

**Report of the statutory auditors**  
**with financial statements as of 31<sup>st</sup> March 2017**

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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 2017.

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, 18<sup>th</sup> April 2017

The statutory auditors:

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



G. Roth  
zugelassener Revisionsexperte /  
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, 2017**

<b>ASSETS</b>	<b>31.03.2017 CHF</b>	<b>31.03.2016 CHF</b>
<b><u>Current assets</u></b>		
Cash and cash equivalents	66'081	64'297
Trade accounts receivable	43'354	68'580
Trade accounts receivable - shareholder/intercompany (incl. advances)	254'978	257'140
Loans - shareholder/intercompany	1'885'957	1'711'263
Other current receivables	319	17'898
Non-invoiced services	141'850	205'958
Prepaid expenses and accrued income	11'170	9'095
<b>Total current assets</b>	<b>2'403'709</b>	<b>2'334'229</b>
<b><u>Non-current assets</u></b>		
Tangible fixed assets	1'675	3'061
<b>Total non-current assets</b>	<b>1'675</b>	<b>3'061</b>
<b>TOTAL ASSETS</b>	<b>2'405'384</b>	<b>2'337'290</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b><u>Short-term liabilities</u></b>		
Trade accounts payable	834	272
Trade accounts payable - shareholder/intercompany	129'601	226'504
Other short-term liabilities	4'541	12'281
Deferred income and accrued expenses	130'402	172'287
<b>Total short-term liabilities</b>	<b>265'378</b>	<b>411'345</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	-967'097	-1'362'723
Annual profit	214'060	395'626
<b>Total shareholders' equity</b>	<b>2'140'006</b>	<b>1'925'946</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2'405'384</b>	<b>2'337'290</b>

**PROFIT AND LOSS ACCOUNT 2016 / 2017**

	2016 / 2017		2015 / 2016	
	CHF		CHF	
Revenue from sales, services and licences	744'593	109.4%	931'862	82.9%
<b>Net proceeds from sales of goods and services</b>	<b>744'593</b>	<b>109.4%</b>	<b>931'862</b>	<b>82.9%</b>
Other income	92	0.0%	0	0.0%
Changes in non-invoiced services	-64'108	-9.4%	191'663	17.1%
<b>Total operating income</b>	<b>680'577</b>	<b>100.0%</b>	<b>1'123'525</b>	<b>100.0%</b>
Costs of goods sold	217'833	32.0%	295'598	26.3%
Royalties for licenses and services	166'077	24.4%	297'094	26.4%
<b>Cost of goods sold and royalties</b>	<b>383'910</b>	<b>56.4%</b>	<b>592'692</b>	<b>52.8%</b>
Salaries and related costs	59'005	8.7%	104'775	9.3%
<b>Personnel expenses</b>	<b>59'005</b>	<b>8.7%</b>	<b>104'775</b>	<b>9.3%</b>
Administrative costs	34'461	5.1%	39'165	3.5%
Selling and advertising expenses	18'873	2.8%	37'954	3.4%
Rent, leasing and office maintenance	7'200	1.1%	7'200	0.6%
Maintenance and repairs	0	0.0%	65	0.0%
Insurance and fees	20'313	3.0%	25'376	2.3%
<b>Other operating expenses</b>	<b>80'847</b>	<b>11.9%</b>	<b>109'760</b>	<b>9.8%</b>
Depreciation and amortization	1'386	0.2%	3'589	0.3%
<b>Depreciation and adjustments on fixed asset items</b>	<b>1'386</b>	<b>0.2%</b>	<b>3'589</b>	<b>0.3%</b>
<b>Operating result</b>	<b>155'428</b>	<b>22.8%</b>	<b>312'710</b>	<b>27.8%</b>
Other financial charges	-540	-0.1%	-785	-0.1%
Exchange rates gains/losses	-21'053	-3.1%	14'853	1.3%
Financial income - intercompany	85'874	12.6%	74'918	6.7%
<b>Financial costs and financial income</b>	<b>64'281</b>	<b>9.4%</b>	<b>88'986</b>	<b>7.9%</b>
<b>Annual profit before taxes</b>	<b>219'709</b>	<b>32.3%</b>	<b>401'696</b>	<b>35.8%</b>
Direct taxes	-5'649	-0.8%	-6'070	-0.5%
<b>Annual profit</b>	<b>214'060</b>	<b>31.5%</b>	<b>395'626</b>	<b>35.21%</b>



## NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2017

### 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

	31.03.2017 CHF	31.03.2016 CHF
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<b>Details of tangible fixed assets</b>		
Furniture and fittings	1'675	2'744
EDP-hardware/software and office machines	0	317
<b>Total tangible fixed assets</b>	<b>1'675</b>	<b>3'061</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

	31.03.2017 CHF	31.03.2016 CHF
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Balance brought forward	-967'097	-1'362'723
Annual profit	214'060	395'626
<b>At the disposal of the general meeting of shareholders</b>	<b>-753'038</b>	<b>-967'097</b>
<b>Balance to be carried forward</b>	<b>-753'038</b>	<b>-967'097</b>