

***Report of the statutory auditors  
with financial statements as of 31<sup>st</sup> March 2018***

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***Ramco Systems Ltd.***  
*Dorfplatz 3*  
*4418 Reigoldswil*

## Report of the statutory auditor on the limited statutory examination to the general meeting of Ramco Systems Ltd., Reigoldswil

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As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Ramco Systems Ltd. for the year ended 31<sup>st</sup> March 2018.

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.

Liestal, 16<sup>th</sup> April 2018

The statutory auditors:

**Duttweiler & Partner**  
**Wirtschaftsprüfung AG, Liestal**



N. Ziegler  
zugelassene Revisionsexpertin /  
Swiss Certified Audit Expert  
(Auditor in charge)



P. Salathe  
zugelassener Revisor /  
Swiss Certified Auditor

**Enclosures**

- Financial statements (balance sheet, income statement and notes)

## BALANCE SHEET AS OF MARCH 31, 2018

<b>ASSETS</b>	<b>31.03.2018</b> <b>CHF</b>	<b>31.03.2017</b> <b>CHF</b>
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<b><u>Current assets</u></b>		
Cash and cash equivalents	107'504	66'081
Trade accounts receivable	0	43'354
Trade accounts receivable - shareholder/intercompany (incl. advances)	290'768	254'978
Loans - shareholder/intercompany	1'945'037	1'885'957
Other current receivables	301	319
Non-invoiced services	171'331	141'850
Prepaid expenses and accrued income	8'993	11'170
<b>Total current assets</b>	<b>2'523'933</b>	<b>2'403'709</b>
 <b><u>Non-current assets</u></b>		
Tangible fixed assets	606	1'675
<b>Total non-current assets</b>	<b>606</b>	<b>1'675</b>
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<b>TOTAL ASSETS</b>	<b>2'524'540</b>	<b>2'405'384</b>
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 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b><u>Short-term liabilities</u></b>		
Trade accounts payable	11'314	834
Trade accounts payable - shareholder/intercompany	47'728	129'601
Other short-term liabilities	1'512	4'541
Deferred income and accrued expenses	141'440	130'402
<b>Total short-term liabilities</b>	<b>201'994</b>	<b>265'378</b>
 <b><u>Shareholders' equity</u></b>		
Share capital	1'400'000	1'400'000
Legal capital reserves	1'493'043	1'493'043
Accumulated losses	-753'038	-967'097
Annual profit	182'540	214'060
<b>Total shareholders' equity</b>	<b>2'322'546</b>	<b>2'140'006</b>
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2'524'540</b>	<b>2'405'384</b>
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## PROFIT AND LOSS ACCOUNT 2017 / 2018

	2017 / 2018 CHF		2016 / 2017 CHF	
Revenue from sales, services and licences	352'211	92.2%	744'593	109.4%
<b>Net proceeds from sales of goods and services</b>	<b>352'211</b>	<b>92.2%</b>	<b>744'593</b>	<b>109.4%</b>
Other income	126	0.0%	92	0.0%
Changes in non-invoiced services	29'481	7.7%	-64'108	-9.4%
<b>Total operating income</b>	<b>381'818</b>	<b>100.0%</b>	<b>680'577</b>	<b>100.0%</b>
Costs of goods sold	69'996	18.3%	217'833	32.0%
Royalties for licenses and services	97'920	25.6%	166'077	24.4%
<b>Cost of goods sold and royalties</b>	<b>167'916</b>	<b>44.0%</b>	<b>383'910</b>	<b>56.4%</b>
Salaries and related costs	49'174	12.9%	59'005	8.7%
<b>Personnel expenses</b>	<b>49'174</b>	<b>12.9%</b>	<b>59'005</b>	<b>8.7%</b>
Administrative costs	42'942	11.2%	34'461	5.1%
Selling and advertising expenses	35'858	9.4%	18'873	2.8%
Rent, leasing and office maintenance	7'200	1.9%	7'200	1.1%
Maintenance and repairs	131	0.0%	0	0.0%
Insurance and fees	18'756	4.9%	20'313	3.0%
<b>Other operating expenses</b>	<b>104'887</b>	<b>27.5%</b>	<b>80'847</b>	<b>11.9%</b>
Depreciation and amortization	1'069	0.3%	1'386	0.2%
<b>Depreciation and adjustments on fixed asset items</b>	<b>1'069</b>	<b>0.3%</b>	<b>1'386</b>	<b>0.2%</b>
<b>Operating result</b>	<b>58'771</b>	<b>15.4%</b>	<b>155'428</b>	<b>22.8%</b>
Other financial charges	-621	-0.2%	-540	-0.1%
Exchange rates gains/losses	43'333	11.3%	-21'053	-3.1%
Financial income - intercompany	89'869	23.5%	85'874	12.6%
<b>Financial costs and financial income</b>	<b>132'581</b>	<b>34.7%</b>	<b>64'281</b>	<b>9.4%</b>
<b>Annual profit before taxes</b>	<b>191'352</b>	<b>50.1%</b>	<b>219'709</b>	<b>32.3%</b>
Direct taxes	-8'812	-2.3%	-5'649	-0.8%
<b>Annual profit</b>	<b>182'540</b>	<b>47.8%</b>	<b>214'060</b>	<b>31.45%</b>

## NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2018

### 1. Principles

#### 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.

#### Non-invoiced services

Non-invoiced services are accounted for according to the POC (percentage of completion) method.

### 2. Information on balance sheet and income statement items

	31.03.2018 CHF	31.03.2017 CHF
<b>Details of tangible fixed assets</b>		
Furniture and fittings	606	1'675
<b>Total tangible fixed assets</b>	<b>606</b>	<b>1'675</b>

### 3. Other Information

#### Business name, legal form and registered office

Ramco Systems Ltd., Dorfplatz 1, 4418 Reigoldswil / limited company

#### Full-time positions on annual average

The annual average number of full-time positions for the reporting year, as well as the previous year, did not exceed 10.

#### Name of the statutory auditors

Duttweiler & Partner Wirtschaftsprüfung AG, Arisdörferstrasse 2, 4410 Liestal

### 4. Proposal of the board of directors for appropriation of available earnings

	31.03.2018 CHF	31.03.2017 CHF
Balance brought forward	-753'038	-967'097
Annual profit	182'540	214'060
<b>At the disposal of the general meeting of shareholders</b>	<b>-570'498</b>	<b>-753'038</b>
<b>Balance to be carried forward</b>	<b>-570'498</b>	<b>-753'038</b>