

Financial Statements

Company **LIVINGPACKETS SA, Pully**

Financial year **2019**

Closing date **12/31/2019**

LIVINGPACKETS SA, Pully

Balance sheet as at 31 December (in Swiss francs)

Assets	Note	2019	2018
Current assets			
Cash and cash equivalents		347,250	245,703
Accrued income and prepaid expenses		104	-
Total current assets		347,354	245,703
Non-current assets			
Financial assets		544,315	119,951
Loans to group companies	1	544,315	119,951
Investments	2	2,113,780	1,029,085
Development costs	2	5,165,456	-
Total non-current assets		7,823,551	1,149,036
Total assets		8,170,905	1,394,739
Liabilities			
Short-term liabilities			
Trade payables		683,008	2,649
due from third parties		683,008	2,649
Accrued expenses		10,000	-
Total short-term liabilities		693,008	2,649
Long-term liabilities			
Other long-term liabilities -		7,194,418	582,822
due to group companies		3,281,517	-
due to shareholders subordinated		3,593,622	361,220
Conditional provisional commitments		319,279	221,602
Total long-term liabilities		7,194,418	582,822
Total liabilities		7,887,427	585,471
Shareholders' equity			
Share capital		1,000,000	1,000,000
Profit/loss brought forward		-190,733	-6,880
Loss for the period		-525,789	-183,853
Total shareholders' equity		283,478	809,267
Total liabilities		8,170,905	1,394,739

LIVINGPACKETS SA, Pully

Profit and loss statement for the financial period (in Swiss francs)

	Note	2019	2018
Net proceeds from sales services		-	800
Cost of materials		-501,258	-41,085
Outside Services		-5,277,674	-866
Capitalization of development costs		5,268,568	-
Intellectual property		-20,746	-7,103
Legal fees & external consulting		-10,628	-2,530
Earnings before interest and taxes		-541,737	-50,786
Financial income		227,950	14,494
Financial expenses		-218,798	-19,474
Earnings before taxes		-532,585	-55,766
Extraordinary, non-recurring or prior-period income	3	8,527	-
Extraordinary, non-recurring or prior-period expenses		-	-127,322
Profit/loss before taxes		-524,058	-183,088
Direct taxes		-1,731	-765
Loss for the period		-525,789	-183,853



Notes to the 2019 financial statements
(in Swiss francs)

Important information on the notes to the financial statements

1 Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013). Significant balance sheet items are accounted for as follows:

Non-current assets

The other financial assets consist of a loan to LivingPackets Deutschland AG of Chf. 544'315.25 (Eur. 500'000.-) included an interest of 2% per year.

2 Details, analyses and explanations to the financial statements

Name and legal form	Registered office	2019			Purchase		Sale		2018	
		Capital	Vote	Amount	Number	Value	Number	Value	Capital	Vote
SAS LIVINGPACKETS France	Ste Luce Sur Loire	85.96%	85.96%	934,385	86,200	9,679	24,000	2,683	85.35%	85.35%
According to The Company House, LP UK LTD has been struck off the register and the company has been dissolved in date of 12.03.2019.	London				0	0	0	0		
LivingPackets Vertriebs GmbH	Nürnberg	85%	85%	92,395	0	0	0	0	85%	85%
LivingPackets Deutschland AG	Berlin	100%	100%	1,087,000	0	0	0	0		
				2,113,780	86,200	9,679	24,000	2,683		

Development costs

Costs linked to a development services agreement with LivingPackets SAS in France corresponding to the total of its expenses operating expenses incurred or calculated during the annual financial year, reduced if necessary, by the amount of the grants acquired which are not taken into account in reduction of the said charges, and increased by a margin of 10%. reduced by specific subsidies received. Amortization of development costs will start when first commercial sales are recorded (expected in 2021). And a development services agreement with LivingPackets Deutschland AG in Germany corresponding to the total expenses including in particular: design services, development of a technical integration and infrastructure, analyzes and research into new functions.

Shareholders loans

The shareholder's loans of PA.COTTE SA, in an amount equal to CHF 3'593'622 as of December 31, 2019, and any interest and any amount due thereunder, have been fully and irrevocably subordinated and shall be (re)paid, settled by offsetting or replacement/novation, or newly secured, either in full or in part, only if and to the extent that, cumulatively:

1. A (an interim) balance sheet audited in accordance with Swiss Auditing Standards shows that all of the LivingPackets SA's liabilities, including all subordinated claims, are covered by assets within the meaning of Article 725 para 2. CO;
2. All amounts owed by LivingPackets SA to all participants of the sharing angels (and similar contributors) program have been fully paid; and
3. LivingPackets SA has sufficient distributable profits, according to the last audited financial statements, to make such payments.

3 Explanations of extraordinary, non-recurring or prior-period items in the profit and loss statement

Extraordinary expenses of Chf. 8'527.09 results from the adjustment of an adjustment by Stripe, which partly manages our Conditional provisional commitments.

Significant events occurring after the balance sheet date

Livingpackets SA is still financed by loans from PA.COTTE SA.

4 Other information

The number of full-time equivalents did not exceed 10 on an annual average basis.