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Dynastar AG Zürich

Report of the Independent Auditor on the Financial Statements
for the Year ended 31 December 2018





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Report of the Independent Auditor

To the Board of Directors of
Dynastar AG, Zürich

Report of the Independent Auditor on the Financial Statements

We have audited the accompanying financial statements of Dynastar AG, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows and notes to the financial statement for the year then ended.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for SME's. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 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 the internal control system relevant to the entity's preparation 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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.



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Opinion

In our opinion, the financial statements for the year ended 31 December 2018 give a true and fair view of the financial position, the result of operation and the cash flows in accordance with International Financial Reporting Standards for SME's.

Zurich, 28 January 2019

Grant Thornton AG

Erich Bucher
Partner

Tobias Bader
Manager

Enclosures

- Financial statements for the year ended 31 December 2018

Dynastar AG, Zurich

Statement of financial position as of 31 December 2018 and 2017

	Notes	31.12.2018	31.12.2017
		CHF	CHF
Assets			
Current assets			
Trade and other receivables	9	0.00	7'160.00
Cash and cash equivalents	8	261'390.18	323'609.57
Total Assets		261'390.18	330'769.57
Equity and Liabilities			
Equity			
Share Capital		325'000.00	325'000.00
Legal Reserves		92.00	22.00
Retained earnings		1'712.57	415.67
Loss/Profit		-71'185.69	1'366.90
Total Equity		255'618.88	326'804.57
Current Liabilities			
Trade and other payables	11	1'800.00	0.00
Current tax liabilities		471.30	965.00
Accrued charges	10	3'500.00	3'000.00
Total Liabilities		5'771.30	3'965.00
Total Equity and Liabilities		261'390.18	330'769.57

Dynastar AG, Zurich

Statement of profit and loss and comprehensive income for the year ended 31 December 2018 and 2017

Statement of income and retained earnings	Notes	2018	2017
		CHF	CHF
Revenue			
Service Revenues	3	0.00	34'950.00
Other income	4	0.00	180.55
Total revenue		0.00	35'130.55
Employee salaries and benefits		0.00	-30'985.15
Board of directors fee		-6'050.00	0.00
Office rent		-2'600.00	-900.00
Administrative expenses		-61'222.83	-3'060.70
Other expenses		-640.36	-2'348.00
Operating loss		-70'513.19	-2'163.30
Finance expense	5	-112.50	-351.39
Finance income	6	0.00	4'619.44
Loss/Profit before tax		-70'625.69	2'104.75
Tax expense	7	-560.00	-737.85
Loss/Profit for the year		-71'185.69	1'366.90

Dynastar AG, Zurich

Statement of changes in equity 31 December 2018 and 2017

	Share capital	Legal reserves	Retained Earnings	TOTAL
Balance as at 31 December 2016	100'000.00	22.00	415.67	100'437.67
Profit for the year	0.00	0.00	1'366.90	1'366.90
Capital increase	225'000.00	0.00	0.00	225'000.00
Dividends	0.00	0.00	0.00	0.00
Balance as at 31 December 2017	325'000.00	22.00	1'782.57	326'804.57
Loss for the year	0.00	0.00	-71'185.69	-71'185.69
Allocation to legal reserves	0.00	70.00	-70.00	0.00
Dividends	0.00	0.00	0.00	0.00
Balance as at 31 December 2018	325'000.00	92.00	-69'473.12	255'618.88

Dynastar AG, Zurich

Statement of cash flows for the year ended 31 December 2018 and 2017

Statement of cash flows	Notes	2018	2017
		CHF	CHF
Cash flows from operating activities			
Profit of the year		-71'185.69	1'366.90
Non-cash income tax expense		0.00	965.00
Decrease / increase in trade and other receivables		7'160.00	-2'300.00
Decrease in non-invoiced services		0.00	3'000.00
Increase in trade and other payables		1'800.00	0.00
Decrease in accrued income		0.00	770.56
Decrease in payables to employees		0.00	-22'954.00
Increase / decrease in accrued charges		6.30	-300.00
Net cash from operating activities		-62'219.39	-19'451.54
Cash flows from investing activities			
Proceeds from disposal of equipment		0.00	0.00
Purchase of equipment		0.00	0.00
Net cash from investing activities		0.00	0.00
Cash flows from financing activities			
Capital increase		0.00	225'000.00
Dividends paid		0.00	0.00
Net cash from financing activities		0.00	225'000.00
Net decrease/increase in cash and cash equivalents		-62'219.39	205'548.46
Cash and cash equivalents at beginning of year		323'609.57	118'061.11
Cash and cash equivalents at end of year		261'390.18	323'609.57

Dynastar AG, Zurich

Notes to the financial statements

1. Nature of operations

The principal activities of Dynastar AG are the acquisition, the management, the placement and the disposal of investments in Company's as well as to provide the related financing activities.

2. Basis of preparation and accounting policies

These financial statements of Dynastar AG for the year ended 31 December 2018 have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on the historical basis and incorporate the principal policies set out below.

The financial statements are presented in Swiss Francs.

The company is a limited liability company incorporated and domiciled in Switzerland. The address of its registered office and principle place of business is Gerechtigkeitsgasse 25, 8001 Zurich, Switzerland. The company is managed by Dr. M. Gubser, who is the Board of Director of the company. Ultimate Beneficial Owner is R. Felder.

2.1. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts, volume rebates and sales-related taxes.

Rendering of services

Revenue is recognised with reference to the stage of completion provide that the amount of revenue and its related costs can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow the company.

Interest and dividend income

Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

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2.2. Borrowing costs

All borrowing costs are expensed in the period in which they are incurred.

2.3. Taxation

Current tax assets and liabilities

Current tax for current or prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current or prior periods exceeds the amount due for those periods, the excess is recognised as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised.

Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit of the year.

2.4. Financial Instruments

Initial Measurements

Initial measurements are initially measured at the transaction price (this included cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If, however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

Trade and other receivable

Most sales are made on the bases of normal credit terms, and the receivable do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables demonised in a foreign currency are translated into Swiss Francs using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

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2.5. Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks to a specific obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

2.6. Equity reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Share premium includes any premium over par value received on the issue of share capital. Any transactions costs associated with the issue of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

3. Revenue

	2018	2017
Service Revenues	0.00	37'950.00
Changes in Stock of services not invoiced	0.00	-3'000.00
Total Revenue	<u>0.00</u>	<u>34'950.00</u>

4. Other income

	2018	2017
Reversal of accruals	<u>0.00</u>	<u>180.55</u>
Total other income	<u>0.00</u>	<u>180.55</u>

Dynastar AG, Zurich

5. Finance expenses

	2018	2017
Bank charges	112.50	351.39
Total Finance expenses	<u>112.50</u>	<u>351.39</u>

6. Finance income

	2018	2017
Interest on securities	0.00	2'849.44
Exchange gains on securities	0.00	1'770.00
Total Finance income	<u>0.00</u>	<u>4'619.44</u>

7. Income tax expenses

	2018	2017
Current tax	560.00	737.85
Deferred tax	0.00	0.00
Total income tax expenses	<u>560.00</u>	<u>737.85</u>

In prior year, income tax was calculated at 41.4% of the estimated assessable profit of the year. In 2018 the company realised a loss, therefore only minimum tax on capital is recorded.

8. Cash and cash equivalents

	2018	2017
Cash at bank	261'390.18	323'609.57
Total cash and cash equivalents	<u>261'390.18</u>	<u>323'609.57</u>

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9. Trade and other receivables

	2018	2017
Trade receivables	0.00	4'500.00
Withholding tax	0.00	2'660.00
Total trade and other receivables	<u>0.00</u>	<u>7'160.00</u>

10. Accrued charges

	2018	2017
Audit fees	2'500.00	3'000.00
Accounting services	1'000.00	0.00
Total accrued charges	<u>3'500.00</u>	<u>3'000.00</u>

11. Trade and other payables

	2018	2017
Office rent	1'800.00	0.00
Total trade and other payables	<u>1'800.00</u>	<u>0.00</u>

12. Related party transactions

The company's related parties include its associates and key management personnel. None of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances were unsecured and are usually settled in cash.

Transactions with associates

During 2017 the company provided advertising services valued at CHF 20'850.00 to the following associates:

- SFZ Schweiz Finanz GmbH (CHF 4'750.00)
- IZ Immobilien Zentrum AG (CHF 9'850.00)
- Dudler & Partner AG (CHF 6'250.00)

There was no outstanding balance at 31 December 2017.

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During 2018 the company provided no advertising services to associates and there was no outstanding balance at 31 December 2018.

Transactions with key management personnel

Transactions with key management personnel (M. Dudler) in 2017 includes salaries of CHF 24'245.60, travel and representations expenses of CHF 400.00, domicile charges of CHF 900.00 and other charges of CHF 350.00. There was no outstanding balance at 31 December 2017.

Transactions with key management personnel (M. Gubser) in 2018 includes the board of directors fees of CHF 6'050.00. The fees were paid to LEGAFIN GmbH which is fully owned by Mr. Gubser. There was no outstanding balance at 31 December 2018.