**Panacea Biotec (International) SA**
**Zug, Switzerland**

Financial Statements as per March 31, 2019

CHF

Date of preparation 14/05/2019

Panacea Biotec (International) SA

## Balance Sheet

| | | | 31/03/2019 | 31/03/2018 |
|---|---|---|---|---|
| | | | CHF | CHF |
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Credit Suisse CHF | | | 4'945.66 | 9'112.22 |
| Credit Suisse EUR | EUR | 769.38 | 860.37 | 985.67 |
| Credit Suisse AUD | AUD | 23'493.37 | 16'620.13 | 66'362.28 |
| **Cash and cash equivalents** | | | **22'426.16** | **76'460.17** |
| Trade receivables from third parties | | | 106'715.72 | 111'191.27 |
| less- allowance for doubtful accounts | | | (106'715.72) | (55'595.65) |
| **Trade Receivables** | | | - | **55'595.62** |
| Debtor VAT/WHT | | | 1'472.15 | 3'166.20 |
| Prepayments | | | - | 15'872.30 |
| **Other current receivables** | | | **1'472.15** | **19'038.50** |
| **Total Current Assets** | | | **23'898.31** | **151'094.29** |
| **Fixed assets** | | | | |
| Participation Panacea Biotec Germany GmbH | EUR | 246'000.00 | 275'089.50 | 287'475.60 |
| VA Participation Panacea Biotec Germany GmbH | EUR | (245'999.00) | (275'088.40) | (287'474.45) |
| **Participations** | | | **1.10** | **1.15** |
| Licences & supply rights | | | - | - |
| **Intangible fixed assets** | | | - | - |
| **Fixed assets** | | | **1.10** | **1.15** |
| **TOTAL ASSETS** | | | **23'899.41** | **151'095.44** |

Beat Schmid
Accountant

Panacea Biotec (International) SA

| Balance Sheet | | | 31/03/2019 | 31/03/2018 |
|---|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | CHF | CHF |
| **Current borrowed capital** | | | | |
| Trade payable to third parties | | | 75'442.89 | 111'059.58 |
| **Trade creditors** | | | **75'442.89** | **111'059.58** |
| Direct tax liabilities (cantonal, communal, federal) | | | 349.30 | 375.00 |
| **Other current liabilities** | | | **349.30** | **375.00** |
| Accrued expenses to third parties | | | 16'662.50 | 6'972.21 |
| **Accrued expenses** | | | **16'662.50** | **6'972.21** |
| **Total current borrowed capital** | | | **92'454.69** | **118'406.79** |
| **Long-term borrowed capital** | | | | |
| Loan Panacea Biotec Limited (subordinated) | EUR | | - | - |
| Loan Panacea Biotec Limited (subordinated) | USD | 1'421'678.00 | 1'415'853.40 | 1'241'238.90 |
| **Long-term interest-bearing liabilities** | | | **1'415'853.40** | **1'241'238.90** |
| **Total Long-term borrowed capital** | | | **1'415'853.40** | **1'241'238.90** |
| **Shareholders' equity** | | | | |
| Share capital | | | 600'000.00 | 600'000.00 |
| **Basic capital** | | | **600'000.00** | **600'000.00** |
| Accumulated deficit | | | (1'808'550.25) | (1'688'026.87) |
| Loss for the year | | | (275'858.43) | (120'523.38) |
| **Voluntary retained earnings / accumulated losses** | | | **(2'084'408.68)** | **(1'808'550.25)** |
| **Total Shareholders' equity** | | | **(1'484'408.68)** | **(1'208'550.25)** |
| **TOTAL LIABILITIES AND EQUITY** | | | **23'899.41** | **151'095.44** |

Schmid

**Panacea Biotec (International) SA**

| **Profit and loss statement for the period 01.04. - 31.03.** | **2018 / 2019** | **2017 / 2018** |
|---|---|---|
| | CHF | CHF |
| Sales | - | - |
| Licence income | - | - |
| **Net proceeds from sales of goods / services** | - | - |
| Expenses | - | - |
| Provision for doubtful accounts | (51'120.07) | (55'595.65) |
| QP-control Swissmedic Fach T-L. | (7'833.00) | (4'405.20) |
| **Costs of goods sold** | **(58'953.07)** | **(60'000.85)** |
| **GROSS PROFIT** | **(58'953.07)** | **(60'000.85)** |
| Rental fees | (5'000.00) | (7'500.00) |
| Accounting and admin. Fees | (17'957.66) | (29'012.57) |
| Legal fees | - | - |
| Director's fees | (12'290.95) | (9'938.50) |
| Auditor fees | (1'600.00) | (2'900.00) |
| Sundry expenses | - | - |
| **Administrative costs** | **(36'848.61)** | **(49'351.07)** |
| **EBITDA** | **(95'801.68)** | **(109'351.92)** |
| Depreciation | - | (24'627.20) |
| **Depreciation** | - | **(24'627.20)** |
| **EBIT** | **(95'801.68)** | **(133'979.12)** |
| Unrealised currency exchange gains | 16'825.50 | 231'239.40 |
| **Financial income** | **16'825.50** | **231'239.40** |
| Bank charges | (2'094.65) | (258.90) |
| Interest expenses on intercompany loan | (107'723.00) | (81'811.60) |
| Unrealised currency exchange losses | (86'721.60) | (135'414.06) |
| **Financial costs** | **(196'539.25)** | **(217'484.56)** |
| **LOSS BEFORE TAX** | **(275'515.43)** | **(120'224.28)** |
| Taxes | (343.00) | (299.10) |
| **Direct taxes** | **(343.00)** | **(299.10)** |
| **LOSS FOR THE YEAR** | **(275'858.43)** | **(120'523.38)** |

# Panacea Biotec (International) SA

| Notes to the finanacial statements according to the Swiss Code of Obligations Art. 959c | Financial year 2018 / 2019 | Financial year 2017 / 2018 |
|---|---|---|
| 1. details of the principles applied in the annual accounts where these are not specified by law;<br>*The functional currency of the company is CHF* | | |
| 2. information, breakdowns and explanations relating to items on the balance sheet and in the profit and loss account;<br>- | | |
| 3. the total amount of replacement reserves used and the additional hidden reserves, if this exceeds the total amount of new reserves of the same type and this results in a considerably better position;<br>- | n/a | n/a |
| 4. other information required by law<br>- | n/a | n/a |
| 2 | n/a | n/a |
| 1. the business name or name of the undertaking as well as its legal form and registered office;<br>*Panacea Biotec (International) SA* *UID: CHE-114.739.106*<br>*Grafenaustrasse 5*<br>*6304 Zug* | | |
| 2. a declaration as to whether the number of full-time positions on annual average is no more than 10, 50 or 250;<br>*During the reporting period the company had zero employees in average* | | |
| 3. the business name, legal form and registered office of undertakings in which direct or substantial indirect shareholdings are held, stating the share of the capital and votes held;<br>Panacea Biotec Germany GmbH — voting shares<br>Landshuter Allee 8 - 10 — participating shares<br>80637 Munchen nominal — share value<br>Germany | 100%<br>100%<br>EUR 25'000 | 100%<br>100%<br>EUR 25'000 |
| Payment into free capital reserves (EUR 121'000) of Panacea Biotec Germany GmbH to avoid over indebtedness during the fiancial year 2012/2013<br>Payment into free capital reserves (EUR 100'000) of Panacea Biotec Germany GmbH to avoid overindebtedness during the financial year 2013/2014<br>Based on the prudency principle, the participation value has been decreased to one EUR/CHF pro memoria. | | |
| 4. the number of its own shares that the undertaking itself holds and that are held by undertakings in which it has shareholdings;<br>- | | |
| 5. acquisitions and sales of its own shares and the terms on which they were acquired or sold;<br>- | n/a | n/a |
| 6. the residual amount of the liabilities from sale-like leasing transactions and other leasing obligations, unless these expire or may be terminated within twelve months of the balance sheet date expiry;<br>- | n/a | n/a |
| 7. liabilities vis-à-vis pension schemes;<br>- | CHF 0.00 | CHF 0.00 |
| 8. the total amount of collateral for third party liabilities;<br>- | CHF 0.00 | CHF 0.00 |
| 9. the total amount of assets used to secure own liabilities and assets under reservation of ownership;<br>- | CHF 0.00 | CHF 0.00 |
| 10. legal or actual obligations for which a cash outflow either appears unlikely or is of an amount that cannot be reliably estimated (contingent liabilities);<br>- | CHF 0.00 | CHF 0.00 |
| 11. the number and value of shares or options on shares held by management or administrative bodies and by employees;<br>- | n/a | n/a |
| 12. explanations of exceptional, non-recurring or prior-period items in the profit and loss account;<br>- | n/a | n/a |
| 13. significant events occurring after the balance sheet date;<br>- | n/a | n/a |
| 14. As at the closing date March 31, 2018, the company used the currency exchange rates provided by the Federal tax authority. | n/a | n/a |

Panacea Biotec (International) SA

| Appropriation of retained earnings (Proposal of the management) | 2018 / 2019 | 2017 / 2018 |
|---|---|---|
| Accumulated deficit brought forward | (1'808'550.25) | (1'688'026.87) |
| Loss for the year | (275'858.43) | (120'523.38) |
| **At the disposal of the general meeting of shareholder** | **(2'084'408.68)** | **(1'808'550.25)** |
| Allocation to general reserve | - | - |
| Allocation to voluntary reserve | - | - |
| Dividend | - | - |
| **To be carried forward** | **(2'084'408.68)** | **(1'808'550.25)** |

Ahmed