



andrion ag, Zürich

Report of the Statutory Auditor
on the Limited Statutory Examination
to the General Meeting of Shareholders

Financial Statements 2021



KPMG AG
Landis + Gyr-Strasse 1
PO Box
CH-6302 Zug

+41 58 249 74 74
kpmg.ch

Report of the Statutory Auditor on the Limited Statutory Examination to the General Meeting of Shareholders of andrion ag, Zürich

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of andrion ag for the year ended 31 December 2021. The limited statutory examination of the prior year financial statements was performed by another auditor who expressed an unmodified examination conclusion on those financial statements on 31 December 2020.

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

KPMG AG

Thomas Affolter
Licensed Audit Expert
Auditor in Charge

Annina Hanselmann

Zug, 3 June 2022

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

Balance Sheet as of 31 December	Note	2021	2020
		CHF	CHF
ASSETS			
Current assets			
Cash		530,704	706,413
Trade accounts receivable	2.1	812,642	745,660
Other short-term receivable	2.2	–	126,271
Other short-term receivable from group companies		343,433	–
Unbilled Services		507,001	123,350
Prepaid expenses		62,536	17,785
TOTAL CURRENT ASSETS		<u>2,256,316</u>	<u>1,719,479</u>
Non-current assets			
Financial assets	2.3	30	–
Property, plant and equipment	2.4	–	36,742
TOTAL NON-CURRENT ASSETS		<u>30</u>	<u>36,742</u>
TOTAL ASSETS		<u><u>2,256,346</u></u>	<u><u>1,756,220</u></u>

Balance Sheet as of 31 December	Note	2021	2020
		CHF	CHF
LIABILITIES AND QUOTAHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable	2.5	138,035	357,917
Other short-term liabilities		35,597	118,156
Accrued expenses and deferred income	2.6	621,699	262,514
TOTAL SHORT-TERM LIABILITIES		<u>795,331</u>	<u>738,587</u>
Inter-company Loan		402,145	–
TOTAL LONG-TERM LIABILITIES		<u>402,145</u>	<u>–</u>
Quotaholders' equity			
Quotaholder's capital	2.7	150,000	150,000
Legal retained earnings			
General legal retained earnings		75,000	75,000
Voluntary retained earnings			
Results brought forward		792,633	391,030
Profit for the year		41,237	401,603
TOTAL QUOTAHOLDERS' EQUITY		<u>1,058,870</u>	<u>1,017,633</u>
TOTAL LIABILITES AND EQUITY		<u><u>2,256,346</u></u>	<u><u>1,756,220</u></u>

Income Statement for the year ended 31 December		2021	2020
		CHF	CHF
INCOME			
Revenue from sale of services	2.8	5,653,747	5,821,311
TOTAL OPERATING INCOME		<u>5,653,747</u>	<u>5,821,311</u>
Consultancy costs from other group companies		(752,917)	
Personnel expenses		(4,613,659)	(4,995,269)
Other operating expenses	2.9	(233,300)	(278,933)
Depreciation		(16,831)	(18,477)
OPERATING RESULT		<u>53,871</u>	<u>528,632</u>
Financial income		74	22
Financial Expenses		(2,189)	(400)
Foreign exchange result		(210)	–
PROFIT FOR THE YEAR BEFORE TAXES		<u>51,546</u>	<u>528,254</u>
Extraordinary expense		–	(78,752)
Gain on sale of fixed assets		–	30,114
Direct taxes		(10,309)	(78,013)
PROFIT FOR THE YEAR		<u><u>41,237</u></u>	<u><u>401,603</u></u>

Notes to the Financial Statements

1. Principles

1.1 General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company's going concern, the company's financial statements may be influenced by the creation and release of hidden reserves.

1.2 Revenue from sale of services

For Time and Material projects the revenue is recognized as services are performed on a contract-by-contract basis. The Proportional Performance method is applied for the fixed price projects. Revenues and costs are recognized over the service delivery period.

2. Information on balance sheet and income statement items

2.1 Trade accounts receivable	2021	2020
	CHF	CHF
Receivable from third parties billed	812,642	745,660
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	812,642	745,660
	<hr/>	<hr/>
2.2 Other Short-term receivable	2021	2020
	CHF	CHF
Receivable from third parties	–	126,271
	<hr/>	<hr/>
	–	126,271
	<hr/>	<hr/>
2.3 Financial assets	2021	2020
	CHF	CHF
Long-term Inter-company receivables	30	–
	<hr/>	<hr/>
	30	–
	<hr/>	<hr/>
2.4 Property, plant and equipment	2021	2020
	CHF	CHF
Office furniture and equipment	–	94,109
Computer equipment	–	16,831
Accumulated depreciation	–	(74,198)
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	–	36,742
	<hr/>	<hr/>

2.5 Trade accounts payable	2021	2020
	CHF	CHF
Accounts payable due to third parties	137,779	354,312
Accounts payable due to other group companies	256	3,605
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	138,035	357,917
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2.6 Accrued expenses and deferred income	2021	2020
	CHF	CHF
Deferred revenue	66,404	–
Short-term accrued employee related liabilities	160,671	133,925
Accrued other expenses	304,872	49,144
Accrued taxes	89,752	79,445
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	621,699	262,514
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2.7 Quotaholder's capital

As at 31 December 2021, the quota holder's capital consists of 150,000 registered shares at a par value of CHF 1 each.

2.8 Revenue from sale of services	2021	2020
	CHF	CHF
Consultancy revenue from third parties	4,544,455	5,821,311
Consultancy income from other group companies	1,109,292	–
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	5,653,747	5,821,311
	<hr/>	<hr/>

2.9 Other operating expenses	2021	2020
	CHF	CHF
Office expense	74,153	65,384
General and admin expenses	103,647	186,002
Travel expenses	9,878	27,547
Miscellaneous expenses/(revenue)	6,651	—
Results from sale of property, plant and equipment	12,911	—
IC management fees	9,230	—
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	216,470	278,933
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Property, plant and equipment with book value of 19,911 CHF was sold for 7,000 CHF in FY21.

3. Other information

3.1 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, is lower than 50.

Proposed Appropriation of Available Earnings

According to the proposal of the management, the available earnings of CHF 833,870 are to be appropriated as follows:

	2021
	CHF
To be carried forward	<u>833,870</u>
Total	<u>833,870</u>