

To the general shareholders' meeting of

BPC AG

6340 Baar

Report of the statutory auditor on the limited statutory examination of the financial statements for the year 2019

(for the year ended 31.12.2019)

11 May 2020
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Report of the statutory auditor on the limited statutory examination
to the general shareholders' meeting of

BPC AG, Baar

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of BPC AG for the financial year ended December 31, 2019.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Zurich, 11 May 2020

BDO Ltd

Simon Oswald
Auditor in Charge
Licensed Audit Expert

i.V. Emanuel Carvalho

Licensed Auditor

Enclosure
Financial statements and proposed appropriation of available earnings

Balance sheet as at 31 December**ASSETS**

in CHF	Notes	2019	2018
Cash and cash equivalents		895'742.86	391'222.01
Accounts receivable third parties		1'027'284.51	1'391'441.45
Accounts receivable group companies		3'138'856.55	2'551'270.99
Current account group companies		7'149'075.36	4'250'021.90
Prepaid expenses and accrued income		759'159.96	310'472.78
Total current assets		12'970'119.25	8'894'429.13
Investments	1	182'788.68	236'300.11
Loans issued and accrued interest group companies		1'410'306.91	839'584.08
Total non-current assets		1'593'095.59	1'075'884.19
TOTAL ASSETS		14'563'214.84	9'970'313.32

LIABILITIES AND SHAREHOLDERS' EQUITY

in CHF	2019	2018
Trade accounts payable group companies	1'548'071.67	159'308.94
Current account group companies	38'926.26	6'232.90
Other short-term liabilities	139'838.31	90'949.68
Accrued expenses and deferred income	4'670'597.42	5'349'592.68
Loans received and accrued interest group companies	2'267'950.65	0.00
Total short-term liabilities	8'665'384.31	5'606'084.20
Total liabilities	8'665'384.31	5'606'084.20
Share capital	100'000.00	100'000.00
Deferred translation profit (+) / loss (-)	-142'613.90	-23'486.57
Legal retained earnings		
General legal retained earnings	50'000.00	50'000.00
Voluntary retained earnings		
Profit brought forward	4'237'715.69	1'993'129.92
Profit for the year	1'652'728.74	2'244'585.77
Total shareholders' equity	5'897'830.54	4'364'229.12
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14'563'214.84	9'970'313.32

BPC AG , Baar

Income statement

	(01.01. - 31.12.)	(01.01. - 31.12.)
in CHF	2019	2018
Sale licenses	3'622'438.10	9'002'583.25
Sale services	12'758'282.69	7'152'615.17
Other operating income	4'858'657.37	5'456'188.55
Total operating income	21'239'378.16	21'611'386.97
Cost licenses	-1'811'219.05	-4'501'291.63
Cost of sales	-4'771'157.61	-4'181'709.58
Purchase expenses	-545'648.65	-508'720.45
Personnel expenses	-10'283'120.43	-8'080'965.15
Rental expenses	-218'443.63	-202'840.06
Maintenance expenses	-92'398.26	-97'397.44
Legal and administration expenses	-233'771.33	-280'667.04
Travelling expenses	-1'254'891.48	-821'053.50
Total operating expenses	-19'210'650.44	-18'674'644.86
Operating result (EBIT)	2'028'727.72	2'936'742.11
Financial income	38'716.88	220'179.92
Foreign currency exchange profit (+) / loss (-)	-118'430.81	-123'340.17
Financial expenses	-70'725.22	-482'915.82
Profit for the year before taxes (EBIT)	1'878'288.56	2'550'666.04
Direct taxes	-225'559.82	-306'080.27
Profit for the year	1'652'728.74	2'244'585.77

Notes to the financial statements 2019**Principles****General aspects**

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligation), in particular Art. 957 to Art. 962 (commercial accounting and financial reporting).

The board of directors has to recognise issues that have an effect on the amount of the declared assets and liabilities as well as contingent liabilities at year-end and on expenses and income in the reporting period. The board of directors decides the use of the existing valuation and accounting options on its own. For the benefit of the company, depreciations, amortisations and provisions may be created, which are more than operationally necessary.

1. Investments

Company	Domicile	Capital in local currency		Share in capital and voting rights in %	
		2019	2018	2019	2018
Participation BPC Europe SA (Switzerland)		CHF 0	CHF 50'000	0	50
Participation BPC BT (Asia Pacific, Singapore)		CHF 1	CHF 1	100	100
Participation BPC Philippines, Inc.		USD 120'000	USD 120'000	60	60
Participation Smart Project Limited (Sri Lanka)		USD 0	USD 1'000	0	100
Participation BPC Technologies India Private Ltd.		INR 5'000	INR 5'000	1	1
Participation PT MOBILE TUNAI INDONESIA		IDR 900'000'000	IDR 900'000'000	30	30
Participation BPC SV MEXICO S.R.L. DE C.V. (Mexico)		MXN 300	MXN 300	30	30

2. Full-time equivalents

The company has over 100 employees and contractors worldwide.

The annual average number of full-time equivalents for the reporting year was 111.

3. Joint liability group VAT

The Company is a member of the value-added-tax group of BPC AG, Baar and SmartVista AG, Baar in Switzerland and is thereby jointly and severally liable to the federal tax authorities for value-added-tax debts of that group.

4. Foreign currencies

Starting on 01.01.2016 books of the company are maintained in USD. At period-end, assets and liabilities are revalued into CHF applying the current rate method (Shareholders' equity at historical rate, all other assets and liabilities at period end rate, profit and loss at average rate).

	2019	2018
Period-end rate USD/CHF	0.968374	0.985784
Average rate USD/CHF	0.99365558	0.987292

Proposed appropriation of the available earnings

(in CHF)

The appropriation of the profit is proposed to the general meeting as follows:

At the disposal of the general meeting	2019	2018
Retained earnings 01.01.	4'237'715.69	1'993'129.92
Profit/Loss for the year	1'652'728.74	2'244'585.77
TOTAL	5'890'444.43	4'237'715.69

Proposal on profit appropriation	2019	2018
Allocation to general legal retained earnings	0.00	0.00
Distribution of profit	0.00	0.00
To be carried forward	5'890'444.43	4'237'715.69
TOTAL	5'890'444.43	4'237'715.69

Since the general legal retained earnings has reached 50% of the share capital, there will be no further allocation to the legal reserves.