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by BX Swiss AG

Directive Pro Forma Financial Statements

Directive of the **Prospectus Review Office** of BX Swiss AG as of 1 June 2020

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I. General provisions

1. Purpose

- a) Where an issuer has significantly changed its structure or intends to change it significantly, additional financial information must be prepared and published in order to provide investors with a transparent picture of the issuer's financial situation. The decisive factor is not necessarily the legal form of the issuer's corporate structure or the transaction structure, but the economic perspective ("substance over form").
- b) A structural change exists in particular in the following cases:
 - (i) the economic continuation of an existing company or parts of a company in a new legal structure (e.g. new formation of a company into which the existing company or parts of a company are integrated);
 - (ii) mergers and acquisitions using the proceeds of the capital market transaction in question or through contributions in kind;
 - (iii) carve-out of operating companies or parts of companies;
 - (iv) the issuer is made up of companies that were under common control but have never prepared consolidated figures in the past.
- c) The obligation to publish additional financial figures does not apply if the significant structural change of the issuer is presented in audited financial statements.
- d) If, as a result of the intended or already realized transaction, the financial figures presented in accordance with this Directive do not transparently present the corporate structure of the issuer as a whole, it may be possible to deviate from some of the provisions set out below.

2. Terms

2.1. Financial statements

- a) Financial statements is the superordinate term for historical annual or interim financial statements prepared in accordance with a recognized accounting standard.
- b) Financial statements give a true and fair view of past economic conditions. In distinction to pro forma financial information, financial statements do not contain any facts that can be expected in the future as a result of the intended transaction or structural change.

2.2. Combined financial statements

- a) Combined financial statements means, in the absence of consolidated financial statements, the subsequent aggregation (addition of financial figures with eliminations) of the individual financial statements of companies under common control.
- b) When the quality of assumptions and estimates does not permit the preparation of combined financial statements in accordance with a recognized accounting standard on a true and fair view basis, the individual financial statements must be presented instead.



2.3. Carve-out financial statements

- a) Carve-out financial statements are those financial statements which, in the absence of independent financial statements for the carved-out companies or parts of entities, are prepared based on the external or internal financial figures without significant assumptions or adjustments.
- b) If, due to the quality of the assumptions and estimates, it is not possible to prepare carve-out financial statements in accordance with a recognized accounting standard based on the "true and fair view" principle, the carve-out must instead be presented in the pro forma financial information.

2.4. Pro forma financial information

- a) Pro forma financial information, unlike financial statements, include only a balance sheet, income statement, earnings per share and notes.
- b) In the case of pro forma financial information, the financial statements are adjusted by making assumptions that, together with the related explanatory notes, give a true and fair view as if the present transaction or major structural change had occurred at the beginning of the relevant period. The explanatory notes include statements about the basis and any adjustments to the financial statements, together with the assumptions made. The expected synergies may not be taken into account.

2.5. Significant structural changes

- a) Significant structural changes are those where one of the key figures according to point 2.5 lit. e corresponds to a change in the original structure of more than 25%.
- b) The key figures must be calculated based on the last audited financial statements. In principle, the calculation shall be based on identical balance sheet dates and accounting periods.
- c) The basis for the calculation of the key figures after the structural change shall be the issuer's last audited financial statements prior to the structural change, taking into account the audited financial statements of the companies or parts of companies that bring about the material structural change.
- d) The disclosure obligations pursuant to point 3 are based on the highest calculated value of the three key figures A, B and C (in %).
- e) The key figures are to be calculated according to the following formulae, whereby (1) stands for the amount after the structural change, and (2) for the amount before the structural change:

$$\frac{[\text{profit or loss (1)} - \text{profit or loss (2)}] * 100}{\text{profit or loss (2)}} = \text{A (in \%)}$$

$$\frac{[\text{turnover (1)} - \text{turnover (2)}] * 100}{\text{turnover (2)}} = \text{B (in \%)}$$

$$\frac{[\text{total assets (1)} - \text{total assets (2)}] * 100}{\text{total assets (2)}} = \text{C (in \%)}$$



3. Additional financial information in the prospectus

3.1. Financial Statements

- a) The prospectus must include financial statements for the last two financial years of the company or parts of the company which bring about the material change in the structure of the company, if any of the above key figures corresponds to a change in the original structure of more than 25%.
- b) For the issuer itself, the number of financial statements to be disclosed in the prospectus shall be subject to the respective requirements of the applicable registration form or the applicable Scheme (Annex 1-5 FinSO).
- c) The financial statements must be audited for all financial years presented and the audit reports must be included in the prospectus.

3.2. Pro forma financial information

- a) In addition to the financial statements, pro forma financial information for the last financial year must be published if one of the ratios corresponds to a structural change of more than 50% or if there is a carve-out of companies or parts of companies which does not meet the qualitative requirements for a carve-out financial statement.
- b) The adjustments made to the pro forma financial information must be presented individually in a reconciliation table (Appendix 2) and reference must be made to the corresponding explanations.
- c) An audit report by an independent auditor ("pro forma audit report") is required for the preparation of pro forma financial information.
- d) The "pro forma audit report" must be printed in the prospectus.
- e) The "pro forma audit report" must refer to the basis for the preparation of the pro forma financial information described in the notes, to the auditing standard applied and to the scope of the audit work performed.
- f) Furthermore, the "pro forma audit report" must contain the statement that
 - (i) the pro forma financial information has been prepared, in all material respects, on the basis stated; and
 - (ii) that the basis is consistent with the accounting policies of the issuer.

3.3. Interim financial statements

- a) If more than nine months have elapsed since the date of the last published financial statements at the time of publication of the prospectus, interim financial statements (if the change is more than 25 %) and pro forma financial information for the first six months of the current financial year for the companies or parts of companies which bring about the material structural change shall be included in the prospectus for the first six months of the current financial year.
- b) No audit or review is required for interim financial statements.

II. Annex 1

1. Structural change of more than 50%

	Year X	Year X-1	Year X-2
Additional financial statements (point. 3.1)	If applicable (point 3.3): Interim financial statements	Fiancial statements (audited)	Fiancial statements (audited)
Pro forma financial information (point 3.2)	If applicable (point 3.3): Pro forma financial information during the year (balance sheet, Income Statement (IS), Earnings per shares (EPS), Notes)	Balance sheet* IS* EPS Notes (pro forma assurance report)	--

2. Structural change between 25% and 50%

	Year X	Year X-1	Year X-2
Additional financial statements (point 3.1)	If applicable (point 3.3): Interim financial statements	Fiancial statements (audited)	Fiancial statements (audited)

Pro forma financial information must also be prepared in cases where there is a carve-out of companies or parts of companies pursuant to point 3.2. lit. a) which is not reflected in the financial statements.

3. Structural change below 25%

No additional financial figures (financial statements or pro forma financial information) are required for structural changes below 25%.

III. Annex 2

			Pro forma - Adjustments						
	Financial Statements Issuer	Additional financial statements* Companies and parts of companies	New holding structure	Withdrawals due to spin-offs/disposals	Revaluation / Goodwill from acquisitions	Changed capital and financing structure	Other adjustments	Eliminations	Pro forma Financial Information
			(a)	(b)	(c)	(d)	(e)	(f)	
Balance Sheet			e.g. transferred assets and liabilities	e.g. exclusion of parts of the company not transferred	e.g. goodwill, acquired intangible assets	e.g. capital increases, changed external financing	e.g. deferred taxes		
Income statement (including earnings per share)			e.g. costs for additional employees	e.g. exclusion of parts of the company not taken over	e.g. depreciation of revalued assets	e.g. interest costs, transaction costs	e.g. deferred taxes		

* Other possible adjustments to the financial statements of enterprises and parts of enterprises:

- Adjustment to the balance sheet date or financial year used by the issuer
- Adjustment to the presentation currency used by the issuer
- Adjustment to the presentation of the balance sheet and income statement used by the issuer
- Adjustment to the accounting standard or principles applied by the issuer