

Warszawa, 25.11.2019

***ODI Pharma Polska Spółka z Ograniczoną
Odpowiedzialnością***

**FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01.01.2019 TO 30.09.2019**

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Statement of Management Board

In accordance to article 52 of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, No. 351 with further amendments – hereinafter referred to as ‘the Accounting Act’) the Management Board of ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością presents its Financial Statements as of 30.09.2019, that consists of:

1. Introduction

2. Balance Sheet at 30.09.2019 showing a total of assets and total of liabilities and funds of PLN 103 815,78.

3. Profit and Loss Statement for period from 01.01.2019 to 30.09.2019, showing a net profit of PLN 60 593,36.

4. Additional Information and Explanations

Financial Statements have been prepared in accordance with the Accounting Act and give a true and fair view of the financial position of the Company and of the financial result.

1. GENERAL INFORMATION

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością (hereinafter referred to as the Company) was entered into National Court Register on 26.04.2018, Entry No. KRS 0000729774. The Company has been granted with statistical number REGON 380070865 and tax identification number NIP 5272850548.

The registered seat of the Company is located in Warszawa at ul. Towarowa 28 street, 00-839.

The scope of the Company's business activities includes:

- Production of medicines and other pharmaceutical products
- Wholesale of pharmaceutical and medical products
- Retail sale of pharmaceutical products in specialized stores
- Other professional, scientific and technical activities not elsewhere classified
- Other financial service activities, except insurance and pension funding
- Wholesale of food, beverages and tobacco
- Manufacture of other food products nec
- Non-specialized wholesale trade services of food, beverages and tobacco
- Production of cosmetics and toilet products
- Activities related to the organization of fairs, exhibitions and congresses

The Company has been established for the indefinite period of time.

Presented financial statements were prepared for the period from 01.01.2019 do 30.09.2019.

2. GOING CONCERN ASSUMPTION

The financial statements of the Company have been prepared on the basis that the Company will be a going concern during a period of at least 12 months from the balance sheet date, i.e. 30.09.2019. As at the date of signing the financial statements, the Company's Management Board is not aware of any facts or circumstances that would indicate a threat to the Company's continued activity in the period of at least 12 months following the balance sheet date due to an intended or compulsory withdrawal from or a significant limitation in its activities.

3. BUSINESS COMBINATIONS

The Company did not combine with any other business entity during the period covered by these financial statements and the previous year.

4. ACCOUNTING POLICIES

4.1. *Format and basis of preparing financial statements*

The financial statements were prepared in accordance with the provisions of the Accounting Act dated 29 September 1994 (consolidated text: Journal of Laws of 2019, No. 351 with further amendments – hereinafter referred to as 'the Accounting Act').

The financial statements were prepared under the historical cost convention.

The profit and loss account was prepared using the "expense by type" method.

4.5. Short- and long-term receivables

Trade receivables are stated at the amount due, less an allowance (a write-down) for any doubtful and uncollectable amounts.

The value of receivables is adjusted by appropriate write-downs reflecting their recoverability. Write-downs against receivables are recorded under other operating expenses or finance costs, depending on the type of receivable.

The amounts of forgiven, statute-barred or bad debts reduce the amount of the write-downs that were previously recognised against the account.

The amounts of forgiven, statute-barred or bad debts for which no write-downs or only partial write-downs were made are recorded under other operating expenses or finance costs, as appropriate.

4.7. Cash and cash equivalents

Cash in hand and at bank is stated at nominal value.

4.9. Share capital

The issued share capital is recorded at the amount stated in the Company's Articles of Association and registered in the court register. Any differences between the fair value of the consideration obtained and the nominal value of shares are recorded under reserve capital. When the Company's own shares are re-acquired, the amount of consideration paid is reported in the balance sheet as treasury shares.

4.10. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, such that an outflow of resources embodying economic benefits is certain or highly probable to be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.14. Revenue recognition

Revenue is recognized to the extent that it is probable that the Company will obtain economic benefits that can be reliably measured.

4.15. Costs recognition

Incurred costs are recorded in profit and loss account in order to relate them to the revenues of proper period.

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
 Financial Statements for the period from 01.01.2019 to 30.09.2019
 Balance sheet as of 30.09.2019

ASSETS (IN PLN)	Note	30.09.2019	31.12.2018
A. Non-current assets		0,00	0,00
I. Intangible assets		0,00	0,00
3. Other intangible assets		0,00	0,00
4. Prepayments for intangible assets		0,00	0,00
II. Property, plant and equipment	1	0,00	0,00
III. Long-term receivables		0,00	0,00
IV. Long-term investments		0,00	0,00
V. Long-term prepayments and deferred costs		0,00	0,00
B. Current assets		103 815,78	4 823,42
I. Inventories		0,00	0,00
II. Short-term receivables	3	4 310,22	2 083,62
3. Receivables from other entities		4 310,22	2 083,62
b) taxation, subsidy, customs duty, social security, health insurance and other debtors		4 310,22	2 083,62
III. Short-term investments		20 429,56	2 739,80
1. Short-term financial assets		20 429,56	2 739,80
c) cash and other monetary assets		20 429,56	2 739,80
- cash on hand and cash at bank		20 429,56	2 739,80
IV. Short-term prepayments and deferred costs	4	79 076,00	0,00
C. Unpaid share capital (negative value)		0,00	0,00
D. Treasury shares (negative value)		0,00	0,00
TOTAL ASSETS		103 815,78	4 823,42

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
 Financial Statements for the period from 01.01.2019 to 30.09.2019
 Balance sheet as of 30.09.2019

EQUITY AND LIABILITIES (IN PLN)	Note	30.09.2019	31.12.2018
A. Shareholders' equity	5	43 092,96	(17 500,40)
I. Share capital		5 000,00	5 000,00
V. Accumulated profits (losses) from previous years		(22 500,40)	0,00
VI. Net profit (loss) for the period		60 593,36	(22 500,40)
B. Liabilities and provisions for liabilities		60 722,82	22 323,82
III. Short-term liabilities	7	4 324,07	9 433,12
1. To affiliates		252,77	0,00
a) trade creditors, payable in:		252,77	0,00
- up to 12 months		252,77	0,00
3. To other entities		4 071,30	9 433,12
d) trade creditors, payable in:		4 071,30	9 433,12
- up to 12 months		4 071,30	9 433,12
IV. Accruals and deferred income		56 398,75	12 890,70
2. Other accruals and deferred income		56 398,75	12 890,70
- short-term	8	56 398,75	12 890,70
TOTAL LIABILITIES AND EQUITY		103 815,78	4 823,42

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
 Financial Statements for the period from 01.01.2019 to 30.09.2019
 Profit and Loss account for the period from 01.01.2019 to 30.09.2019

(in PLN)	Note	01.01.2019- 30.09.2019	04.04.2018- 31.12.2018
A. Net sales revenue and equivalents, of which:		115 657,03	0,00
- from affiliates		115 657,03	0,00
I. Net sales of finished goods		115 657,03	0,00
B. Operating expenses	14	52 053,05	22 500,40
I. Depreciation		0,00	0,00
II. Materials and energy		0,00	0,00
III. External services		52 053,05	21 262,40
IV. Taxes and charges, of which:		0,00	1 238,00
C. Gross profit (loss) on sales (A - B)		63 603,98	(22 500,40)
D. Other operating income		0,00	0,00
E. Other operating expenses		0,00	0,00
F. Operating profit (loss) (C+D-E)		63 603,98	(22 500,40)
G. Financial income		0,00	0,00
H. Financial expenses		529,62	0,00
I. Interest, of which:		59,00	0,00
- to affiliates		0,00	0,00
II. Loss on the sale of financial assets		0,00	0,00
- from affiliates		0,00	0,00
III. Impairment of financial assets		0,00	0,00
IV. Other		470,62	0,00
I. Gross profit (loss) (F+G-H)		63 074,36	(22 500,40)
J. Corporate profits tax	13	2 481,00	0,00
K. Other tax charges		0,00	0,00
L. Net profit (loss) (I-J-K)		60 593,36	(22 500,40)

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Cashflow statement for the period from 01.01.2019 to 30.09.2019

(in PLN)	Note	01.01.2019- 30.09.2019	04.04.2018- 31.12.2018
A. Cash flows from operating activities			
I. Net profit		60 593,36	(22 500,40)
II. Adjusted for		(42 903,60)	20 240,20
1. Amortisation		0,00	0,00
2. Foreign exchange (gains)/losses		0,00	0,00
3. Interest and participation in profits (dividends)		0,00	0,00
4. (Gains)/Losses on investing activities		0,00	0,00
5. (Increase)/decrease in provisions		0,00	0,00
6. (Increase)/decrease in inventory		0,00	0,00
7. (Increase)/decrease in receivables		(2 226,60)	(2 083,62)
8. Increase/(decrease) in short-term liabilities, excluding loans and borrowings		(5 109,05)	9 433,12
9. Change in accruals, prepayments and deferred income		(35 567,95)	12 890,70
10. Other adjustments		0,00	0,00
III. Net cash from operating activities (I±II)		17 689,76	(2 260,20)
B. Cash flows from investing activities			
I. Cash inflows		0,00	0,00
1. Disposal of intangible assets and tangible fixed assets		0,00	0,00
2. Disposal of investments in properties and intangible assets		0,00	0,00
3. From financial assets, including:		0,00	0,00
a) In related entities		0,00	0,00
b) In other entities		0,00	0,00
- Disposal of financial assets		0,00	0,00
- Dividends and share in profits		0,00	0,00
- Receipt of long-term loans granted		0,00	0,00
- Interest received		0,00	0,00
- Other cash inflows from financial assets		0,00	0,00
4. Other cash inflows from investing activities		0,00	0,00
II. Cash outflows		0,00	0,00
1. Purchase of intangible assets and tangible fixed assets		0,00	0,00
2. Investments in properties and intangible assets		0,00	0,00
3. On financial assets, including:		0,00	0,00
a) In related entities		0,00	0,00
b) In other entities		0,00	0,00
- Purchase of financial assets		0,00	0,00
- Long-term loans granted		0,00	0,00
4. Other cash outflows on investing activities		0,00	0,00
III. Net cash from investing activities (I-II)		0,00	0,00
C. Cash flows from financing activities			
I. Cash inflows		0,00	5 000,00
1. Net cash inflows from the issue of shares and other equity instruments and repayable contributions from shareholders		0,00	5 000,00
2. Loans and borrowings		0,00	0,00
3. Issue of debt securities		0,00	0,00
4. Other cash inflows from financing activities		0,00	0,00
II. Cash outflows		0,00	0,00
1. Purchase of the Company's own shares		0,00	0,00
2. Dividends and other payments to shareholders		0,00	0,00
3. Other cash flows arising from the appropriation of profit		0,00	0,00
4. Repayment of loans and borrowings		0,00	0,00

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
 Financial Statements for the period from 01.01.2019 to 30.09.2019
 Cashflow statement for the period from 01.01.2019 to 30.09.2019

(in PLN)	Note	01.01.2019- 30.09.2019	04.04.2018- 31.12.2018
5. Redemption of debt securities		0,00	0,00
6. Other financial liabilities		0,00	0,00
7. Repayments of finance lease liabilities		0,00	0,00
8. Interest paid		0,00	0,00
9. Other cash outflows on financing activities		0,00	0,00
III. Net cash from financing activities (I-II)		0,00	5 000,00
D. Total net cash flow (A.III±B.III±C.III)		17 689,76	2 739,80
E. Balance sheet change in cash and cash equivalents		17 689,76	2 739,80
- change due cash exchange rate diff.		0,00	0,00
F. Cash and cash equivalents opening balance		2 739,80	0,00
G. Cash and cash equivalents closing balance, of which		20 429,56	2 739,80
- of restricted availability for use		0,00	0,00

ADDITIONAL NOTES AND EXPLANATIONS

1. PROPERTY, PLANT AND EQUIPMENT

As of 30.09.2019 the Company did not have any tangible non-current assets.

2. OUTLAYS FOR NON-FINANCIAL TANGIBLE ASSETS

The company has not incurred expenditure on non-financial fixed assets in the current year and is not planning to incur them in the

3. SHORT-TERM RECEIVABLES

Receivables from other entities

(in PLN)	30.09.2019	31.12.2018
VAT receivables	4 310,22	2 083,62
Total	4 310,22	2 083,62

4. CURRENT PREPAYMENTS AND ACCRUALS

(in PLN)	30.09.2019	31.12.2018
Accrual for revenues	79 076,00	-
Total	79 076,00	-

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Additional Notes and Explanations

5. EQUITY

As at 30.09.2019 share capital consisted of 100 equal and indivisible shares with a nominal value of PLN 50,00 per share.

On 28.06.2018, 100% of shares were sold to OD Investments AG, with its registered seat in Zug, Grafenauweg 10 Street, 6301 Zug Switzerland.

Capital and reserves - movements during the year:

01.01.2019-30.09.2019

(in PLN)	As of 01.01.2019	Increases	Transfers	Decreases	As of 30.09.2019
Share capital	5 000,00	0,00	0,00	0,00	5 000,00
Share capital not paid up (negative)	0,00	0,00	0,00	0,00	-
Supplementary capital	0,00	0,00	0,00	0,00	-
Other reserves	0,00	0,00	0,00	0,00	-
Unappropriated profits/(Accumulated)	(22 500,40)	0,00	0,00	0,00	(22 500,40)
Net profit/(loss) for the year	0,00	60 593,36	0,00	0,00	60 593,36
Other reserves	0,00	0,00	0,00	-	-
Total	-17 500,40	60 593,36	0,00	-	43 092,96

6. APPROPRIATION OF PROFIT / ABSORPTION OF LOSS

The Board of directors proposes to appropriate the net profit to supplementary capital.

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Additional Notes and Explanations

7. SHORT-TERM LIABILITIES

Liabilities against other entities

(in PLN)	30.09.2019	31.12.2018
Trade liabilities, payable in:	4 071,30	9 433,12
- up to 1 month	4 071,30	9 433,12
Total	4 071,30	9 433,12

8. SHORT-TERM ACCRUALS AND DEFERRED INCOME

(in PLN)	30.09.2019	31.12.2018
Financial statements preparation accrual	12 890,70	12 890,70
Accounting services accrual	43 508,05	-
Total	56 398,75	12 890,70

9. OTHER OFF BALANCE SHEET AGREEMENTS

In the current financial year, the Company did not have any significant agreements not revealed in the balance sheet.

10. LIABILITIES SECURED ON THE COMPANY'S ASSETS

As at 30.09.2019, the Company did not have any liabilities secured on the Company's assets.

**11. CONTINGENT LIABILITIES, INCLUDING GUARANTEES AND SURETYSHIPS GRANTED BY THE COMPANY
(INCLUDING IN RESPECT OF BILLS OF EXCHANGE)**

As at 30.09.2019 the Company did not have any material contingent liabilities, including granted guarantees or suretyships (including in respect of bills of exchange).

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Additional Notes and Explanations

12. OFF-BALANCE SHEET LIABILITIES

As at 30.09.2019 The Company did not have any material off-balance sheet liabilities.

13. CORPORATE INCOME TAX

The reconciliation of the accounting gross profit/(loss) to taxable profit/tax loss is as follows:

(in PLN)	01.01.2019- 30.09.2019	04.04.2018- 31.12.2018
Gross profit (loss)	63 074,36	(22 500,40)
(-) Non taxable income	79 076,00	-
Accruals	79 076,00	-
(+) Przychody roku bieżącego dodane statystycznie do kalkulacji podatku	-	-
Accruals	-	-
(+) Non-tax-deductible expenses for the current year	43 567,05	12 890,70
Accruals	43 508,05	12 890,70
Penalty interest	59,00	-
Tax base/(loss)	27 565,41	(9 609,70)
(-) Tax base deductions	-	-
Tax losses from previous years	-	-
Tax rate	9%	15%
Corporate income tax (current liability)	2 481,00	0,00
Change in deferred tax	0,00	0,00
Income tax	2 481,00	0,00

Regulations regarding VAT, corporate income tax, personal income tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is significantly greater in Poland than in countries that have a more established taxation system. Tax settlements may become subject to inspection by tax authorities over a period of five years. Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Additional Notes and Explanations

14. OPERATING EXPENSE BY TYPE

(in PLN)	01.01.2019- 30.09.2019	04.04.2018- 31.12.2018
External services	52 053,05	21 262,40
Taxes and charges	0,00	1 238,00
Total	52 053,05	22 500,40

15. EMPLOYMENT

The Company has had no employees by the balance sheet date.

16. REMUNERATION, INCLUDING PROFIT BASED BONUSES, PAID OR PAYABLE TO MEMBERS OF MANAGEMENT AND SUPERVISORY BOARDS

The Company did not pay any remuneration to the members of management board or supervisory board, either in the year ended 30.09.2019 or in the previous financial year.

17. LOANS AND SIMILAR BENEFITS GRANTED TO MEMBERS OF MANAGEMENT AND SUPERVISORY BOARDS

The Company did not grant any loans or other similar benefits to members of management or supervisory boards, either in the year ended 30.09.2019 or in the previous financial year.

ODI Pharma Polska Spółka z Ograniczoną Odpowiedzialnością
Financial Statements for the period from 01.01.2019 to 30.09.2019
Additional Notes and Explanations

18. CAPITAL GROUP AND RELATED PARTY TRANSACTIONS

The Company operates as part of the OD Investment AG Capital Group.

The transactions with related entities were as follows:

Liabilities against related entities

(in PLN)	30.09.2019	31.12.2018
ODI Pharma Schweiz AG	252,77	-
Total	252,77	-

Revenue:

(in PLN)	01.01.2019- 30.09.2019	04.04.2018- 31.12.2018
ODI Pharma Schweiz AG	115 657,03	-
Total	115 657,03	-

In the financial year covered by the financial statements, the Company did not conclude any material transactions on terms other than arm's length terms with its related parties.

19. CONSOLIDATION

The Company does not prepare consolidated financial statements.

20. REMUNERATION OF AUDITOR OR AUDIT COMPANY

The financial statements of the Company for periods from 4 April 2018 to 31 December 2018 and from 1 January 2019 to 30 September 2019 were subject to a review, for which the remuneration amounted to PLN 6500.

21. SIGNIFICANT POST BALANCE SHEET EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENTS

Between the balance sheet date and the date of the preparation of these financial statements there were no events that were not, but should have been, disclosed in the financial statements for the financial year.

22. CHANGES IN ACCOUNTING POLICIES MADE IN THE CURRENT YEAR

Financial statements for 01.01.2019-30.09.2019 and previous year were prepared using the the same accounting policies and the same methods of data presentation.

23. IDENTIFICATION OF THE PERSONS SIGNING FINANCIAL STATEMENTS ELECTRONICALLY

Volker Wiederrich - Management Board Member

Derek Simmross - Management Board Member