

Lupin GmbH, Zug

Financial Statements
for the year ended 31 March 2020
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 2020, 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 2020 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, 20 May 2020
MGS/EBA/sdo

Enclosures

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



BALANCE SHEET AT 31 MARCH 2020 AND 31 MARCH 2019

		CHF	USD	CHF	USD
	Notes	31.03.2020	31.03.2020	31.03.2019	31.03.2019
Assets					
Cash and cash equivalents	3.1.	905,093	940,063	1,974,991	1,985,261
Trade receivables	3.2.	4,038,591	4,194,631	2,662,709	2,676,555
Other current receivables		563,658	585,437	223,577	224,740
Total current assets		5,507,342	5,720,131	4,861,277	4,886,556
Non-current assets					
Tangible fixed assets	3.3.	15,758	16,367	20,857	20,965
Total non-current assets		15,758	16,367	20,857	20,965
Total assets		5,523,100	5,736,498	4,882,134	4,907,521
Liabilities					
Accounts Payable	3.4.	491,162	510,139	883,920	888,516
Other current liabilities	3.5.	3,427	3,559	14,565	14,641
Provisions	3.6.	2,606,185	2,706,881	1,814,412	1,823,847
Deferred foreign currency translation gain	2.	4,145	-	83,003	-
Total current Liabilities		3,104,919	3,220,579	2,795,900	2,727,004
Equity					
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		914,181	1,001,195	582,234	665,793
Total Partners' equity		2,418,181	2,515,919	2,086,234	2,180,517
Total equity and liabilities		5,523,100	5,736,498	4,882,134	4,907,521



INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2020 AND 31 MARCH 2019

	Notes	CHF 01.04.2019- 31.03.2020	USD 01.04.2019- 31.03.2020	CHF 01.04.2018- 31.03.2019	USD 01.04.2018- 31.03.2019
Net revenue from services		11,736,673	11,858,819	7,418,131	7,512,031
Personnel expenses		(8,303,681)	(8,390,099)	(4,773,334)	(4,833,756)
Other operational costs		(2,806,790)	(2,836,000)	(2,267,855)	(2,296,562)
Depreciation on tangible fixed assets		(9,656)	(9,757)	(7,368)	(7,461)
Total operating expenditure		(11,120,127)	(11,235,856)	(7,048,557)	(7,137,780)
Other Expenses	3.8	(263,852)	(266,598)	(165,196)	(167,287)
Operating profit		352,694	356,365	204,377	206,964
Forex translation loss	2	(37,613)	(38,005)	(23,649)	(23,948)
Extr., non-recurring or prior period income	3.9	29,394	29,700	3,977	4,028
Total other income (loss)		(8,219)	(8,305)	(19,672)	(19,921)
Annual Profit before tax		344,475	348,060	184,706	187,044
Direct taxes		(12,528)	(12,658)	(13,593)	(13,765)
Annual profit		331,947	335,402	171,113	173,279
Profit Carried Forward		582,234	665,793	411,121	492,514
Allocation to legal reserves		-	-	-	-
Voluntary Retained earnings, end of the year		914,181	1,001,195	582,234	665,793

LUPIN GmbH



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 AND 2019

(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 15th August 2013. The Partner's capital amounts to CHF 20.000. As of 4th 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 0.9628, PY: 1 USD = CHF 0.9948). 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 0.9897, PY: 1 USD = CHF 0.9875).

In the prior year the net conversion gain in the amount of CHF 83'003 has been deferred in the balance sheet as the deferred foreign currency translation gain. In the current year, the net conversion gain in the amount of CHF 4'146 is also recognized in the balance sheet account as the deferred foreign currency translation gain.

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 31.03.2020	USD 31.03.2020	CHF 31.03.2019	USD 31.03.2019
of which in CHF	19,428	20,178	887,819	892,436
of which in USD	885,665	919,885	1,087,172	1,092,825
Total	905,093	940,063	1,974,991	1,985,261

3.2. Trade receivables

	CHF 31.03.2020	USD 31.03.2020	CHF 31.03.2019	USD 31.03.2019
Receivables from affiliated companies	3,897,938	4,048,544	1,509,196	1,517,044
Receivables from shareholders	140,653	146,087	1,153,513	1,159,511
Total	4,038,591	4,194,631	2,662,709	2,676,555

3.3. Tangible fixed assets

	CHF 31.03.2020	USD 31.03.2020	CHF 31.03.2019	USD 31.03.2019
Computers and hardware	57,785	60,018	54,576	54,860
less depreciation and value adjustments	(42,027)	(43,651)	(33,719)	(33,895)
Total	15,758	16,367	20,857	20,965

3.4. Accounts Payable

	CHF 31.03.2020	USD 31.03.2020	CHF 31.03.2019	USD 31.03.2019
Liabilities to third parties	19,901	20,670	82,926	83,357
Liabilities to affiliated companies	471,260	489,469	800,994	805,159
Total	491,161	510,139	883,920	888,516

3.5. Other current liabilities

	CHF 31.03.2020	USD 31.03.2020	CHF 31.03.2019	USD 31.03.2019
Third Parties	3,427	3,559	11,906	11,968
Liabilities for VAT	0	0	2,659	2,673
Total	3,427	3,559	14,565	14,641



3.6. Provisions

	CHF	USD	CHF	USD
	31.03.2020	31.03.2020	31.03.2019	31.03.2019
Provisions for Audit Fees	24,070	25,000	29,845	30,000
Provisions for Bonus	1,929,015	2,003,547	1,598,620	1,606,933
Other Provision	300,457	312,065	-	-
Provision for Taxes	352,643	366,269	185,947	186,914
Total	2,606,185	2,706,881	1,814,412	1,823,847

3.7. Reserves from capital contributions

	CHF	USD	CHF	USD
	31.03.2020	31.03.2020	31.03.2019	31.03.2019
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, except for the reassignment of all employment and International Advisory Board agreements from Lupin GmbH to Lupin Management Inc. This will reduce significantly both revenue and expenses of the company going forward.



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 914'181 shall be carried forward to the next financial year.

in CHF	2020
Annual profit	331'947
Brought forward from previous year	582'234
Reduction/allocation to legal reserves	-
Available earnings as per 31 March 2020	914'181
Proposed allocation to general reserves	-
Balance to be carried forward	914'181