

Aragen Life Sciences B.V.
Utrecht, the Netherlands

Financial Statements 2022/2023

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TABLE OF CONTENTS		Page
1.	Financial report	
1.1	Balance sheet as of March 31, 2023	2
1.2	Profit and loss account 2022/2023	4
1.3	Notes to the financial statements	5
1.4	Notes to the balance sheet	8
1.5	Notes to the profit and loss account	11
2.	Other information	
2.1	Legal exemption	14
2.2	Statutory rules concerning appropriation of result	14
2.3	Appropriation of result for the financial year 2021/2022	14

1.1 Balance sheet as of March 31, 2023

(After result appropriation)

ASSETS	<u>March 31, 2023</u>		<u>March 31, 2022</u>	
	€	€	€	€
Current assets				
<i>Receivables</i>				
Trade debtors	119.060		437.647	
Taxes	17.678		8.580	
Other receivables	<u>147.126</u>		<u>-</u>	
		283.864		446.227
<i>Cash and cash equivalents</i>		390.889		255.881
Total assets		<u><u>674.753</u></u>		<u><u>702.108</u></u>

1.1 Balance sheet as of March 31, 2023

(After result appropriation)

EQUITY AND LIABILITIES	<u>March 31, 2023</u>		<u>March 31, 2022</u>	
	€	€	€	€
Shareholders' equity				
Issued share capital	391.141		391.141	
Other reserves	<u>-269.391</u>		<u>-352.431</u>	
		121.750		38.710
Current liabilities				
Creditors	45.607		181.234	
Debts to shareholders and related parties	459.770		450.410	
Taxes	17.300		10.352	
Accrued liabilities	<u>30.326</u>		<u>21.402</u>	
		553.003		663.398
Total shareholder's equity and liabilities		<u><u>674.753</u></u>		<u><u>702.108</u></u>

1.2 Profit and loss account 2022/2023

	2022/2023		2021/2022	
	€	€	€	€
Net turnover		1.667.141		1.928.174
Cost of sales		396.383		932.924
Gross operating result		<u>1.270.758</u>		<u>995.250</u>
Wages and salaries	634.870		528.385	
Social security charges	111.337		107.499	
Other personnel expenses	194.657		69.583	
Selling expenses	34.278		4.724	
Travel and car expenses	134.299		41.237	
Office expenses	8.623		5.855	
General expenses	61.638		112.246	
Total operating costs		<u>1.179.702</u>		<u>869.529</u>
Operating result		<u>91.056</u>		<u>125.721</u>
Interest income and similar revenues	-		7	
Interest expenses and similar charges	-15.059		-26.412	
Total financial income and expenses		<u>-15.059</u>		<u>-26.405</u>
Result before taxation		<u>75.997</u>		<u>99.316</u>
Taxation		-		10.100
Result after taxation		<u><u>75.997</u></u>		<u><u>109.416</u></u>

1.3 Notes to the financial statements

GENERAL

Company

Aragen Life Sciences B.V. (the Company) is a private company with limited liability incorporated under the laws of the Netherlands on 28 June 2013, having its statutory seat in Breda, the Netherlands and its registered address at Utrechtseweg 22B in Utrecht.

The Company is registered at the Dutch Chamber of Commerce under number 58267026.

Activities

The activities of the Company are:

- Biotechnical research and development on medical products and pharmaceutical processes and of food;
- Biotechnical research and development on agricultural products and processes;
- Financing and holdings;
- Marketing and sales support to group companies.

Group structure

The Company's sole shareholder is Aragen Life Sciences Limited located in India.

Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party.

Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management of Aragen Life Sciences B.V. [or the ultimate parent company] and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Translation of foreign currencies

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Proposed appropriation of result for the financial year 2022/2023

The board of directors proposes to the general meeting that the result for the 2022/2023 financial year, amounting to € 75997, should be transferred fully to other reserves and that no dividend should be paid.

This proposal has been already incorporated in the financial statements.

Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustments of or disclosure in the annual accounts now presented.

1.3 Notes to the financial statements

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

The financial statements have been prepared in accordance with Title 9, Book 2, of the Dutch Civil Code. The statements are prepared in euro. Assets and liabilities are valued at nominal value unless stated otherwise.

The financial statements have been valued at fiscal values as provided for by article 396 section 6, Book 2 of the Dutch Civil code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, is at the free disposal of the company.

Current liabilities

The current liabilities concern the liabilities with a duration shorter than one year. Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

1.3 Notes to the financial statements

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Revenues from services are recognised in proportion to the services rendered based on the cost-incurred in respect of the service performed up to balance sheet date in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Net turnover

Net turnover represents the total amount received by the Company for the sale of goods and services rendered to third parties.

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Cost of sales

The purchase value of the turnover consists of the costs of delivered goods and services, which are directly attributable to this deliveries. This value includes the movement in devaluation because of unmarketable stocks.

Operating costs

Costs are attributed to the financial year to which they relate. Profits are accounted for in the year in which goods have been provided or services have been performed. Losses are assumed in the year in which these are foreseeable.

Employee benefits

Wages, salaries and social security contributions are recognized in the profit and loss account on the basis of the conditions of employment to the extent that they are owed to employees.

Financial income and expenses

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Exchange differences

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the profit and loss account in the period that they arise, unless they are hedged.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are solely measured insofar as their realisation is likely.

1.4 Notes to the balance sheet

ASSETS

CURRENT ASSETS

Receivables

	March 31, 2023	March 31, 2022
	€	€
Trade debtors		
Balance as of	119.060	437.647

A provision for doubtful debtors is not considered to be necessary.

	March 31, 2023	March 31, 2022
	€	€
Taxes		
Corporate income tax	17.163	8.580
Value added tax	515	-
	<u>17.678</u>	<u>8.580</u>

	March 31, 2023	March 31, 2022
	€	€
Other receivables		
Amounts paid but not received by counterparty	147.126	-

	March 31, 2023	March 31, 2022
	€	€
Cash and cash equivalents		
Citibank EUR account	386.980	83.148
Citibank USD account	3.888	172.711
Citibank GBP account	21	22
	<u>390.889</u>	<u>255.881</u>

Cash and cash equivalents are at free disposal of the Company.

1.4 Notes to the balance sheet

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

	<u>2022/2023</u>	<u>2021/2022</u>
	€	€
Issued share capital		
Balance as of 31 March	<u>391.141</u>	<u>391.141</u>

The initial issued share capital amounts to € 1, divided into 1 ordinary share with a nominal value of € 1 per share. In December 2014 another 391,140 ordinary shares have been issued with a nominal value of € 1 par share. On the balance sheet date all shares have been paid in.

	<u>2022/2023</u>	<u>2021/2022</u>
	€	€
Other reserves		
Balance as of 1 April	-352.431	-461.847
From proposal profit appropriation	75.997	109.416
Contribution from Aragen India regarding ESOP	7.043	-
Balance as of 31 March	<u>-269.391</u>	<u>-352.431</u>

Aragen Life Sciences Limited provides in an Employee Stock Option Plan (ESOP) for eligible employees of the Aragen group. As a result Aragen Life Sciences Limited has granted share options to the employees of the Company. The options are granted with a vesting period of 1 year.

1.4 Notes to the balance sheet

CURRENT LIABILITIES

	March 31, 2023	March 31, 2022
	€	€
Creditors		
Balance as of	45.607	181.234
	<u>45.607</u>	<u>181.234</u>
	March 31, 2023	March 31, 2022
	€	€
Debts to shareholders and related parties		
Loan from Aragen Life Sciences Limited	459.770	450.410
	<u>459.770</u>	<u>450.410</u>
	2022/2023	2021/2022
	€	€
<i>Loan from Aragen Life Sciences Limited</i>		
Balance as of 1 April	450.410	426.439
Currency exchange difference	9.360	23.971
Balance as of 31 March	459.770	450.410
	<u>459.770</u>	<u>450.410</u>

Above loan was initially made and executed on 1 October 2014 for a period of one year and renewed till 30 September 2017. The interest is at 3 months USD Libor rate plus 500 BPS per annum on the month end outstanding balance. Libor rate is fixed at the beginning of respective quarter. No securities have been determined.

The loan has been used to fund the subsidiary GBO LLC. Since the subsidiary has been dissolved and the Company did not receive any gain out of the dissolution, the lender and the Company agreed to stop charging interest as of January 2017.

	March 31, 2023	March 31, 2022
	€	€
Taxes		
Value added tax	-	835
Wage tax	17.300	9.517
	<u>17.300</u>	<u>10.352</u>
	March 31, 2023	March 31, 2022
	€	€
Accrued liabilities		
Accrued personnel expenses	1.555	4.419
Accrued wages (GB part)	17.940	16.983
Accrued administration charges	10.831	-
	<u>30.326</u>	<u>21.402</u>

1.5 Notes to the profit and loss account

	<u>2022/2023</u>	<u>2021/2022</u>
	€	€
Net turnover		
Turnover outside EU	1.396.936	1.762.997
Turnover inside EU	195.634	40.768
Turnover inside the Netherlands	74.571	124.409
	<u>1.667.141</u>	<u>1.928.174</u>
Cost of sales		
Purchases outside EU	<u>396.383</u>	<u>932.924</u>
Wages and salaries		
Wages and salaries (NL part)	460.747	239.562
Wages and salaries (IT part)	173.166	115.606
Holiday payments	957	13.790
Wages and salaries (GB part)	-	159.427
	<u>634.870</u>	<u>528.385</u>
Average number of employees:		
During the year 2022/2023 an average of 3 employees has been in service on base of a fulltime employment. The year 2021/2022 counted 2 employees.		
Social security charges		
Social security charges (IT part)	66.143	66.657
Social security charges (NL part)	45.194	18.816
Social security charges (GB part)	-	22.026
	<u>111.337</u>	<u>107.499</u>
Other personnel expenses		
Expense allowance	112.161	25.287
Education and training expenses	59.907	33.846
Insurances	15.546	10.450
Employee Stock Ownership Plan (ESOP) Aragen Life Sciences Limited	7.043	-
	<u>194.657</u>	<u>69.583</u>
Selling expenses		
Seminars and conferences expenses	34.278	2.050
Costs of representation	-	50
Promotion expenses	-	2.624
	<u>34.278</u>	<u>4.724</u>

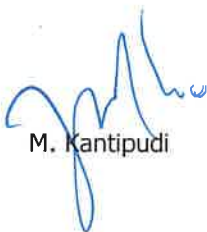
1.5 Notes to the profit and loss account

	<u>2022/2023</u>	<u>2021/2022</u>
	€	€
Travel and car expenses		
Travel and hotel expenses	73.387	13.019
Airfare and train expenses	24.771	3.497
Taxi and car expenses	10.108	3.872
Food, drinks and beverages NL	7.702	1.796
Food, drinks and beverages IT	4.901	2.467
Car allowance	-	3.884
Other travel expenses	-	50
Other car expenses	-	236
Lease cars	13.430	12.416
	<u>134.299</u>	<u>41.237</u>
Office expenses		
Telecommunication	7.862	4.766
Postage costs	568	142
Stationery costs	193	193
Internet expenses	-	754
	<u>8.623</u>	<u>5.855</u>
General expenses		
Administrative charges	13.556	8.840
Consultancy charges payroll	10.559	11.033
Legal charges	7.031	5.371
Tax advisory charges	6.360	4.511
Promotional expenses	974	-
Chamber of Commerce	25	-
Notary charges	-	1.021
Consultancy fee GB	-	41.796
Consultancy fee, Kalidas Kottakonda	-	39.343
Tax fines	-	17
Other general expenses	23.133	314
	<u>61.638</u>	<u>112.246</u>

1.5 Notes to the profit and loss account

	<u>2022/2023</u>	<u>2021/2022</u>
	€	€
Financial income and expenses		
Interest income and similar revenues		
Interest profit tax authority	<u>-</u>	<u>7</u>
Interest expenses and similar charges		
Currency exchange rate differences	8.875	20.733
Banking fees and provision	<u>6.184</u>	<u>5.679</u>
	<u>15.059</u>	<u>26.412</u>
Taxation		
Corporate income tax	<u>-</u>	<u>-10.100</u>

Utrecht,
Aragen Life Sciences B.V.



M. Kantipudi



S.R. Mamidi

2. Other information

2.1 Legal exemption

The Company has utilized the exemption from an audit by virtue of article 2:396 paragraph 7 of the Dutch Civil Code.

2.2 Statutory rules concerning appropriation of result

The profit is at free disposal of the general meeting of shareholders, as stated in article 19.1 of the articles of association.

2.3 Appropriation of result for the financial year 2021/2022

The financial statements 2021/2022 is adopted in the general meeting of shareholders held on 17 August 2022. The general meeting of shareholders has adopted the appropriation of result in accordance with the proposal being made to that end.