

Report of the statutory auditors
with financial statements as of 31st March 2019

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

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Ramco Systems Ltd. for the year ended 31st March 2019.

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, 15th April 2019

The statutory auditors:

Duttweiler & Partner
Wirtschaftsprüfung AG, Liestal



Patrick Salathe
zugelassener Revisor /
Swiss Certified Auditor
(Auditor in charge)



Nicole Ziegler
zugelassene Revisionsexpertin /
Swiss Certified Audit Expert

Enclosures

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

BALANCE SHEET AS OF MARCH 31, 2019

ASSETS	31.03.2019 CHF	31.03.2018 CHF
<u>Current assets</u>		
Cash and cash equivalents	48'361	107'504
Trade accounts receivable	7'903	0
Trade accounts receivable - shareholder/intercompany (incl. advances)	324'505	290'768
Loans - shareholder/intercompany	2'138'254	1'945'037
Other current receivables	1'377	301
Non-invoiced services	54'964	171'331
Prepaid expenses and accrued income	9'264	8'993
Total current assets	2'584'629	2'523'933
<u>Non-current assets</u>		
Tangible fixed assets	0	606
Total non-current assets	0	606
TOTAL ASSETS	2'584'629	2'524'540
LIABILITIES AND SHAREHOLDERS' EQUITY		
<u>Short-term liabilities</u>		
Trade accounts payable	639	11'314
Trade accounts payable - shareholder/intercompany	51'496	47'728
Other short-term liabilities	0	1'512
Deferred income and accrued expenses	142'972	141'440
Total short-term liabilities	195'106	201'994
<u>Shareholders' equity</u>		
Share capital	1'400'000	1'400'000
Legal capital reserves	1'493'043	1'493'043
Accumulated losses	-570'498	-753'038
Annual profit	66'977	182'540
Total shareholders' equity	2'389'523	2'322'546
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2'584'629	2'524'540

PROFIT AND LOSS ACCOUNT 2018 / 2019

	2018 / 2019 CHF		2017 / 2018 CHF	
Revenue from sales, services and licences	529'632	128.1%	352'211	92.2%
Net proceeds from sales of goods and services	529'632	128.1%	352'211	92.2%
Other income	41	0.0%	126	0.0%
Changes in non-invoiced services	-116'367	-28.2%	29'481	7.7%
Total operating income	413'306	100.0%	381'818	100.0%
Costs of goods sold	186'838	45.2%	69'996	18.3%
Royalties for licenses and services	91'126	22.0%	97'920	25.6%
Cost of goods sold and royalties	277'964	67.3%	167'916	44.0%
Salaries and related costs	40'786	9.9%	49'174	12.9%
Personnel expenses	40'786	9.9%	49'174	12.9%
Administrative costs	41'386	10.0%	42'942	11.2%
Selling and advertising expenses	1'967	0.5%	35'858	9.4%
Rent, leasing and office maintenance	6'496	1.6%	7'200	1.9%
Maintenance and repairs	0	0.0%	131	0.0%
Insurance and fees	29'375	7.1%	18'756	4.9%
Other operating expenses	79'225	19.2%	104'887	27.5%
Depreciation and amortization	606	0.1%	1'069	0.3%
Depreciation and adjustments on fixed asset items	606	0.1%	1'069	0.3%
Operating result	14'724	3.6%	58'771	15.4%
Other financial charges	-1'410	-0.3%	-621	-0.2%
Exchange rates gains/losses	-33'543	-8.1%	43'333	11.3%
Financial income - intercompany	96'827	23.4%	89'869	23.5%
Financial costs and financial income	61'874	15.0%	132'581	34.7%
Annual profit before taxes	76'599	18.5%	191'352	50.1%
Direct taxes	-9'622	-2.3%	-8'812	-2.3%
Annual profit	66'977	16.2%	182'540	47.81%

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

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

	31.03.2019 CHF	31.03.2018 CHF
Details of tangible fixed assets		
Furniture and fittings	0	606
Total tangible fixed assets	0	606

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

	31.03.2019 CHF	31.03.2018 CHF
Balance brought forward	-570'498	-753'038
Annual profit	66'977	182'540
At the disposal of the general meeting of shareholders	-503'521	-570'498
Balance to be carried forward	-503'521	-570'498