



andrion ag, Zurich

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

Financial Statements 2022



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

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of andrion ag for the year ended 31 December 2022.

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
Licensed Audit Expert

Zug, 6 June 2023

Enclosures:

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

Balance Sheet as of 31 December	Note	2022	2021
		CHF	CHF
ASSETS			
Current assets			
Cash		413,934	530,704
Trade accounts receivable	2.1	121,112	812,642
Other short-term receivable	2.2	978,519	343,433
Unbilled Services		329,685	507,001
Prepaid expenses		46,966	62,536
TOTAL CURRENT ASSETS		<u>1,890,216</u>	<u>2,256,316</u>
Non-current assets			
Financial assets	2.3	26,893	30
Property, plant and equipment	2.4	30,539	–
TOTAL NON-CURRENT ASSETS		<u>57,432</u>	<u>30</u>
TOTAL ASSETS		<u><u>1,947,648</u></u>	<u><u>2,256,346</u></u>

Balance Sheet as of 31 December	Note	2022	2021
		CHF	CHF
LIABILITIES AND QUOTAHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable	2.5	175,803	138,035
Other short-term liabilities		16,217	35,597
Accrued expenses and deferred income	2.6	751,388	621,699
TOTAL SHORT-TERM LIABILITIES		<u>943,408</u>	<u>795,331</u>
Inter-company Loan		–	402,145
TOTAL LONG-TERM LIABILITIES		<u>–</u>	<u>402,145</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		833,870	792,633
(Loss) / Profit for the year		(54,630)	41,237
TOTAL QUOTAHOLDERS' EQUITY		<u>1,004,240</u>	<u>1,058,870</u>
TOTAL LIABILITES AND EQUITY		<u><u>1,947,648</u></u>	<u><u>2,256,346</u></u>

Income Statement for the year ended 31 December		2022	2021
		CHF	CHF
INCOME			
Revenue from sale of services	2.8	6,061,069	5,653,747
TOTAL OPERATING INCOME		<u>6,061,069</u>	<u>5,653,747</u>
Consultancy costs from other group companies		(113,615)	(752,917)
Personnel expenses		(5,726,451)	(4,613,659)
Other operating expenses	2.9	(280,151)	(216,470)
Depreciation		(14,645)	(16,831)
OPERATING RESULT		<u>(73,793)</u>	<u>53,871</u>
Financial income		2,606	74
Financial Expenses		(3,644)	(2,189)
Foreign exchange result		4,195	(210)
(LOSS) / PROFIT FOR THE YEAR BEFORE TAXES		<u>(70,636)</u>	<u>51,546</u>
Direct taxes		16,006	(10,309)
(LOSS)/ PROFIT FOR THE YEAR		<u><u>(54,630)</u></u>	<u><u>41,237</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	2022 CHF	2021 CHF
Receivable from third parties billed	121,112	812,642
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	121,112	812,642
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 2.2 Other Short-term receivable	 2022 CHF	 2021 CHF
Receivable from group companies	978,519	343,433
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	978,519	343,433
	<hr/>	<hr/>
 2.3 Financial assets	 2022 CHF	 2021 CHF
Long-term Inter-company receivables	26,893	30
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	26,893	30
	<hr/>	<hr/>
 2.4 Property, plant and equipment	 2022 CHF	 2021 CHF
Computer equipment	45,184	–
Accumulated depreciation	(14,645)	–
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	30,539	–
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2.5 Trade accounts payable	2022	2021
	CHF	CHF
Accounts payable due to third parties	174,470	137,779
Accounts payable due to other group companies	1,333	256
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	175,803	138,035
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2.6 Accrued expenses and deferred income	2022	2021
	CHF	CHF
Deferred revenue	–	66,404
Short-term accrued employee related liabilities	529,291	160,671
Accrued other expenses	222,097	304,872
Accrued taxes	–	89,752
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	751,388	621,699
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Short- term accrued employee related liabilities includes pension fund liability of CHF 103,463.60 CHF (PY: CHF 0.00)

2.7 Quotaholder's capital

As at 31 December 2022, 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	2022	2021
	CHF	CHF
Consultancy revenue from third parties	3,787,288	4,544,455
Consultancy income from other group companies	2,273,781	1,109,292
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	6,061,069	5,653,747
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2.9 Other operating expenses	2022	2021
	CHF	CHF
Office expense	71,091	74,153
General and admin expenses	97,704	103,647
Travel expenses	61,120	9,878
Miscellaneous expenses/(revenue)	6,111	6,651
Results from sale of property, plant and equipment		12,911
IC management fees	44,125	9,230
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	280,151	216,470
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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 779,240 are to be appropriated as follows:

	2022
	CHF
To be carried forward	<u>779,240</u>
Total	<u>779,240</u>