



The Capital Markets Company Sàrl, Zurich

Report of the Statutory Auditor
on the Limited Statutory Examination
to the Partners' Meeting

Financial Statements 2023



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Report of the Statutory Auditor on the Limited Statutory Examination to the Partners' Meeting of The Capital Markets Company Sàrl, Zurich

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of The Capital Markets Company Sàrl for the year ended 31 December 2023.

These financial statements are the responsibility of the management. 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 Gmür
Licensed Audit Expert

Zug, 16 May 2024

Enclosures:

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

Balance Sheet as of 31 December	Note	2023	2022
		CHF	CHF
ASSETS			
Current assets			
Cash		2,907,579	2,985,725
Trade accounts receivable	2.1	2,303,533	2,127,327
Other short-term receivable	2.2	23,138	107,283
Other short-term receivable to group companies		1,528,573	4,241,996
Unbilled Services		1,060,037	1,688,345
Prepaid expenses		269,006	192,104
Prepaid Taxes		419,484	1,387,846
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TOTAL CURRENT ASSETS		8,511,350	12,730,626
		<hr/>	<hr/>
Non-current assets			
Financial assets	2.3	7,531,224	7,664,749
Property, plant and equipment	2.4	831,239	1,287,624
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		8,362,463	8,952,373
		<hr/>	<hr/>
TOTAL ASSETS		16,873,814	21,682,999
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Balance Sheet as of 31 December	Note	2023	2022
		CHF	CHF
LIABILITIES AND QUOTAHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable	2.5	8,015,942	7,250,590
Other short-term liabilities		248,948	426,720
Accrued expenses and deferred income	2.6	3,818,447	5,408,483
Provision for unrealized foreign currency translation gain		222,207	222,207
Accrued Taxes		576,436	–
TOTAL SHORT-TERM LIABILITIES		12,881,980	13,308,000
Inter-company payables		2,886,995	3,157,849
Accrued employee related liability		–	172,340
TOTAL LONG-TERM LIABILITIES		2,886,995	3,330,189
Quotaholders' equity			
Quotaholder's capital	2.7	20,000	20,000
Legal retained earnings		10,000	10,000
Available earnings			
Profit brought forward		5,014,810	9,980,755
(Loss) for the year		(3,939,971)	(4,965,945)
TOTAL QUOTAHOLDERS' EQUITY		1,104,839	5,044,810
TOTAL LIABILITES AND EQUITY		16,873,814	21,682,999

Income Statement for the year ended 31 December		2023	2022
		CHF	CHF
INCOME			
Revenue from sale of services	2.8	21,963,177	26,854,565
TOTAL OPERATING INCOME		<u>21,963,177</u>	<u>26,854,565</u>
Consultancy costs from other group companies		(4,157,431)	(6,316,534)
Personnel expenses		(17,180,632)	(18,075,929)
Other operating expenses	2.9	(3,040,552)	(4,602,441)
Depreciation		(480,402)	(539,662)
Impairment on financial assets	2.3	–	(3,387,240)
OPERATING RESULT		<u>(2,895,840)</u>	<u>(6,067,242)</u>
Financial income		315,697	107,681
Financial expenses		(427,062)	(207,881)
Foreign exchange result		251,400	1,126,155
(LOSS) FOR THE YEAR BEFORE TAXES		<u>(2,755,805)</u>	<u>(5,041,287)</u>
Direct Taxes	2.10	(1,184,165)	75,342
(LOSS) FOR THE YEAR		<u><u>(3,939,971)</u></u>	<u><u>(4,965,945)</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.

1.3 Leases

Leasing transactions are recognized in the balance sheet on a substance over form basis. For this, leasing agreements and rental leases are classified as finance leases if essentially all of the risks and benefits related to the ownership of the leased object have been transferred to Capco as the lessee. All other leasing transactions are considered operating leases. For finance leases the value of the leased or rented object is capitalized in property, plant and equipment (PPE) at the beginning of the contract; the same amount is recorded as leasing liability. The depreciation of PPE and the amortization of the leasing liabilities then take place over the leasing period. For operating leases, the rental and leasing rates paid are directly recognized in the income statement when they become due.

2. Information on balance sheet and income statement items

2.1 Trade accounts receivable	2023	2022
	CHF	CHF
Receivable from third parties billed	2,303,533	2,127,327
	<u>2,303,533</u>	<u>2,127,327</u>
2.2 Other short-term receivable	2023	2022
	CHF	CHF
Receivable from third parties	23,138	107,283
	<u>23,138</u>	<u>107,283</u>
2.3 Financial assets	2023	2022
	CHF	CHF
Deposits	170,500	170,500
Long-term Inter-company receivables	6,401,038	6,534,563
Investment	959,686	959,686
	<u>7,531,224</u>	<u>7,664,749</u>

Deposits amounting to CHF 170,500 (PY: CHF 170,500) as of 31 December 2023, have been pledged.

Investment

Company	Domicile	Capital in CHF		Share in voting and Capital rights in %	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
andrion ag	Zurich	959,686.00	959,686.00	100	100

No change in investment value in 2023.

2.4 Property, plant and equipment	2023	2022
	CHF	CHF
Property Leases	1,593,267	1,569,251
Leasehold improvements	1,190,250	1,251,620
Office furniture and equipment	298,757	298,757
Computer equipment	102,974	505,229
Accumulated depreciation	(2,354,009)	(2,337,233)
	<u>831,239</u>	<u>1,287,624</u>

2.5 Trade accounts payable	2023	2022
	CHF	CHF
Accounts payable due to third parties	3,929	76,200
Accounts payable due to other group companies	8,012,013	7,174,390
	<u>8,015,942</u>	<u>7,250,590</u>

2.6 Accrued expenses and deferred income	2023	2022
	CHF	CHF
Deferred revenue	64,903	109,399
Short-term accrued employee related liabilities	2,288,193	3,266,099
Accrued other expenses	1,465,351	2,032,985
	<u>3,818,447</u>	<u>5,408,483</u>

2.7 Quotaholder's capital

As at 31 December 2023, the quota holder's capital consists of 200 registered shares at a par value of CHF 100 each.

2.8 Revenue from sale of services	2023	2022
	CHF	CHF
Consultancy revenue from third parties	19,293,234	25,490,846
Consultancy income from other group companies	2,669,943	1,363,719
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	21,963,177	26,854,565
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2.9 Other operating expenses	2023	2022
	CHF	CHF
Office expense	(291,583)	(338,758)
General and admin expenses	(997,536)	(1,175,486)
Travel expenses	(341,958)	(649,698)
Miscellaneous expenses	(26,170)	(50,458)
IC management fees	(1,237,830)	(2,249,153)
Foreign Withholding Tax	(145,475)	(138,888)
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	(3,040,552)	(4,602,441)
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2.10 Direct Taxes

There are no direct taxes provision for the financial year 2023, due to the loss making positions. The balances shown in the financial are prior years tax reconciliations.

- 370k CHF is for tax re-assessment regarding 2019 & 2020 tax audit.
- 811k CHF relates to reversal on balance sheet positions on tax receivables.

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 higher than 50 but lower than 250.

Proposed Appropriation of Available Earnings

According to the proposal of the management, the available earnings of CHF 1,074,839 are to be appropriated as follows:

	2023
	CHF
To be carried forward	<u>1,074,839</u>
Total	<u>1,074,839</u>