	79'120	(202'250)	(204'839)
<b>Total other income</b>		<b>29'384</b>	<b>158'241</b>	<b>(304'680)</b>	<b>(308'579)</b>
<b>Annual Profit / (Loss) before tax</b>		<b>418'789</b>	<b>424'658</b>	<b>(256'972)</b>	<b>(260'261)</b>
<b>Direct taxes</b>		<b>-</b>	<b>-</b>	<b>(12'132)</b>	<b>(12'287)</b>
<b>Annual profit / (loss)</b>		<b>418'789</b>	<b>424'658</b>	<b>(269'104)</b>	<b>(272'548)</b>
<b>Profit / (Losses) Carried Forward</b>		<b>(7'668)</b>	<b>67'857</b>	<b>265'436</b>	<b>344'543</b>
Allocation to legal reserves		-	-	(4'000)	(4'139)
<b>Voluntary Retained earnings, end of the year</b>		<b>411'121</b>	<b>492'514</b>	<b>(7'668)</b>	<b>67'857</b>



## **NOTES**

(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<sup>th</sup> August 2013. The Partner's capital amounts on CHF 20'000. The registered office of Lupin GmbH was moved to Zug, Landys & Gyr Strasse 1 as of 4<sup>th</sup> May 2016,

#### **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 0.9541, PY: 1 USD = CHF 1.0028). 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 0.9702, PY: 1 USD = CHF 0.9874).

In prior year the unrealized FX gain of CHF 90'724 was deferred. In the current year the unrealized loss of CHF 47'377 was recognized in the Income Statement.

### **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

	<b>CHF</b>	<b>USD</b>	<b>CHF</b>	<b>USD</b>
	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2017</b>
of which in CHF	614'990	644'571	397'515	396'394
of which in USD	827'613	867'421	1'558'706	1'554'311
<b>Total</b>	<b>1'442'602</b>	<b>1'511'991</b>	<b>1'956'222</b>	<b>1'950'705</b>

#### 3.2. Trade receivables

	<b>CHF</b>	<b>USD</b>	<b>CHF</b>	<b>USD</b>
	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2017</b>
Receivables from affiliated companies	2'565'247	2'688'635	1'942'751	1'937'273
Receivables from shareholders	25'732	26'970	1'394'139	1'390'208
<b>Total</b>	<b>2'590'979</b>	<b>2'715'605</b>	<b>3'336'890</b>	<b>3'327'480</b>

#### 3.3. Tangible fixed assets

	<b>CHF</b>	<b>USD</b>	<b>CHF</b>	<b>USD</b>
	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2017</b>
Computers and hardware	28'335	29'698	29'782	29'698
less depreciation and value adjustments	(25'220)	(26'433)	(19'013)	(18'960)
<b>Total</b>	<b>3'115</b>	<b>3'264</b>	<b>10'769</b>	<b>10'738</b>

#### 3.4. Accounts Payable

	<b>CHF</b>	<b>USD</b>	<b>CHF</b>	<b>USD</b>
	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2017</b>
Liabilities to third parties	35'179	36'871	191'899	191'358
Liabilities to affiliated companies	797'272	835'621	1'556'844	1'552'453
<b>Total</b>	<b>832'451</b>	<b>872'492</b>	<b>1'748'743</b>	<b>1'743'812</b>





### 3.5. Other current liabilities

	CHF	USD	CHF	USD
	31.03.2018	31.03.2018	31.03.2017	31.03.2017
Third Parties	5'960	6'247	42'214	42'095
Liabilities for VAT	2'917	3'057	56'602	56'442
<b>Total</b>	<b>8'877</b>	<b>9'304</b>	<b>98'816</b>	<b>98'537</b>

### 3.6. Provisions

	CHF	USD	CHF	USD
	31.03.2018	31.03.2018	31.03.2017	31.03.2017
Provisions for Audit Fees	28'623	30'000	30'084	30'000
Provisions for Bonus	1'383'544	1'450'092	1'880'662	1'875'358
Provision for Taxes	105'805	110'894	364'955	363'926
<b>Total</b>	<b>1'517'972</b>	<b>1'590'986</b>	<b>2'275'701</b>	<b>2'269'284</b>

### 3.7. Reserves from capital contributions

	CHF	USD	CHF	USD
	31.03.2018	31.03.2018	31.03.2017	31.03.2017
Received in 2015	1'480'000	1'489'061	1'480'000	1'489'061
<b>Total</b>	<b>1'480'000</b>	<b>1'489'061</b>	<b>1'480'000</b>	<b>1'489'061</b>

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 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 411'121 shall be carried forward to the next financial year.

<b>in CHF</b>	<b>2018</b>
Annual profit / (loss)	418'789
Brought forward from previous year	(7'668)
Reduction/allocation to legal reserves	-
<b>Available earnings as per 31 March 2018</b>	<b>411'121</b>
Proposed allocation to general reserves	-
<b>Balance to be carried forward</b>	<b>411'121</b>