

**Independent Auditor's Report**

**Financial Statements**

**For The Year Ended March 31, 2021**

of

**TOPSIM GmbH**

Tübingen

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## **INDEPENDENT AUDITOR'S REPORT TO TOPSIM GmbH**

We have audited the accompanying financial statements of TOPSIM GmbH, Tübingen, which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year April 1, 2020 until March 31, 2021, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of TOPSIM GmbH, Tübingen, as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Cologne, April 14, 2021

Sauerland Rybka und Partner mbB  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Philipp Heimbach  
Wirtschaftsprüfer

Wolfgang Rogalli  
Wirtschaftsprüfer

April 30, 2021

**TOPSIM GmbH, Tübingen****STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

	Notes	03/31/2021 €	03/31/2020 €
<b>A s s e t s</b>			
<b>A. Fixed assets</b>	(1)		
<u>I. Intangible assets</u>			
1. Internally generated intangible assets		761.248,00	890.995,00
2. Licences		<u>66,00</u>	<u>3.969,00</u>
		761.314,00	894.964,00
<u>II. Equipment</u>			
Other equipment, operational and office equipment		24.982,00	44.018,00
		<u><b>786.296,00</b></u>	<u><b>938.982,00</b></u>
<b>B. Current assets</b>			
<u>I. Inventories</u>			
Work in progress	(2)	<u>20.300,00</u>	<u>31.500,00</u>
<u>II. Accounts receivable and other assets</u>	(3)		
1. Trade debtors		219.920,45	197.323,47
2. Other receivables		<u>14.587,14</u>	<u>21.792,85</u>
		234.507,59	219.116,32
<u>III. Cash and cash equivalents</u>	(4)	<u>275.363,77</u>	<u>283.896,78</u>
		<u><b>530.171,36</b></u>	<u><b>534.513,10</b></u>
		<u><b>1.316.467,36</b></u>	<u><b>1.473.495,10</b></u>

**TOPSIM GmbH, Tübingen****STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

	Notes	03/31/2021 €	03/31/2020 €
<b>Shareholder's Equity and Liabilities</b>			
<b>A. Shareholder's Equity</b>			
I. <u>Share capital</u>	(5)	228.600,00	228.600,00
II. <u>Accumulated loss</u>		<u>-41.055,35</u>	<u>-71.694,45</u>
		<b>187.544,65</b>	<b>156.905,55</b>
		-----	-----
<b>B. Current Liabilities</b>	(6)		
1. Advance payments received on account of order		29.906,66	142.906,66
2. Accounts payable		58.072,88	46.911,95
3. Other liabilities and accrued expenses		936.594,69	992.075,03
4. Short term taxes payable		<u>28.260,00</u>	<u>20.818,62</u>
		1.052.834,23	<b>1.202.712,26</b>
		-----	-----
<b>C. Deferred tax liabilities</b>	(7)	<b>76.088,48</b>	<b>113.877,29</b>
		-----	-----
		<b>1.316.467,36</b>	<b>1.473.495,10</b>
		=====	=====

## TOPSIM GmbH, Tübingen

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2021

	Notes	April 1, 2020 to March 31, 2021 €	April 1, 2019 to March 31, 2020 €
1. Sales		1.817.376,45	2.301.978,80
2. Decrease in work in progress		-11.200,00	-96.439,55
3. Production for own plant and equipment capitalized		0,00	152.662,06
4. Other operating income	(8)	2.055,57	4.301,44
5. Cost of purchased services		-483.031,89	-584.599,02
6. Personnel expenses		-940.325,90	-1.645.955,82
7. Depreciation		-157.681,72	-158.019,11
8. Other operating expenses	(9)	<u>-224.375,49</u>	<u>-332.219,88</u>
9. Profit/Loss from ordinary operations		<b>2.817,02</b>	<b>-358.291,08</b>
10. Taxes	(10)	<u>27.822,08</u>	<u>-51.231,51</u>
11. Net Income		<b>30.639,10</b>	<b>-409.522,59</b>
12. Loss/Profit carry forward		<u>-71.694,45</u>	<u>337.828,14</u>
13. Accumulated loss		<b>-41.055,35</b> =====	<b>-71.694,45</b> =====

**TOPSIM GmbH, Tübingen****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2021**

	<b>Share capital</b>	<b>Accumulated</b>	<b>Total</b>
	<b>€</b>	<b>loss/profit</b>	<b>shareholder's</b>
		<b>€</b>	<b>equity</b>
			<b>€</b>
<b>At March 31, 2019</b>	<b>228.600,00</b>	<b>337.828,14</b>	<b>566.428,14</b>
Net income	-	-409.522,59	-409.522,59
<b>At March 31, 2020</b>	<b>228.600,00</b>	<b>-71.694,45</b>	<b>156.905,55</b>
Net income	-	30.639,10	30.639,10
<b>At March 31, 2021</b>	<b>228.600,00</b>	<b>-41.055,35</b>	<b>187.544,65</b>

**TOPSIM GmbH, Tübingen****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2021**

	<b>April 1, 2020 to March 31, 2021 T€</b>	<b>April 1, 2019 to March 31, 2020 T€</b>
Net income	30,6	-409,5
Depreciation on non-current assets	157,7	158,0
Increase/Decrease of inventories, trade receivables and other assets not attributable to investing or financing activities	-4,2	373,2
Increase/Decrease of trade payables and other liabilities not attributable to investing or financing activities	-187,6	265,6
<b>Cash flows from operating activities</b>	<b>-3,5</b>	<b>387,3</b>
Purchase of equipment and intangible assets	-5,0	-287,6
<b>Cash flows from investing activities</b>	<b>-5,0</b>	<b>-287,6</b>
<b>Change in cash funds from cash relevant transactions</b>	<b>-8,5</b>	<b>99,7</b>
Cash funds at April 1, 2020/April 1, 2019	283,9	184,2
<b>Cash funds</b>	<b>275,4</b>	<b>283,9</b>

The cash funds include cash and cash equivalents.



**Notes to the financial statements 2020/21**  
**of**  
**TOPSIM GmbH**  
**Tübingen**

**General**

Nature and purpose of TOPSIM GmbH, Tübingen, Germany, business is the following:

TOPSIM® – Business Games were created by UNICON which had been founded in 1982 and has become the market leader for computer- and web-based business simulation games in the German-speaking part of Europe. Since 2006 TOPSIM® is part of TOPSIM GmbH product-portfolio.

TOPSIM® – Simulations are used by numerous **companies, education centers and universities** for professional training and education. Various TOPSIM® - Simulations are available to serve training needs. These simulations integrate specific topics (e.g. marketing, e-business or entrepreneurship) or represent specific industries and markets (e.g. Insurance or Banking). Besides the well-known TOPSIM® – Simulations, TOPSIM GmbH also offers a variety of management training sessions, from "Introduction to Business Administration for Engineers" to "Top-Executive Leadership Development" programs. TOPSIM GmbH also offers tailored simulations for organizations.

TOPSIM GmbH offers its repertoire of global experience and educational/training expertise e.g.: Animations, Assessments, Conversion and Maintenance, Courseware, Games & Game-Based Learning, Onboarding, Process Training, Product Training, Sales Training, Simulation Workshops, Soft Skills Training, Software Applications.

The company's registered address is Neckarhalde 55 in 72070 Tübingen, Germany.

The number of employees on payroll as at March 31, 2021: was 17 (March 31, 2020: 24). The company does not have any branches and subsidiaries.

**Presentation of financial statements**

The financial statements of TOPSIM GmbH, Tübingen, Germany, are based on the German financial statements which were prepared under German Generally Accepted Accounting Principles (GAAP) and were transformed according to International Financial Reporting Standards (IAS/IFRS) so that the financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS).

The measurement and presentation currency for the financial statements is EURO.

**Summary of significant accounting policies****Foreign currencies transactions**

There are no transactions in currencies other than EURO (€).

**Revenue Recognition**

Individual contracts with defined transaction prices were signed between topsim and the customer. Revenues from contracts are recognized when it is probable that the economic benefits associated with a transaction will flow to the enterprise and the revenues can be measured reliably. Sales are recognized net of value-added tax.

**(1) Fixed Assets**

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is calculated under the straight-line method utilizing the estimated useful economic lives:

Licences and int. generated intangible assets	1 - 10 years
Fixtures	10 years
Office equipment	3 - 19 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

### Impairment of fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

	<b>Licences</b> €	<b>Fixtures</b> €	<b>Office Equipment</b> €	<b>Total</b> €
<b>Cost / Valuation</b>				
At March 31, 2020	<b>1.347.061,70</b>	<b>31.310,77</b>	<b>384.091,57</b>	<b>1.762.464,04</b>
Additions	3.762,50	0,00	1.235,22	4.997,72
Disposals	-39.930,04	-31.310,77	-36.885,79	-108.126,60
Transfer	0,00	0,00	0,00	0,00
<b>At March 31, 2021</b>	<b>1.310.894,16</b>	<b>0,00</b>	<b>348.441,00</b>	<b>1.659.335,16</b>
<b>Accumulated Depreciation</b>				
At March 31, 2020	<b>452.097,70</b>	<b>31.310,77</b>	<b>340.073,57</b>	<b>823.482,04</b>
Charge for the year	137.411,50	0,00	20.270,22	157.681,72
Disposals	-39.929,04	-31.310,77	-36.884,79	-108.124,60
<b>At March 31, 2021</b>	<b>549.580,16</b>	<b>0,00</b>	<b>323.459,00</b>	<b>873.039,16</b>
<b>Net Book Value</b>				
<b>At March 31, 2021</b>	<b>761.314,00</b>	<b>0,00</b>	<b>24.982,00</b>	<b>786.296,00</b>
<b>At March 31, 2020</b>	<b>894.964,00</b>	<b>0,00</b>	<b>44.018,00</b>	<b>938.982,00</b>

### Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risk and rewards of ownership to the lessee. The company has only marginal operating leases.

**(2) Work in progress**

Work in progress is calculated by using the percentage - of - completion method. To determine the stage of completion of contracts in progress the company used the labour - hours – method. A project time registration is in use. The labour hours for the project were multiplied with the individual costs of the employee with a additional overhead rate.

**(3) Accounts receivable and other assets**

Receivables are stated at their nominal value as reduced by lump-sum allowance of 1 percent.

**(4) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and highly liquid investments with maturities of less than one month, which are readily convertible to known amounts of cash and are not subject to risks of changes in value. The company has only Cash in banks.

**(5) Share Capital**

The nominal share capital of the company amounts to EURO 228.600,00.

The share capital was fully paid into the company. The shareholder is MPS Limited, India.

**(6) Current Liabilities**

The company recognizes financial liabilities on its balance sheet when it becomes a part to a contractual obligation. Liabilities are valued at their repayment value.

**Other liabilities and accrued expenses**

Other liabilities and accrued expenses are recognized when the company has legal or contractual obligations, as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliable.

	March 31, 2021 €	March 31, 2020 €
Trade payables	58.072,88	46.911,95
Accrued liabilities and other creditors	936.594,69	992.075,03
	<u>994.667,57</u>	<u>1.038.986,98</u>

**(7) Deferred tax liabilities**

Deferred tax liabilities result of recognition of intangible assets based on IFRS accounting with an amount of EURO 221.713,48. Deferred tax assets result of tax losses carried forward with an amount of EURO 145.625,00. Deferred tax assets and deferred tax liabilities match to an amount of EURO 76.088,48.

**(8) Other operating income**

Other operating income includes payments for car allowances, reversals of accruals and insurance compensations.

**(9) Other operating expenses**

	April 1, 2020 To March 31, 2021 €	April 1, 2019 to March 31, 2020 €
Cost for rental	54.656,66	60.593,51
Cost for cars	7.494,31	10.654,77
Cost of sales	26.791,19	82.597,55
Administration expenses	122.462,49	164.385,79
Other Cost	12.970,84	13.988,26
	<u>224.375,49</u>	<u>332.219,88</u>

**(10) Taxes**

Income tax comprises deferred taxes based on carried forward tax losses and differences between measurements of IFRS and tax accounting. Income tax has been computed in accordance with the laws of Germany. It is based on the result for the year as adjusted for items that are non-assessable or non-tax deductible and includes any adjustments to tax payable in respect of previous years. Deferred tax assets are recognized because of the probability of sufficient future taxable profit and measured at the tax rates that are expected to apply to the next five periods. Deferred tax assets/liabilities are calculated by a tax rate of 29,1 percent, assets and liabilities are matched.

**(11) Related parties**

The company engages in international transactions with the related party MPS Interactive Systems Limited, India. Based on the Transfer-pricing-study presented by Grant Thornton India in November 2012, project and sales support activities are billed at cost-plus method, licence revenue is charged at arms-length.

**(12) Financial instruments**

In performing its operating, investing and financial activities, the Company is exposed to the following financial risks: **credit risk, liquidity risk and market risk.**

Those risks are defined as follows:

- **Credit risk:** the possibility that a debtor will not pay at all, pay only a portion of a debt or will not pay in a timely manner.
- **Liquidity risk:** the Company defines this risk as the risk that it may not have or may not be able to raise cash funds when needed.
- **Market risk:** the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically the Company is exposed to the market price risk:
  - **Currency rate risk**

In order to effectively manage those risks, Management has approved some strategies for the management of financial risks, which are in line with corporate objectives. These guidelines set forth the short and long term objectives and action to be taken in order to manage the financial risks that the company faces.

**Credit risk**

The company controls its exposure to credit risk by setting limits on its exposure to individual customers. There are no significant concentrations of credit risk.

**Liquidity risk**

The company manages liquidity risk on the basis of expected maturity dates. At present the company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments the company expects the operating activity to generate sufficient cash inflows. In addition, the company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

### Foreign currency risk

There are no significant foreign currency risks.

### Managing Director

Rahul Arora, Indien

Attila Varga, Schweiz - since October 1, 2020

Christian Mutzner, Schweiz - until September 10, 2020

Tübingen, April 9, 2021

TOPSIM GmbH

*Rahul Arora*  
Rahul Arora (May 5, 2021 10:10 EDT)

Rahul Arora  
- Managing Director -

*Attila Varga*  
Attila Varga (May 3, 2021 10:05 GMT+2)

Attila Varga  
- Managing Director -









# 349892\_WP 2021 Jahresabschlussbericht Independent Auditor's Report 31.3.2021

Final Audit Report

2021-05-05

Created:	2021-04-30
By:	Lilly Dege (dege@topsim.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA0igcuiVJiERLc6OIhJdLIF2dr-E38N-y

## "349892\_WP 2021 Jahresabschlussbericht Independent Auditor's Report 31.3.2021" History

-  Document created by Lilly Dege (dege@topsim.com)  
2021-04-30 - 12:43:29 PM GMT- IP address: 79.220.11.22
-  Document emailed to Attila Varga (attila.varga@mpseuropa.ch) for signature  
2021-04-30 - 12:44:08 PM GMT
-  Email viewed by Attila Varga (attila.varga@mpseuropa.ch)  
2021-05-03 - 8:04:55 AM GMT- IP address: 85.5.83.146
-  Document e-signed by Attila Varga (attila.varga@mpseuropa.ch)  
Signature Date: 2021-05-03 - 8:05:22 AM GMT - Time Source: server- IP address: 85.5.83.146
-  Document emailed to Rahul Arora (rahul.arora@mpslimited.com) for signature  
2021-05-03 - 8:05:24 AM GMT
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2021-05-03 - 9:38:59 AM GMT- IP address: 71.190.129.225
-  Document e-signed by Rahul Arora (rahul.arora@mpslimited.com)  
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-  Agreement completed.  
2021-05-05 - 2:10:31 PM GMT