



The Capital Markets Company Sàrl, Zurich

Report of the Statutory Auditor
on the Financial Statements
to the Partners' Meeting

Financial Statements 2021



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

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of The Capital Markets Company Sàrl, which comprise the balance sheet, income statement and notes for the year ended 31 December 2021.

Management's Responsibility

The management is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. 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 management 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 Swiss law and Swiss Auditing Standards. 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.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the management.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Thomas Affolter
Licensed Audit Expert
Auditor in Charge

Annina Hanselmann

Zug, 10 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		3,975,832	5,374,731
Trade accounts receivable	2.1	1,903,396	3,299,704
Other short-term receivable	2.2	3,404	381,156
Other short-term receivable to group companies		920,072	1,354,339
Unbilled Services		2,941,235	2,852,223
Prepaid expenses		255,767	123,469
Prepaid Taxes		1,241,703	1,151,458
TOTAL CURRENT ASSETS		<u>11,241,409</u>	<u>14,537,080</u>
Non-current assets			
Financial assets	2.3	27,241,087	17,363,842
Property, plant and equipment	2.4	1,778,292	808,493
TOTAL NON-CURRENT ASSETS		<u>29,019,378</u>	<u>18,172,335</u>
TOTAL ASSETS		<u><u>40,260,787</u></u>	<u><u>32,709,415</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	19,988,204	10,740,958
Other short-term liabilities		484,703	921,266
Accrued expenses and deferred income	2.6	8,334,919	9,209,301
Provision for unrealized foreign currency translation gain		123,395	271,365
TOTAL SHORT-TERM LIABILITIES		28,931,221	21,142,890
Inter-company payables		335,728	1,564,244
Accrued employee related liability		983,083	245,204
TOTAL LONG-TERM LIABILITIES		1,318,811	1,809,448
Quotaholders' equity			
Quotaholder's capital	2.7	20,000	20,000
Legal retained earnings			
General legal retained earnings		10,000	10,000
Voluntary retained earnings			
Results brought forward		9,727,077	9,609,113
Profit for the year		253,678	117,965
TOTAL QUOTAHOLDERS' EQUITY		10,010,755	9,757,078
TOTAL LIABILITES AND EQUITY		40,260,787	32,709,415

Income Statement for the year ended 31 December		2021	2020
		CHF	CHF
INCOME			
Revenue from sale of services	2.8	38,595,666	33,309,832
TOTAL OPERATING INCOME		<u>38,595,666</u>	<u>33,309,832</u>
Consultancy costs from other group companies		(12,916,769)	(5,744,715)
Personnel expenses		(20,345,946)	(20,025,101)
Other operating expenses	2.9	(5,467,777)	(6,784,279)
Depreciation		(478,610)	(321,809)
OPERATING RESULT		<u>(613,436)</u>	<u>433,928</u>
Financial income		703,298	447,676
Financial expenses		(550,590)	(309,962)
Foreign exchange result		777,826	(121,693)
PROFIT FOR THE YEAR BEFORE TAXES		<u>317,098</u>	<u>449,949</u>
Direct taxes		(63,420)	(331,984)
PROFIT FOR THE YEAR		<u><u>253,678</u></u>	<u><u>117,965</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	2021	2020
	CHF	CHF
Receivable from third parties billed	1,903,396	3,299,704
	<u>1,903,396</u>	<u>3,299,704</u>
2.2 Other short-term receivable	2021	2020
	CHF	CHF
Receivable from third parties	3,404	381,156
	<u>3,404</u>	<u>381,156</u>
2.3 Financial assets	2021	2020
	CHF	CHF
Deposits	170,500	170,500
Long-term Inter-company receivables	20,677,032	8,945,506
Investment	6,393,555	8,247,836
	<u>27,241,087</u>	<u>17,363,842</u>

Deposits amounting to CHF 100,000 (PY: CHF 100,000) as of 31 December 2021, have been pledged.

Investment

Company	Domicile	Capital in CHF		Share in voting and Capital rights in %	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
andrion ag	Zurich	6,393,554.50	8,247,836.14	100	100

Change in investment value is due to releases on unused contingent provisions.

2.4 Property, plant and equipment	2021	2020
	CHF	CHF
Property Leases	1,544,610	—
Leasehold improvements	1,237,580	1,237,580
Office furniture and equipment	298,757	298,757
Computer equipment	494,915	722,089
Accumulated depreciation	(1,797,570)	(1,449,933)
	<u>1,778,292</u>	<u>808,493</u>

2.5 Trade accounts payable	2021	2020
	CHF	CHF
Accounts payable due to third parties	97,982	209,604
Accounts payable due to other group companies	19,890,222	10,531,354
	<u>19,988,204</u>	<u>10,740,958</u>

2.6 Accrued expenses and deferred income	2021	2020
	CHF	CHF
Deferred revenue	345,721	74,467
Short-term accrued employee related liabilities	3,146,978	2,828,983
Accrued other expenses	4,842,220	6,305,851
	<u>8,334,919</u>	<u>9,209,301</u>

Short- term accrued employee related liabilities includes pension fund provision of CHF 295,356.65 CHF (PY: CHF 0.00)

2.7 Quotaholder's capital

As at 31 December 2021, 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	2021	2020
	CHF	CHF
Consultancy revenue from third parties	32,666,063	31,025,058
Consultancy income from other group companies	5,929,603	2,284,774
	<u>38,595,666</u>	<u>33,309,832</u>

2.9 Other operating expenses	2021	2020
	CHF	CHF
Office expense	(479,192)	(799,418)
General and admin expenses	(986,342)	(979,234)
Travel expenses	(225,748)	(486,719)
Miscellaneous expenses/(revenue)	(55,072)	(1,818,332)
IC management fees	(3,442,899)	(2,700,576)
Foreign Withholding Tax	(278,524)	–
	<u>(5,467,777)</u>	<u>(6,784,279)</u>

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 9,980,755 are to be appropriated as follows:

	2021
	CHF
To be carried forward	<u>9,980,755</u>
Total	<u>9,980,755</u>