

**Youngtimers AG, Basel**

**Annual Report 2022**

**for the year ended 31 December 2022**

**YOUNGTIMERS**

**28 April 2023**

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## **CHAIRMAN LETTER TO THE SHAREHOLDERS**

Dear Shareholders,

Last year was a terrible year for Europe and humanity, bringing horrors of war back to the European continent, polarizing the world and creating the level of global political instability and security concerns unprecedented in the lifetime of majority of today's world population.

Youngtimers AG responded to the new realities with the swift change. As we have reported in our previous annual report and semiannual report, in spring of 2022 Youngtimers AG aborted its original luxury cars marketplace strategy and dedicated 2022 to the complete overhaul of its corporate structure, leadership team and business processes to refocus on the refined business strategy of special situation investments and corporate finance & turnarounds advisory services.

The abrupt change of strategy caused by the tragic events of last year came at a price of CHF 10.1 million loss for the 2022 calendar year (CHF 11.7 million loss in 2021), largely explained by the losses realized through the sales of subsidiaries (CHF 1.05 million) and impairments of the investment portfolio of non-core legacy assets (loss of CHF 8.93 million) such as investments in Garage Italia Group, Petrolicious and Talenhouse AG originally made under the previous management.

Today Youngtimers AG is a new, lean company, with the new international leadership firmly grounded in Switzerland and strong balance sheet with no loss-making operating subsidiaries, no investment commitments to any loss-making projects and no debt of any significance. In a course of 2022, the Company has divested all its Swiss and international subsidiaries, streamlined its governance structure, and this efforted helped to halve its administrative expenses (G&A of CHF 0.34 million in 2022 versus CHF 0.69 million in 2021). Youngtimers AG now reports no bank debt and no debt to any parties as of December 31, 2022, except for normal working capital liabilities of CHF 0.44 million (CHF 0.55 million in 2021).

With all those changes completed, Youngtimers AG is now ready to execute on its revised business strategy in full confidence, focusing on M&A and cross border investment advisory services backed by unlevered strong balance sheet of the Company, with the steady interest and dividend flows covering much reduced overhead costs of the Company.

No debt, focus on strong profitability through combination of advisory business and low risk investment portfolio is our strategy for the high-interest high-risk business environment European economy is in today and for foreseeable future. This very comfortable de-risked position, while came at a price of significant restructuring losses reported for 2022, now gives Youngtimers board confidence that our business model is now fully adjusted for global political risk and economic uncertainties for years to come.

Norman Hansen,

Chairman of the Board

## **CORPORATE GOVERNANCE**

## General information

The Company's corporate governance principles are laid out in the Articles of Incorporation (the "Articles"), in the Organizational Rules adopted by the Board of Directors (alternatively, the "Board") and in a set of other Group directives, including the Internal Control System (the "ICS").

Further information disclosed below conforms to the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange; the information refers to 31 December 2022, unless otherwise indicated. To avoid redundancies, references are inserted to other parts of this Annual Report and links to Youngtimers AG's website <http://www.youngtimers.com/> that could provide additional, more detailed information.

## 1. Group structure and shareholders

### Group structure

Youngtimers AG ("the Company") was incorporated in Switzerland as a Swiss limited company on 17 December 1998. In 2021 the Company relaunched into a new equity story transforming into an international investment Company specialized on media and creative industries and organized into two business units – Youngtimers Media (that includes brands like Petrolicious and Garage Italia) and Youngtimers Finance. However, following the invasion of Ukraine by Russia and subsequent market turbulence, the Company decided to limit its investment activities in the automotive and media segments. As of 31 December 2022, the Company remains an investment company with no subsidiaries.

The Company has its corporate legal headquarter at Elisabethenstrasse 18, 4051 Basel, Switzerland.

Youngtimers AG is listed on the SIX Swiss Exchange, SIX Swiss Reporting Standard. The Company is listed under the symbol "YTME". The ISIN code is CH0006326851. The market capitalization as of 31 December 2022 amounts to CHF 83.7 million (31 December 2021: CHF 88.7 million).

As of 31 December 2022, the Company had sold and deconsolidated all its subsidiaries.

### Significant shareholders

According to SIX Swiss Exchange notifications, significant shareholders as of 31 December 2022 are:

|                             | Ownership Interest |
|-----------------------------|--------------------|
| Digital Knight Finance Sàrl | 32.58%             |
| Le Nouveau Holdings Inc.    | 27.54%             |
| L. Holding S.r.l.           | 23.04%             |
| Patrick Deveraux            | 3.23%              |

The Company holds directly 9.1% of its own share capital (treasury shares).

Past and current notifications regarding the Company's shareholding can be found on the website of SIX Exchange Regulation at: <https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/>.

## Cross investments

There are no cross investments with other Group companies.

## 2. Capital structure

|   |     |               |
|---|-----|---------------|
| Ordinary share capital as of 31 December 2022 | CHF | 26'045'697.72 |
|---|-----|---------------|

### Share capital

As of 31 December 2022, the share capital amounts to CHF 26'045'697.72, consisting of 62'013'566 bearer shares with a nominal value of CHF 0.42 each. Each share has one voting right and is fully entitled to dividends. The shares are fully paid in.

### Capital Increase 30 June 2021

At the Annual General Meeting of 30 June 2021, the Shareholders accepted the motion of the Board of Directors and voted in favor of an increase of the current share capital of the Company of CHF 5'045'697.72 by a minimum of CHF 12'000'000.18 and a maximum of CHF 24'000'000.36 to a maximum of new CHF 29'045'698.08 by issuance of a minimum of 28'571'429 and a maximum of 57'142'858 new bearer shares with a nominal value of CHF 0.42 each and to cancel the subscription rights of the Shareholders, as the capital increase was to enable the acquisition of companies or parts thereof (article 652b Swiss Code of Obligations), and let the Board of Directors in its sole discretion allocate to third parties the subscription rights.

The capital increase was subscribed through a Private Placement by a small number of private investors.

Subsequent the Annual General Meeting the Board of Directors has carried out the capital increase in an amount of CHF 21'000'000 corresponding to 50'000'000 new bearer shares at CHF 0.42 each.

### Treasury shares

As of 31 December 2022, Youngtimers AG owns 5'644'876 of its own shares. Further information can be found in Note 9 of the financial statements under Swiss CO.

### Shares and participation certificates

All shares of the Company are bearer shares with a nominal value of CHF 0.42 each. The Company has one single class of shares. Each bearer share carries one vote at the shareholders' meeting. Each shareholder with voting rights may be represented at the General Meeting by the independent representative or a third party. Shareholders have the right to receive dividends decided by the shareholders' meeting and have all other rights provided for by the Swiss Code of Obligations.

### Profit sharing certificates

The Company has not issued any preferred voting shares or non-voting equity securities, such as participation certificates or profit sharing/bonus certificates.

### Limitations on transferability and nominee registrations

Being issued to the bearer, the shares of the Company can be transferred without restrictions.

## Option rights

No option has currently been issued under any share option plan.

### 3. The Board of Directors

As of 31 December 2022, the Board of Directors was composed by:

|                  |               | First Election date | Last election date | Next re-election date |
|------------------|---------------|---------------------|--------------------|-----------------------|
| Norman Hansen    | Chairman      | August 2022         | August 2022        | AGM 2023              |
| Jan Schulmeister | Vice Chairman | August 2022         | August 2022        | AGM 2023              |
| Lorenzo Landini  | Member        | December 2021       | August 2022        | AGM 2023              |

A brief biography of the members is given here below.

The following sets forth the name, year of assuming office on the Board of Directors, position, and committee memberships of each member of the Board of Directors (alternatively, the “Directors”).

#### Members of the Board of Directors

Norman Hansen, US citizen

Chairman, Member of the Compensation Committee, Board member since 26 August 2022

Norman Hansen has over three decades of experience working in leadership roles mostly in the areas of banking, payments, investment, corporate governance, wealth management, and media. Mr. Hansen's most recent experience includes managing investment holding companies as well as co-managing e-commerce companies asknet AG Germany and Nexway SAS France. Previous to this, Mr. Hansen served as a member of supervisory boards of numerous European companies for more than a decade.

Mr. Hansen also worked for a consulting firm providing support services to supervisory boards and audit committees of listed European companies before joining his first board. Mr. Hansen's payments experience includes the aforementioned positions at asknet and Nexway, providing consulting services in founding and running payments departments to Ukrainian banks and entrepreneurs, consulting to a large Austrian company on setting up payments systems for their services in the CIS, and serving as director of payment card departments in two banks in the USA.

Mr. Hansen has also managed an investment boutique and co-managed a consulting firm providing corporate governance, private equity, investment banking, and wealth management services to companies, Ultra High Net Worth Individuals, and family offices. Some of the successful deals Norman worked on include multiple deals totaling over \$25bln for European energy companies, a €2 billion bond issue for a central European banking group, and the successful acquisition and sale of a nationwide Ukrainian TV network for a family office.

Norman's educational background includes the New York Institute of Finance, American Institute of Banking, and the University of the Pacific.

Jan Schulmeister, German citizen

Vice Chairman, Board member since 26 August 2022

Jan Schulmeister is an entrepreneur and former banking professional with ten years of working experience in client facing roles. At his last banking position, he has successfully managed a book of USD 900 million assets under management for ultra-high/high net worth international clients, at Credit Suisse, Zürich. As of January



2020, he has joined asknet Solutions AG a German Exchange listed E-Commerce and Software Solutions company as an CFO. After his time as CFO Jan launched and successfully managed a single-Family Office providing a variety of services to distinguished clients. During 2021, he became professionally engaged to his long-time passion Blockchain and crypto by acting as a vital stakeholder in successful projects. In 2022 he launched an E-Commerce Web3 Platform with the focus on NFT monetization.

Lorenzo Landini, Italian citizen  
Board member since 20 December 2021, Member of the Compensation Committee

Mr. Lorenzo Landini has extensive experience with start-ups and emerging engineering companies, with 20 years’ experience of strategic development in Asian markets. He started his longstanding experience in the automotive sector as co-founder of Garage Italia Customs (Milan, Italy) and since 2020 he is CEO of Fondazione LAPS. He is owner of LLandini, holding and consulting company supporting innovative start-ups providing expertise from the early stage to the development phase. He is also currently CEO of Garage Italia Immobiliare & FB Garage Italia, in charge of the re-launch of the property as a hub for events and entertainment mostly targeting motor enthusiasts.

## Elections and terms of office

The Articles of Association provide for a Board of Directors consisting of one or more members. Directors are appointed and removed by shareholders’ resolution.

Their term of office is one year. Re-election is allowed. The Chairman of the Board (the “Chairman”) and the compensation committee members are currently appointed by the general shareholders’ meeting.

The Directors are elected or re-elected individually for a one-year term.

| <b>Name</b>  | <b>Norman Hansen</b>   | <b>Jan Schulmeister</b>  | <b>Lorenzo Landini</b>  |
|--------------|--|--|---|
| <b>Since</b> | 26 August 2022   | 26 August 2022   | 20 December 2021  |
| <b>Term</b>  | Elected at the annual general shareholders’ meeting on 26 August 2022 for one year until the AGM of 2023 | Elected at the annual general shareholders’ meeting on 26 August 2022 for one year until the AGM of 2023 | Re-Elected at the annual general shareholders’ meeting on 26 August 2022 for one year until the AGM of 2023 |

## Internal organizational structure

The Board of Directors is (except for the Chairman and the Compensation Committee, who are directly elected by the shareholders’ meeting) self-constituting and designates its own members and secretary. The latter does not need to be a member of the Board. The Chairman convenes the Board as often as the Company’s affairs require and presides (or in his absence another Director specifically designated by the majority of the Directors present at the meeting) over the Board meetings.

The Chairman decides on agenda items and motions. Every Director shall be entitled to request from the Chairman, in writing, a meeting of the Board, by indicating the grounds for such a request.

To pass a valid resolution, the majority of the members of the Board have to attend the meeting. Meetings may also be held by telephone conference to which all the Directors are invited. The Board of Directors passes its resolutions by way of simple majority. The members of the Board may only vote in person, not by proxy. Decisions can also be taken in writing, upon written proposal. In the event of a tied vote, the vote of the Chairman (or the chairperson) shall be decisive. Minutes are kept of resolutions and are signed by the Chairman and the Secretary.

As of 26 August 2022, Mr. Norman Hansen has been appointed as Chairman of the Board of Directors. He is in charge of calling for and leading the meetings of the Board of Directors.

Out of the Board, the AGM of 26 August 2022 has elected a Compensation Committee, composed by Messrs. Norman Hansen and Lorenzo Landini. Each member of the committee is elected for a one-year term.

The Compensation Committee assists the Board of Directors in establishing and periodically reviewing the Company's compensation strategy and guidelines as well as in preparing the proposals to the General Meeting regarding the compensation of the members of the Board of Directors.

The Board of Directors met 15 times during the year 2022.

## **Definition of areas of responsibility**

The Board is entrusted with the ultimate direction of the Company (art. 716a Code of Obligations).

The Board assumes certain obligations that cannot be transferred: (i) ultimately manage the Company and issue any necessary directives; (ii) determine the organizational structure of the Company; (iii) organize the accounting system, the financial control and the financial planning; (iv) appoint, recall and ultimately supervise the persons entrusted with the management and representation of the Company; (v) prepare the annual report and the shareholders' meeting, carrying out shareholders' meeting resolutions; and (vi) notify to the judge in case of over indebtedness of the Company.

In accordance with the Articles, the Board of Directors is responsible for the daily management of the Company. Since June 2021 all the Company's operations are managed directly by the Board of Directors.

## **Other mandates of the members of the Board of Directors**

No member of the Board of Directors can hold more than 15 additional mandates in non-public companies. The number of additional mandates is limited to 5 in public companies and mandates in associations and foundations. The mandates held at the request of the Company do not fall within the scope of this limitation.

No member of the current Board of Directors of the Company holds any mandates exceeding the above limits.

## **4. Compensation, shareholdings and loans**

### **Content and method of determining compensation and the shareholding programs**

Compensation of the members of the Board of Directors comprises fixed compensation elements, as well as a possible variable remuneration element. At the AGM held on 26 August 2022, the shareholders approved that the members of the Board of Directors receive up to CHF 200'000 in total as a fixed compensation and the members of the Executive Management Team up to CHF 300'000 in total, plus refund of expenses. The members of the Board of Directors receive a variable amount up to a maximum of CHF 200'000 in total and the members of the Executive Management Team up to a maximum of CHF 150'000 in total, depending on the results of the

business, according to a scheme to be defined. The compensation committee shall be authorized to set up a stock option scheme for the benefit of the members of the Board of Directors and the members of the Executive Management Team.

### **Compensation disclosures**

The compensation of the Board of Directors is detailed under section 4 of the Remuneration Report.

### **Allocations of shares in the reporting period**

The Company did not allocate any shares during the reporting period.

### **Options**

As mentioned above, no option plan has currently been issued under any share option plan.

### **Share ownership**

Mr. Norman Hansen, Chairman of the Board of Directors, indirectly holds 27.54% of the Company.

As of 31 December 2021, Mr. Adam Lindemann, former Chairman of the Board of Directors, held 5.00% of the Company.

As of 31 December 2021, Clive Ng, former Vice Chairman of the Board of Directors, indirectly held 23.68% of the Company.

### **Additional honorarium and remuneration**

The additional honorarium and remuneration of the Board of Directors and the Executive Management Team are disclosed under section 4 of the Remuneration report.

### **Loans and credits granted to governing bodies**

There are no loans granted to members of the Board of Directors and Executive Management Team.

There are no guarantees issued or assumed for any members or former members of the Board of Directors and/or Executive Management Team.

## **5. Voting rights and participation at shareholders' meetings**

### **Voting rights and representation restrictions**

There are no restrictions regarding voting rights, no statutory Group clauses and hence no rules for making exceptions. Consequently, there is neither a procedure nor a condition for their cancellation. A shareholder may be represented by his legal representative, the independent proxy or by another shareholder.

### **Statutory quorums**

The Articles of the Company do not provide for any specific majority requirements, in addition to those of the law.

## **Convening of the general meeting of shareholders**

The Articles of the Company do not differ from the law regarding the convening of a shareholders meeting.

## **Agenda**

The Articles of the Company do not contain any obligations regarding the agenda differing from the law. Specifically, there are no additional requirements regarding notice periods or deadlines to be respected.

## **Inscriptions into the share register**

The Company has bearer shares outstanding.

## **6. Changes of control and defence measures**

### **Duty to make an offer**

There are no opting-up or opting-out clauses in the Articles.

### **Clauses on changes of control**

There are no clauses of changes of control contained in any agreements or similar documents.

## **7. Auditor**

### **Duration of the mandate and term of office of the lead auditor**

On 26 August 2022, the Ordinary Shareholders General Meeting appointed Berney Associés Audit SA, Lausanne, as auditor of Youngtimers AG, and as auditor of the consolidated financial statements of the Youngtimers Group, if applicable.

The audit report is signed jointly by two representatives of Berney Associés Audit SA. Mr. Gregory Grieb, in his capacity as auditor in charge, signs the auditors' reports for Youngtimers AG.

### **Auditing fees**

The total audit fees for the audit of financial year 2022 amount to CHF 56'500.

### **Additional fees**

Besides the audit fees, additional fees were paid to Berney Associés SA, Lausanne in relation to various tax issues during 2022 for a total amount of CHF 300.

### **Informational instruments pertaining to external audit**

The auditor also issues a comprehensive report to the Board of Directors, in addition to the reports to the General Meeting.

In 2022, there have been several meetings between members of the Board of Directors and the auditors in connection with the audit of the financial statements.

## Information policy

The Company provides the following information to the shareholders:

|  |   |
|--|---|
| <b>Ordinary Shareholders General Meeting</b> | 30 June 2023 (Date to be confirmed)   |
| Interim report                               | 30 September 2023 ( <a href="http://www.youngtimers.com">www.youngtimers.com</a> )  |
| Press information                            | When appropriate (electronically, with newsletter which can be subscribed to on the Company's website)  |
| Company information                          | <a href="http://www.youngtimers.com">www.youngtimers.com</a>  |
| Investor Relations                           | Jan Schulmeister, Youngtimers AG<br>Elisabethenstrasse 18, 4051 Basel, Switzerland<br>Tel + 41 61 563 10 72<br>E-Mail: <a href="mailto:ir@youngtimers.com">ir@youngtimers.com</a> |

## **REMUNERATION REPORT**

## **1. Introduction**

The remuneration report contains information about the principles of remuneration, procedures for determining remuneration and components of compensation for the Board of Directors and the Executive Management Team of Youngtimers AG. It is based on the provisions of the Articles of Incorporation, the transparency requirements set out in Article 663b bis and Article 663c of the Swiss Code of Obligations, Articles 13-16 and Article 20 of the Swiss Ordinance against Excessive Remuneration at Listed Companies (OaEC), the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the Swiss Code of Best Practice for Corporate Governance drawn up by Economie Suisse.

## **2. Compensation policy**

Compensation to members of the Board of Directors and to members of the Executive Management Team should conform to market conditions, correspond appropriately to performance and responsibility, and correlate to the size and to the complexity of the Group and its businesses.

The compensation of the Board of Directors and the Executive Management Team is subject to review on an annual basis in compliance with the Group's strategic and operating targets.

## **3. Principles, elements, authority and determination of compensation**

### **Elements of the compensation of the Board of Directors and Executive Management Team**

Members of the Board of Directors and Executive Management Team receive a fixed and a variable compensation. Fixed compensation includes remuneration for the activities of members of the Board of Directors and of the Executive Management Team of Youngtimers AG.

Variable compensation depends on the results of the business, according to a scheme to be defined by the Compensation Committee.

They can also receive share options for the benefit of Directors, fellow employees and advisors.

No compensation was recognized to persons other than those disclosed in table included in section 4 "Compensation to the Board of Directors and Executive Management Team".

### **Lump sum expense allowance to members of the Board of Directors and Executive Management Team**

The Chairman and the other members of the Board of Directors and of the Executive Management Team do not receive any lump-sum expense allowance.

## Authority and determination of compensation

On 26 August 2022, at the Annual General Meeting, Messrs Norman Hansen and Lorenzo Landini were elected as members of the Compensation Committee for a one-year term. The Compensation Committee prepares the recommendations, which will be submitted to the Annual General Meeting for approval and oversees the implementation of the compensation policy for the Company.

At the 2022 Annual General Meeting the shareholders approved:

1. A total compensation to the members of the Board of Directors for the period from the Annual General Meeting 2022 to the Annual General Meeting 2023, of a maximum amount of CHF 200'000 as fixed amount, plus refund of expenses, and up to a maximum amount of CHF 200'000 as variable amount depending on the results of the business, according to a scheme to be defined.
2. A total compensation to the members of the Executive Management Team for the Financial Year 2022, of a maximum amount of CHF 300'000 as fixed amount, plus refund of expenses, and up to a maximum amount of CHF 150'000 as variable amount depending on the results of the business, according to a scheme to be defined.
3. A stock option scheme, to be set up, for the benefit of the members of the Board of Directors and the members of the Executive Management Team.



## 4. Compensation to the Board of Directors and Executive Management Team

31 December 2022

In TCHF

Members of the Board of Directors and Executive Management Team of Youngtimers AG

| Function   | Board of Directors compensation (i) | Executive Management Team compensation(ii) | Other | Total |
|--|-------------------------------------|--|-------|-------|
| Massimiliano Iuliano                                       | 0                                   | 242  | 0     | 242   |
| Delegate of the Board of Directors (until 26 August 2022)* |                                     |  |       |       |
| <b>Total</b>   | -                                   | 242  | -     | 242   |

31 December 2021

In TCHF

Members of the Board of Directors and Executive Management Team of Youngtimers AG

| Function  | Board of Directors compensation (i) | Executive Management Team compensation(ii) | Other | Total |
|---|-------------------------------------|--|-------|-------|
| Patrick Girod   | 50                                  | 0  | 0     | 50    |
| Chairman of the Board of Directors (until 30 June 2021) |                                     |  |       |       |
| Victor Iezuitov   | 35                                  | 0  | 0     | 35    |
| Member of the Board of Directors (until 30 June 2021)   |                                     |  |       |       |
| Massimiliano Iuliano                                    | 0                                   | 104  | 0     | 104   |
| Delegate of the Board of Directors (from 30 June 2021)  |                                     |  |       |       |
| <b>Total</b>  | 85                                  | 104  | -     | 189   |

\*Compensation until 31.10.2022 in accordance with Swiss Labor Law

(i) Gross fixed compensation to the members of the Board of Directors

(ii) Gross fixed compensation and fringe benefits to the members of the Executive Management Team.

The remuneration of Mr Massimiliano Iuliano has been considered since the acquisition of Youngtimers Asset Company AG (1 September 2021).

## 5. Shareholdings and loans granted to members of the Board of Directors and to members of the Executive Management Team

### Shareholdings

Mr. Norman Hansen, Chairman of the Board of Directors, indirectly holds 27.54% of the Company.

As of 31 December 2021, Mr. Adam Lindemann, former Chairman of the Board of Directors, held 5.00% of the Company.

As of 31 December 2021, Clive Ng, former Vice Chairman of the Board of Directors, indirectly held 23.68% of the Company.

No options have currently been issued to any member of the Board of Directors or to any member of the Executive Management Team under any share option plan.

## **Loans and credits granted to governing bodies**

There are no loans granted to members of the Board of Directors and/or to members of the Executive Management Team.

There are no guarantees issued or assumed for any members or former members of the Board of Directors and/or for any members of the Executive Management Team.

**REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT TO  
THE GENERAL MEETING OF SHAREHOLDERS**

## Report of the statutory auditor to the general meeting of Youngtimers AG, Basel

### Report on the Audit of the Remuneration Report

#### Opinion

We have audited the remuneration report of Youngtimers AG (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in sections 4 to 5 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the accompanying Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections 4 to 5 of the Remuneration Report, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

# Berney Associés

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

## Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Berney Associés

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Berney Associés Audit SA

**BA** Qualified electronic signature

**BA** Qualified electronic signature

Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge

Claude HERI  
Licensed Audit Expert

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

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## **STATUTORY FINANCIAL STATEMENTS UNDER SWISS CO**

## INCOME STATEMENT UNDER SWISS CO (in Swiss Francs)

For the year ended 31 December 2022

|  | NOTES | 2022<br>CHF         | 2021<br>CHF         |
|--|-------|---------------------|---------------------|
| Unrealized gain on listed securities         |       | 3 591 987           | -                   |
| Financial income                             |       | 184 625             | 305 242             |
| <b>Total operating income</b>                |       | <b>3 776 612</b>    | <b>305 242</b>      |
| General and administrative expenses          |       | (365 480)           | (694 544)           |
| Unrealized loss on listed securities         |       | (1 982 030)         | -                   |
| Interest expenses and bank charges           |       | (65 304)            | (100 180)           |
| Exchange differences                         |       | (172 881)           | (272 018)           |
| Loss on investments disposal                 | 6     | (1 049 999)         | -                   |
| Allocation to provision on financial assets  | 7     | (8 934 288)         | (11 000 000)        |
| Allocation to provision on listed securities | 3     | (1 393 334)         | -                   |
| <b>Total operating expenses</b>              |       | <b>(13 963 316)</b> | <b>(12 066 741)</b> |
| <b>Operating loss</b>                        |       | <b>(10 186 704)</b> | <b>(11 761 499)</b> |
| Extraordinary expenses                       | 2     | (23 100)            | (26 090)            |
| Extraordinary income                         | 2     | 134 545             | 119 607             |
| <b>Loss for the year</b>                     |       | <b>(10 075 259)</b> | <b>(11 667 982)</b> |



## BALANCE SHEET UNDER SWISS CO (1/2)

(in Swiss Francs)

As of 31 December 2022

|  | NOTES | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|--|-------|--------------------|--------------------|
| <b>ASSETS</b>  |       |                    |                    |
| <b>Current assets</b>                                    |       |                    |                    |
| Cash and cash equivalents                                |       | 612 227            | 6 257 518          |
| Listed securities, net                                   | 3     | 10 755 775         | -                  |
| Other short-term receivables due from third parties, net |       | 19 996             | 12 309             |
| Other short-term receivables due from related parties    | 4     | -                  | 908 237            |
| Accrued income and prepaid expenses, net                 | 5     | -                  | 88 839             |
| <b>Total current assets</b>                              |       | <b>11 387 998</b>  | <b>7 266 903</b>   |
| <b>Non-current assets</b>                                |       |                    |                    |
| Investments  | 6     | -                  | 1 050 000          |
| Financial assets to related parties, net                 | 7     | 1                  | 19 398 500         |
| <b>Total non-current assets</b>                          |       | <b>1</b>           | <b>20 448 500</b>  |
| <b>Total assets</b>                                      |       | <b>11 387 999</b>  | <b>27 715 403</b>  |

## BALANCE SHEET UNDER SWISS CO (2/2)

(in Swiss Francs)

### As of 31 December 2022

|   | NOTES | 31 Dec 2022<br>CHF  | 31 Dec 2021<br>CHF  |
|---|-------|---------------------|---------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>           |       |                     |                     |
| <b>Current liabilities</b>                            |       |                     |                     |
| Trade accounts payable to third parties               |       | 124 087             | 62 813              |
| Other short-term liabilities from third parties       |       | 3 626               | 65 345              |
| Other short-term liabilities from related parties     |       | 11 498              | 74 408              |
| Accrued expenses                                      | 8     | 302 060             | 342 571             |
| <b>Total current liabilities</b>                      |       | <b>441 271</b>      | <b>545 137</b>      |
| <b>Total liabilities</b>                              |       | <b>441 271</b>      | <b>545 137</b>      |
| <b>Shareholders' equity</b>                           |       |                     |                     |
| <b>Share capital</b>                                  | 9     | <b>26 045 698</b>   | <b>26 045 698</b>   |
| Reserve from capital contributions                    |       | 12 691 022          | 10 657 022          |
| Legal retained earnings - reserve for treasury shares |       | -                   | 2 034 000           |
| <b>Legal Reserves</b>                                 | 9     | <b>12 691 022</b>   | <b>12 691 022</b>   |
| Loss/Profit carried forward                           |       | (11 545 742)        | 122 240             |
| Loss for the year                                     |       | (10 075 259)        | (11 667 982)        |
| <b>Accumulated losses</b>                             | 9     | <b>(21 621 001)</b> | <b>(11 545 742)</b> |
| <b>Treasury shares</b>                                | 9     | <b>(6 168 991)</b>  | <b>(20 712)</b>     |
| <b>Total shareholders' equity</b>                     | 9     | <b>10 946 728</b>   | <b>27 170 266</b>   |
| <b>Total liabilities and shareholders' equity</b>     |       | <b>11 387 999</b>   | <b>27 715 403</b>   |

## CASH FLOW STATEMENT UNDER SWISS CO (in Swiss Francs)

As of 31 December 2022

|  | 2022<br>CHF         | 2021<br>CHF         |
|--|---------------------|---------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |                     |                     |
| <b>LOSS FOR THE YEAR</b>                                 | <b>(10 075 259)</b> | <b>(11 667 982)</b> |
| Loss on investment disposal                              | 1 049 999           | -                   |
| Allocation to provision on listed securities             | 1 393 334           | -                   |
| Waiver of claims   | (124 629)           | -                   |
| Interest due   | (247 435)           | -                   |
| Unrealized net gain on listed securities                 | (1 609 957)         | -                   |
| Allocation to provision on financial assets              | 8 934 288           | 11 000 000          |
| Change in accounts receivable and other receivables      | 900 550             | (904 624)           |
| Change in creditors and other debts                      | 61 274              | (122 291)           |
| Change in accrued expenses                               | 88 839              | (30 275)            |
| Change in prepaid expenses                               | (40 511)            | 17 120              |
| <b>OPERATIVE CASH FLOW</b>                               | <b>330 493</b>      | <b>(1 717 352)</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>               |                     |                     |
| Acquisition of intangible assets                         | -                   | -                   |
| Investment in listed securities                          | (519 146)           | -                   |
| Investment in equity                                     | -                   | (1 050 000)         |
| Increase of financial assets                             | (5 486 570)         | (23 909 200)        |
| <b>INVESTING CASH FLOW</b>                               | <b>(6 005 716)</b>  | <b>(24 959 200)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>               |                     |                     |
| Capital/agio increase                                    | -                   | 33 691 022          |
| Change in long-term loans                                | -                   | (937 146)           |
| <b>FINANCING CASH FLOW</b>                               | <b>-</b>            | <b>32 753 876</b>   |
| Effect of foreign exchange rate variation                | 29 932              | (9 302)             |
| <b>CHANGES IN CASH AND CASH EQUIVALENT</b>               | <b>(5 645 291)</b>  | <b>6 077 322</b>    |
| <b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR</b> | <b>6 257 518</b>    | <b>180 196</b>      |
| <b>CASH AND CASH EQUIVALENT AT END OF THE YEAR</b>       | <b>612 227</b>      | <b>6 257 518</b>    |

A non-cash transaction for a total amount of CHF 16'168'285 has not been considered in the cashflow statement.  
Detailed description of the partial repayment of the loan with listed securities, including treasury shares (see Note 7).

# **NOTES TO THE FINANCIAL STATEMENTS UNDER SWISS CO**

## **(in Swiss Francs)**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements of Youngtimers AG, Basel, (the “Company”) have been prepared in accordance with the provisions of Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations, “CO”). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

#### **Listed Securities**

Investments in listed securities are valued at the closing market price less necessary impairment in the event of indications of loss in value when the closing market price may not be representative of the fair market value. Allowances for impaired investments are recognized within “Allocation to provision on listed securities” in the income statement.

#### **Investments**

Investments are valued at cost less necessary impairment. Allowances for impaired investments are recognized within “Allocation to provision on investments” in the income statement.

#### **Financial assets**

Financial assets include a long-term shareholder loan to a former subsidiary. The loan is valued at cost less any necessary impairment. An allowance for impaired financial assets is recognized withing “Allocation to provision on financial assets” in the income statement.

#### **Treasury shares**

Treasury shares are recognized at cost and deducted from equity. If treasury shares are sold, the gain or loss is recognized in the income statement.

#### **Non-current liabilities**

Non-current liabilities are recognized in the balance sheet at nominal value.

#### **Foreign currencies**

Assets and liabilities denominated in foreign currency are translated into Swiss Francs (CHF) using year-end exchange rates, except for investments, which are translated at historical exchange rates. Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following year-end exchange rates:

|     | Balance sheet<br>31 Dec 2022 | Balance sheet<br>31 Dec 2021 |
|-----|------------------------------|------------------------------|
| EUR | 0,9874                       | 1,0361                       |
| USD | 0,9252                       | 0,9111                       |

Transactions during the year, which are denominated in foreign currencies are translated at the exchange rates effective at the relevant transaction date. Resulting exchange gains and losses are recognized in the income statement.

## 2. EXTRAORDINARY EXPENSES AND INCOME

### Extraordinary expenses

|   | 2022<br>CHF     | 2021<br>CHF     |
|---|-----------------|-----------------|
| SIX fees for two extensions for the publication of the 2021 annual report | (10 000)        | -               |
| Prior periods adjustments   | (13 100)        | (26 090)        |
| <b>Extraordinary expenses</b>   | <b>(23 100)</b> | <b>(26 090)</b> |

### Extraordinary income

|                                       | 2022<br>CHF    | 2021<br>CHF    |
|---------------------------------------|----------------|----------------|
| Waiver of claims Herculis Partners SA | 61 720         | -              |
| Waiver of claims Unicorn Advisory Oü  | 62 910         | -              |
| Waiver of claims Nexway Group AG      | -              | 12 700         |
| AFC, cancelation of stamp duties tax  | -              | 37 390         |
| Prior periods adjustments             | 9 915          | 69 517         |
| <b>Extraordinary income</b>           | <b>134 545</b> | <b>119 607</b> |

## 3. LISTED SECURITIES, NET

|                                 | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|---------------------------------|--------------------|--------------------|
| Listed securities               | 12 149 109         | -                  |
| Impairment on listed securities | (1 393 334)        | -                  |
| <b>Listed securities, net</b>   | <b>10 755 775</b>  | <b>-</b>           |

Following the review of the current investments by the Board of Directors, the Company has decided to fully impair some of the existing securities listed on the Stock Exchange. The available public information and the evolution of the share price forced the Company to provision its full ownership of certain securities thus booking a provision of CHF 1'393'334.

#### 4. OTHER SHORT-TERM RECEIVABLES DUE FROM RELATED PARTIES

|  | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|--|--------------------|--------------------|
| FBNK Finance Sàrl, current account, related party            | -                  | 908 237            |
| <b>Other short-term receivables due from related parties</b> | <b>-</b>           | <b>908 237</b>     |

The amount due by FBNK Finance Sàrl arises from the not yet fully paid purchase price related to the sale of Bonds to the former shareholder FBNK Finance Sàrl as of 31 December 2021.

On 3 June 2022 the Company has received a full repayment of the receivable.

#### 5. ACCRUED INCOME AND PREPAID EXPENSES, NET

|   | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|---|--------------------|--------------------|
| Interests P8H Inc.  | 457 212            | 457 212            |
| Interests on loan Youngtimers Asset Company AG, related party | -                  | 87 267             |
| Miscellaneous   | -                  | 1 572              |
| <b>Accrued income and prepaid expenses</b>                    | <b>457 212</b>     | <b>546 051</b>     |
| Impairment on P8H Inc., interests                             | (457 212)          | (457 212)          |
| <b>Impairment on accrued income and prepaid expenses</b>      | <b>(457 212)</b>   | <b>(457 212)</b>   |
| <b>Accrued income and prepaid expenses, net</b>               | <b>-</b>           | <b>88 839</b>      |

## 6. INVESTMENTS

|  | Voting and capital rights in % |  | Voting and capital rights in % |  | Capital     | Capital       |
|--|--------------------------------|--|--------------------------------|--|-------------|---------------|
|  | 31 Dec 2022                    |  | 31 Dec 2021                    |  | 31 Dec 2022 | 31 Dec 2021   |
| <b>Direct investment</b>                         |                                |  |                                |  |             |               |
| Youngtimers Asset Company AG, Basel, Switzerland | N/A                            |  | 100%/100%                      |  | N/A         | CHF 1'000'000 |
| <b>Indirect investments</b>                      |                                |  |                                |  |             |               |
| Garage Italia Customs S.r.l., Milano, Italy      | N/A                            |  | 70%/70%                        |  | N/A         | EUR 1'200'000 |
| Youngtimers Media LLC, New York, USA             | N/A                            |  | 100%/100%                      |  | N/A         | USD 100       |

  

|  | Gross book value | Movements          | Gross book value | Accumulated provisions | Movements | Accumulated provisions | Net book value   | Net book value |
|--|------------------|--------------------|------------------|------------------------|-----------|------------------------|------------------|----------------|
|  | 31 Dec 2021      | 2022               | 31 Dec 2022      | 31 Dec 2021            | 2022      | 31 Dec 2022            | 31 Dec 2021      | 31 Dec 2022    |
|  | CHF              | CHF                | CHF              | CHF                    | CHF       | CHF                    | CHF              | CHF            |
| Youngtimers Asset Company AG, Basel, Switzerland | 1 050 000        | (1 050 000)        | -                | -                      | -         | -                      | 1 050 000        | -              |
| <b>TOTAL</b>                                     | <b>1 050 000</b> | <b>(1 050 000)</b> | <b>-</b>         | <b>-</b>               | <b>-</b>  | <b>-</b>               | <b>1 050 000</b> | <b>-</b>       |

On 20 July 2021 and with completion date 1 September 2021, the Company acquired Youngtimers Asset Company AG with a share capital of CHF 100'000. On 15 September 2021, The Company carried out a capital increase at Youngtimers Asset Company AG of CHF 900'000 to CHF 1'000'000.

Through the 100% subsidiary Youngtimers Asset Company AG, the Company held a 70% stake in Garage Italia Customs S.r.l., Italy and a 100% stake in Youngtimers Media LLC, United States.

On 12 December 2022, the Company has fully divested of Youngtimers Asset Company AG. The decision to exit the automotive business was caused by the current market conjuncture as well as negative development of the Garage Italia Customs S.r.l. business as of end of Q3/Q4 2022. To avoid further substantial impact on its business as well as potential contingent liabilities, the Company has booked a loss of CHF 1'049'999 and sold Youngtimers Asset Company AG for CHF 1 to a related party.

## 7. FINANCIAL ASSETS TO RELATED PARTIES, NET

|  | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|--|--------------------|--------------------|
| Loan Youngtimers Asset Company AG, related party               | 19 934 289         | 30 398 500         |
| Impairment on loan Youngtimers Asset Company AG, related party | (19 934 288)       | (11 000 000)       |
| <b>Financial assets to related parties, net</b>                | <b>1</b>           | <b>19 398 500</b>  |

On 26 July 2021 the Company granted its own subsidiary Youngtimers Asset Company AG a shareholder loan of CHF 30'398'500, which was impaired by CHF 11'000'000 as of 31 December 2021. The Company has subordinated CHF 11'000'000 of the shareholder loan and impaired the amount in the 2021 accounts.

Due to the negative developments in the subsidiaries of Youngtimers Asset Company AG and potential contingent liabilities, the Company took the decision to divest it. The Company has received a partial repayment of the loan in the amount of CHF 16'168'285 with a remaining amount of CHF 19'934'289 fully impaired as of 31 December 2022. The amount of CHF 16'168'285 was repaid in kind, i.e., by delivering listed securities, including treasury shares. The total amount outstanding of CHF 19'934'289 has been fully subordinated due to the over indebtedness of Youngtimers Asset Company AG.

## 8. ACCRUED EXPENSES

|                               | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|-------------------------------|--------------------|--------------------|
| Provision on taxes 2017-2020  | -                  | 40 200             |
| Provision on taxes 2021       | -                  | 27 200             |
| Provision on taxes 2022       | 25 500             | -                  |
| Provision for fees            | 213 965            | 211 339            |
| Others accrued expenses       | 62 595             | 63 832             |
| <b>Total accrued expenses</b> | <b>302 060</b>     | <b>342 571</b>     |



## 9. SHAREHOLDERS' EQUITY

|   | Share<br>Capital  | Reserve from<br>capital contributions | Reserve for<br>treasury shares | Accumulated<br>losses | Treasury<br>Shares | Total             |
|---|-------------------|---------------------------------------|--------------------------------|-----------------------|--------------------|-------------------|
|   | CHF               | CHF                                   | CHF                            | CHF                   | CHF                | CHF               |
| <b>Balance at 1 January 2021</b>                                | <b>5 045 698</b>  | -                                     | -                              | <b>122 240</b>        | <b>(20 712)</b>    | <b>5 147 226</b>  |
| Capital increase  | 21 000 000        | 10 657 022                            | 2 034 000                      | -                     | -                  | 33 691 022        |
| Loss for the year   | -                 | -                                     | -                              | (11 667 982)          | -                  | (11 667 982)      |
| <b>Balance at 31 December 2021</b>                              | <b>26 045 698</b> | <b>10 657 022</b>                     | <b>2 034 000</b>               | <b>(11 545 742)</b>   | <b>(20 712)</b>    | <b>27 170 266</b> |
| <b>Balance at 1 January 2022</b>                                | <b>26 045 698</b> | <b>10 657 022</b>                     | <b>2 034 000</b>               | <b>(11 545 742)</b>   | <b>(20 712)</b>    | <b>27 170 266</b> |
| Acquisition of treasury shares previously owned by a subsidiary | -                 | 2 034 000                             | (2 034 000)                    | -                     | (6 148 279)        | (6 148 279)       |
| Loss for the year   | -                 | -                                     | -                              | (10 075 259)          | -                  | (10 075 259)      |
| <b>Balance at 31 December 2022</b>                              | <b>26 045 698</b> | <b>12 691 022</b>                     | -                              | <b>(21 621 001)</b>   | <b>(6 168 991)</b> | <b>10 946 728</b> |

### Share Capital

As of 31 December 2022, the share capital amounts to CHF 26'045'697.72, consisting of 62'013'566 bearer shares with a nominal value of CHF 0.42 each. Each share has one voting right and is fully entitled to dividends. The shares are fully paid in.

### Capital Increase 30 June 2021

At the Annual General Meeting of 30 June 2021, the Shareholders accepted the motion of the Board of Directors and voted in favor of an increase of the current share capital of the Company of CHF 5'045'697.72 by a minimum of CHF 12'000'000.18 and a maximum of CHF 24'000'000.36 to a maximum of new CHF 29'045'698.08 by issuance of a minimum of 28'571'429 and a maximum of 57'142'858 new bearer shares with a nominal value of CHF 0.42 each and to cancel the subscription rights of the Shareholders, as the capital increase was to enable the acquisition of companies or parts thereof (article 652b Swiss Code of Obligations), and let the Board of Directors in its sole discretion allocate to third parties the subscription rights.

The capital increase was subscribed through a Private Placement by a small number of private investors.

Subsequent the Annual General Meeting the Board of Directors has carried out the capital increase in an amount of CHF 21'000'000 corresponding to 50'000'000 new bearer shares at CHF 0.42 each.

### Treasury shares

The Company holds 5'644'876 treasury shares at year-end (2021: 4'253), corresponding to an investment of 9.1% (2021: 0.007%) of total shares issued. The Company received 5'640'623 treasury shares as part of the repayment of the loan (see Note 7) for a consideration of CHF 6'148'279 (average price CHF 1.09).

## 10. IMPORTANT SHAREHOLDERS

The following shareholders (with a participation exceeding 3% known to the Company) are considered as significant:

| Name                             | 31.12.2022 | 31.12.2021 |
|----------------------------------|------------|------------|
| Digital Knight Finance Sàrl      | 32.58%     | -          |
| Le Nouveau Holdings Inc.         | 27.54%     | -          |
| L Holding S.r.l.                 | 23.04%     | -          |
| Treasury Shares                  | 9.10%      | -          |
| Patrick Deveraux                 | 3.23%      | -          |
| HLEE Finance Sàrl                | -          | 23.68%     |
| Good Cause Capital SA            | -          | 21.81%     |
| Digital Investment Platform Sàrl | -          | 10.83%     |
| Adam Lindemann                   | -          | 5.00%      |

## 11. COMMITMENTS

There are no commitments.

## 12. CONTINGENT LIABILITIES

The Company has certain contingent liabilities in respect of legal claims arising in the ordinary course of business. In Management's opinion, it is not anticipated that any material liabilities will arise from the contingent liabilities.

## 13. FULL-TIME EQUIVALENT EMPLOYMENTS

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

## 14. PENSION LIABILITIES

On 31 December 2022, the liability to the pension scheme amounted to CHF 0 (2021: CHF 0).

## 15. LEASING

The Company has a no leasing liability as of 31 December 2022 (31 December 2021: CHF 32'524).

## 16. SHARES AND OPTIONS HELD BY THE BOARD OF DIRECTORS

Mr. Norman Hansen, Chairman of the Board of Directors, indirectly holds 27.54% of the Company.

As of 31 December 2021, Mr. Adam Lindemann, former Chairman of the Board of Directors, held 5.00% of the Company.

As of 31 December 2021, Clive Ng, former Vice Chairman of the Board of Directors, indirectly held 23.68% of the Company.

No options have currently been issued to any member of the Board of Directors or to any member of the Executive Management Team under any share option plan.

## 17. COMPENSATION TO THE BOARD OF DIRECTORS

The compensation of the Board of Directors and other members of key management personnel during the year were as follows:

### 31 December 2022

In TCHF

| Members of the Board of Directors and Executive Management Team of Youngtimers AG |  | Board of Directors compensation (i) | Executive Management Team compensation(ii) | Other | Total |
|---|--|-------------------------------------|--|-------|-------|
| Function  |  |                                     |  |       |       |
| Massimiliano Iuliano  | Delegate of the Board of Directors (until 26 August 2022)* | 0                                   | 242  | 0     | 242   |
| <b>Total</b>  |  | -                                   | 242  | -     | 242   |

### 31 December 2021

In TCHF

| Members of the Board of Directors and Executive Management Team of Youngtimers AG |   | Board of Directors compensation (i) | Executive Management Team compensation(ii) | Other | Total |
|---|---|-------------------------------------|--|-------|-------|
| Function  |   |                                     |  |       |       |
| Patrick Girod   | Chairman of the Board of Directors (until 30 June 2021) | 50                                  | 0  | 0     | 50    |
| Victor Iezuitov   | Member of the Board of Directors (until 30 June 2021)   | 35                                  | 0  | 0     | 35    |
| Massimiliano Iuliano  | Delegate of the Board of Directors (from 30 June 2021)  | 0                                   | 104  | 0     | 104   |
| <b>Total</b>  |   | 85                                  | 104  | -     | 189   |

\*Compensation until 31.10.2022 in accordance with Swiss Labor Law

(i) Gross fixed compensation to the members of the Board of Directors

(ii)Gross fixed compensation and fringe benefits to the members of the Executive Management Team.

The remuneration of Mr Massimiliano Iuliano has been considered since the acquisition of Youngtimers Asset Company AG (1 September 2021).

## 18. LOANS AND CREDITS GRANTED TO THE BOARD OF DIRECTORS

There are no loans granted to members of the Board of Directors.

There are no guarantees issued or assumed for any members or former members of the Board of Directors.

## **19. FEES PAID TO THE AUDITOR**

The audit related fees for the year 2022 amount to CHF 56'500 (2021: CHF 91'000). Fees for other tax services for the year 2022 amount to CHF 300 (2021: CHF 6'100).

## **20. SUBSEQUENT EVENTS**

Youngtimers AG has implemented a revised and refined investment strategy focused on low principal capital risk, dividend-paying investments. Following such decision, the Board of Directors of the Company has elected to divest entirely from its tactical investment in Talenthouse AG and exited it through a sale to a third party consummated after the reporting period with an investment loss of CHF 1'393'334 which has already been fully provisioned in the Financial Statements as of 31 December 2022. This transaction will have no negative impact on the financial situation of the Company in 2023.

After the reporting date and until the date of publication of this Report, the Company has actively managed its investment portfolio and realized substantial gains. Thanks to a favorable market for some of its equities, the Company realized a gain equal to CHF 508'944 on an investment with a book value of CHF 2'604'448.

**AUDITOR'S REPORT ON STATUTORY FINANCIAL STATEMENTS UNDER SWISS  
CO**

## Report of the statutory auditor to the general meeting of Youngtimers AG, Basel

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Youngtimers AG (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 24 to 36) comply with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Berney Associés

## Impairment of the loan due from Youngtimers Asset Company AG

### Key audit matters

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As of 31 December 2022, the company has granted a long-term loan to Youngtimers Asset Company AG in the gross amount of CHF 19'934'289. This loan is subject to a value adjustment amounting to CHF 19'934'288. As of 31 December 2022, the net book value amounts to CHF 1. The negative effect of the impairment on the 2022 result for the year amounts to CHF -8'934'288.

Due to negative developments in the subsidiaries and potential contingent liabilities, the company took the decision to divest of Youngtimers Asset Company AG in 2022. The total amount outstanding of CHF 19'934'288 has been fully subordinated due to the over indebtedness of Youngtimers Asset Company AG (see notes 6 and 7).

This financial asset must be tested annually for impairment. An impairment would need to be recorded if the loan balance was no longer considered recoverable from the related party.

### How our audit addressed the key audit matter

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We discussed with the Management the adequate implementation of accounting policies and controls regarding the valuation of the loan. We critically assessed the methodology applied and the reasonableness of the underlying assumptions and judgments.

We tested the transactions related to the increase and subsequent partial repayment in kind of the loan with listed securities.

We reviewed equity to evidence the financial position of Youngtimers Asset Company AG and challenged the impairment on the loan booked as of 31 December 2022.

Based on the audit procedures performed above, we consider Management's estimates in the assessment of the unrecoverable value of the loan to be fairly stated.

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

# Berney Associés

## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Audit

## Board of Directors' responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Comptabilité

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Expertise & Conseil

## Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Fiscalité

Payroll

Corporate finance



# Berney Associés

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

# Berney Associés

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and SA-CH 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the Board of Directors was partially documented and not implemented in all material respects.

In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of the financial statements.

We recommend that the financial statements submitted to you be approved.

Furthermore, we draw attention to the fact that half of the sum of share capital and nondistributable legal capital reserve is no longer covered (article 725a para. 1 CO).

Berney Associés Audit SA

**BA** Qualified electronic signature

**BA** Qualified electronic signature

Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge

Claude HERI  
Licensed Audit Expert

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## **STATUTORY FINANCIAL STATEMENTS UNDER SWISS GAAP FER**

## INCOME STATEMENT UNDER SWISS GAAP FER (in Swiss Francs)

### For the year ended 31 December 2022

|  | NOTES | 2022<br>CHF         | 2021<br>CHF         |
|--|-------|---------------------|---------------------|
| Unrealized gain on listed securities         |       | 3 591 987           | -                   |
| Financial income                             |       | 184 625             | 305 242             |
| <b>Total operating income</b>                |       | <b>3 776 612</b>    | <b>305 242</b>      |
| General and administrative expenses          |       | (365 480)           | (694 544)           |
| Unrealized loss on listed securities         |       | (1 982 030)         | -                   |
| Interest expenses and bank charges           |       | (65 304)            | (100 180)           |
| Exchange differences                         |       | (172 881)           | (272 018)           |
| Loss on investments disposal                 | 7     | (1 049 999)         | -                   |
| Allocation to provision on financial assets  | 8     | (8 934 288)         | (11 000 000)        |
| Allocation to provision on listed securities | 4     | (1 393 334)         | -                   |
| <b>Total operating expenses</b>              |       | <b>(13 963 316)</b> | <b>(12 066 741)</b> |
| <b>Operating loss</b>                        |       | <b>(10 186 704)</b> | <b>(11 761 499)</b> |
| Extraordinary expenses                       | 3     | (23 100)            | (26 090)            |
| Extraordinary income                         | 3     | 134 545             | 119 607             |
| <b>Loss for the year</b>                     |       | <b>(10 075 259)</b> | <b>(11 667 982)</b> |

## BALANCE SHEET UNDER SWISS GAAP FER (1/2)

(in Swiss Francs)

As of 31 December 2022

|  | NOTES | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|--|-------|--------------------|--------------------|
| <b>ASSETS</b>  |       |                    |                    |
| <b>Current assets</b>                                    |       |                    |                    |
| Cash and cash equivalents                                |       | 612 227            | 6 257 518          |
| Listed securities, net                                   | 4     | 10 755 775         | -                  |
| Other short-term receivables due from third parties, net |       | 19 996             | 12 309             |
| Other short-term receivables due from related parties    | 5     | -                  | 908 237            |
| Accrued income and prepaid expenses, net                 | 6     | -                  | 88 839             |
| <b>Total current assets</b>                              |       | <b>11 387 998</b>  | <b>7 266 903</b>   |
| <b>Non-current assets</b>                                |       |                    |                    |
| Investments  | 7     | -                  | 1 050 000          |
| Financial assets to related parties, net                 | 8     | 1                  | 19 398 500         |
| <b>Total non-current assets</b>                          |       | <b>1</b>           | <b>20 448 500</b>  |
| <b>Total assets</b>                                      |       | <b>11 387 999</b>  | <b>27 715 403</b>  |

## BALANCE SHEET UNDER SWISS GAAP FER (2/2)

(in Swiss Francs)

As of 31 December 2022

|   | NOTES | 31 Dec 2022<br>CHF  | 31 Dec 2021<br>CHF  |
|---|-------|---------------------|---------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |       |                     |                     |
| <b>Current liabilities</b>                        |       |                     |                     |
| Trade accounts payable to third parties           |       | 124 087             | 62 813              |
| Other short-term liabilities from third parties   |       | 3 626               | 65 345              |
| Other short-term liabilities from related parties |       | 11 498              | 74 408              |
| Accrued expenses                                  | 9     | 302 060             | 342 571             |
| <b>Total current liabilities</b>                  |       | <b>441 271</b>      | <b>545 137</b>      |
| <b>Total liabilities</b>                          |       | <b>441 271</b>      | <b>545 137</b>      |
| <b>Shareholders' equity</b>                       |       |                     |                     |
| <b>Share capital</b>                              | 10    | <b>26 045 698</b>   | <b>26 045 698</b>   |
| <b>Capital Reserves</b>                           | 10    | <b>12 600 822</b>   | <b>12 600 822</b>   |
| Profit/Loss carried forward                       |       | (11 455 542)        | 212 440             |
| Loss for the year                                 |       | (10 075 259)        | (11 667 982)        |
| <b>Accumulated losses</b>                         | 10    | <b>(21 530 801)</b> | <b>(11 455 542)</b> |
| <b>Treasury shares</b>                            | 10    | <b>(6 168 991)</b>  | <b>(20 712)</b>     |
| <b>Total shareholders' equity</b>                 | 10    | <b>10 946 727</b>   | <b>27 170 266</b>   |
| <b>Total liabilities and shareholders' equity</b> |       | <b>11 387 999</b>   | <b>27 715 403</b>   |

## STATEMENT OF CHANGES IN EQUITY (in Swiss Francs)

As of 31 December 2022

|   | Share<br>Capital  | Capital<br>Reserves | Accumulated<br>losses/profit | Treasury<br>Shares | Total             |
|---|-------------------|---------------------|------------------------------|--------------------|-------------------|
|   | CHF               | CHF                 | CHF                          | CHF                | CHF               |
| <b>Balance at 1 January 2021</b>                                | <b>5 045 698</b>  | <b>(90 200)</b>     | <b>212 440</b>               | <b>(20 712)</b>    | <b>5 147 225</b>  |
| Capital increase  | 21 000 000        | 12 691 022          | -                            | -                  | 33 691 022        |
| Loss for the year   | -                 | -                   | (11 667 982)                 | -                  | (11 667 982)      |
| <b>Balance at 31 December 2021</b>                              | <b>26 045 698</b> | <b>12 600 822</b>   | <b>(11 455 542)</b>          | <b>(20 712)</b>    | <b>27 170 266</b> |
| <b>Balance at 1 January 2022</b>                                | <b>26 045 698</b> | <b>12 600 822</b>   | <b>(11 455 542)</b>          | <b>(20 712)</b>    | <b>27 170 266</b> |
| Acquisition of treasury shares previously owned by a subsidiary | -                 | -                   | -                            | (6 148 279)        | (6 148 279)       |
| Loss for the year   | -                 | -                   | (10 075 259)                 | -                  | (10 075 259)      |
| <b>Balance at 31 December 2022</b>                              | <b>26 045 698</b> | <b>12 600 822</b>   | <b>(21 530 801)</b>          | <b>(6 168 991)</b> | <b>10 946 728</b> |

## CASH FLOW STATEMENT UNDER SWISS GAAP FER (in Swiss Francs)

As of 31 December 2022

|  | 2022<br>CHF         | 2021<br>CHF         |
|--|---------------------|---------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |                     |                     |
| <b>LOSS FOR THE YEAR</b>                                 | <b>(10 075 259)</b> | <b>(11 667 982)</b> |
| Loss on investment disposal                              | 1 049 999           | -                   |
| Allocation to provision on listed securities             | 1 393 334           | -                   |
| Waiver of claims   | (124 629)           | -                   |
| Interest due   | (247 435)           | -                   |
| Unrealized net gain on listed securities                 | (1 609 957)         | -                   |
| Allocation to provision on financial assets              | 8 934 288           | 11 000 000          |
| Change in accounts receivable and other receivables      | 900 550             | (904 624)           |
| Change in creditors and other debts                      | 61 274              | (122 291)           |
| Change in accrued expenses                               | 88 839              | (30 275)            |
| Change in prepaid expenses                               | (40 511)            | 17 120              |
| <b>OPERATIVE CASH FLOW</b>                               | <b>330 493</b>      | <b>(1 717 352)</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>               |                     |                     |
| Acquisition of intangible assets                         | -                   | -                   |
| Investment in listed securities                          | (519 146)           | -                   |
| Investment in equity                                     | -                   | (1 050 000)         |
| Increase of financial assets                             | (5 486 570)         | (23 909 200)        |
| <b>INVESTING CASH FLOW</b>                               | <b>(6 005 716)</b>  | <b>(24 959 200)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>               |                     |                     |
| Capital/agio increase                                    | -                   | 33 691 022          |
| Change in long-term loans                                | -                   | (937 146)           |
| <b>FINANCING CASH FLOW</b>                               | <b>-</b>            | <b>32 753 876</b>   |
| Effect of foreign exchange rate variation                | 29 932              | (9 302)             |
| <b>CHANGES IN CASH AND CASH EQUIVALENT</b>               | <b>(5 645 291)</b>  | <b>6 077 322</b>    |
| <b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR</b> | <b>6 257 518</b>    | <b>180 196</b>      |
| <b>CASH AND CASH EQUIVALENT AT END OF THE YEAR</b>       | <b>612 227</b>      | <b>6 257 518</b>    |

A non-cash transaction for a total amount of CHF 16'168'285 has not been considered in the cashflow statement.  
Detailed description of the partial repayment of the loan with listed securities, including treasury shares (see Note 7).



# NOTES TO THE FINANCIAL STATEMENTS UNDER SWISS GAAP FER (in Swiss Francs)

## 1. GENERAL INFORMATION

Youngtimers AG (“the Company”) was incorporated in Switzerland as a Swiss limited company on 17 December 1998. In 2021 the Company relaunched into a new equity story transforming into an international investment Company specialized on media and creative industries and organized into two business units – Youngtimers Media (that includes brands like Petrolicious and Garage Italia) and Youngtimers Finance. However, following the invasion of Ukraine by Russia and subsequent market turbulence, the Company decided to limit its investment activities in the automotive and media segments. As of 31 December 2022, the Company remains an investment company with no subsidiaries.

The Company has its corporate legal headquarter at Elisabethenstrasse 18, 4051 Basel, Switzerland.

Youngtimers AG is listed on the SIX Swiss Exchange, SIX Swiss Reporting Standard. The Company is listed under the symbol “YTME”. The ISIN code is CH0006326851.

Since on 31 December 2022 the Company had no consolidation perimeter, it has prepared its financial statements in accordance with a recognized accounting standard (Swiss GAAP FER).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This section describes the basis of preparation of the financial statements and the accounting policies that are applicable to the financial statements as a whole.

These financial statements were approved by the Board of Directors and authorized for issue on 28 April 2023, but they are subject to approval of the shareholders’ General Meeting.

### *Basis of preparation*

Starting 1 January 2022, the financial statements have been prepared in accordance with the entire existing accounting principles of Swiss GAAP FER (Generally Accepted Accounting Principles FER), as well as the additional rules for the listing at the SIX Swiss Stock Exchange.

Accounting policies have been consistently applied to all years presented. 2021 figures may have been reclassified to be comparable versus the current period.

The financial statements have been prepared in accordance with the historical acquisition costs principle.

### *Presentation currency*

These financial statements are presented in Swiss Francs (CHF), which is the Company’s functional currency. All amounts have been rounded to the nearest franc, unless otherwise indicated.

## Listed Securities

Investments in listed securities are valued at the closing market price less necessary impairment in the event of indications of loss in value when the closing market price may not be representative of the fair market value. Allowances for impaired investments are recognized within "Allocation to provision on listed securities" in the income statement.

## Other receivables

Other receivables are recognized and carried at the original net invoiced amount less an allowance for any specifically impaired receivables. Impairment is charged on receivables for a general credit risk and for specific identified risks. Allowances for impaired receivables as well as losses on receivables are recognized within "Allocation to provisions on receivables" in the income statement.

## Investments

Investments are valued at cost less necessary impairment. Allowances for impaired investments are recognized within "Allocation to provision on investments" in the income statement.

## Financial assets

Financial assets include a long-term shareholder loan to a former subsidiary. The loan is valued at cost less any necessary impairment. An allowance for impaired financial assets is recognized withing "Allocation to provision on financial assets" in the income statement.

## Treasury shares

When share capital is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. When treasury shares are subsequently sold, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings.

## Non-current liabilities

Non-current liabilities are recognized in the balance sheet at nominal value.

## Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, all items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses from foreign currency balances and from translating year-end foreign currency balances are recognized in the income statement.

Assets and liabilities denominated in foreign currency are translated into Swiss Francs (CHF) using year-end exchange rates, except for investments, which are translated at historical exchange rates.

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following year-end exchange rates:

|     | Balance sheet<br>31 Dec 2022 | Balance sheet<br>31 Dec 2021 |
|-----|------------------------------|------------------------------|
| EUR | 0,9874                       | 1,0361                       |
| USD | 0,9252                       | 0,9111                       |

Transactions during the year, which are denominated in foreign currencies are translated at the exchange rates effective at the relevant transaction date. Resulting exchange gains and losses are recognized in the income statement.

## Segment reporting

As Youngtimers AG is not presenting consolidated financial statements there is no segment information presented in this annual report.

In 2021, the Company operated in three segments: Automotive, Media and Finance.

## Revenue recognition

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, rebates and other sales taxes or duty. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met.

Revenue from services rendered are recognized as revenue in the accounting period in which the services are rendered, which means that they are allocated over the contractual period.

## Employee benefits (2022)

### *Pension obligations*

As there were no employee insured for pension in Switzerland as of 31 December 2022, no economic asset or liability was recognized in the balance sheet. There is no employee contribution reserve available as of 31 December 2022.

## USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with Swiss GAAP FER requires the use of certain assumptions and estimates that influence the figures presented in this report. They are based on analysis and judgements which are continuously reviewed and adapted if necessary.

### 3. EXTRAORDINARY EXPENSES AND INCOME

#### Extraordinary expenses

|   | 2022<br>CHF     | 2021<br>CHF     |
|---|-----------------|-----------------|
| SIX fees for two extensions for the publication of the 2021 annual report | (10 000)        | -               |
| Prior periods adjustments   | (13 100)        | (26 090)        |
| <b>Extraordinary expenses</b>   | <b>(23 100)</b> | <b>(26 090)</b> |

#### Extraordinary income

|                                       | 2022<br>CHF    | 2021<br>CHF    |
|---------------------------------------|----------------|----------------|
| Waiver of claims Herculis Partners SA | 61 720         | -              |
| Waiver of claims Unicorn Advisory Oü  | 62 910         | -              |
| Waiver of claims Nexway Group AG      | -              | 12 700         |
| AFC, cancelation of stamp duties tax  | -              | 37 390         |
| Prior periods adjustments             | 9 915          | 69 517         |
| <b>Extraordinary income</b>           | <b>134 545</b> | <b>119 607</b> |

### 4. LISTED SECURITIES, NET

|                                 | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|---------------------------------|--------------------|--------------------|
| Listed securities               | 12 149 109         | -                  |
| Impairment on listed securities | (1 393 334)        | -                  |
| <b>Listed securities, net</b>   | <b>10 755 775</b>  | <b>-</b>           |

Following the review of the current investments by the Board of Directors, the Company has decided to fully impair some of the existing securities listed on the Stock Exchange. The available public information and the evolution of the share price forced the Company to provision its full ownership thus booking a provision of CHF 1'393'334.

## 5. OTHER SHORT-TERM RECEIVABLES DUE FROM RELATED PARTIES

|  | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|--|--------------------|--------------------|
| FBNK Finance Sàrl, current account, related party            | -                  | 908 237            |
| <b>Other short-term receivables due from related parties</b> | <b>-</b>           | <b>908 237</b>     |

The amount due by FBNK Finance Sàrl arises from the not yet fully paid purchase price related to the sale of Bonds to the former shareholder FBNK Finance Sàrl as of 31 December 2021.

On 3 June 2022 the Company has received a full repayment of the receivable.

## 6. ACCRUED INCOME AND PREPAID EXPENSES, NET

|   | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|---|--------------------|--------------------|
| Interests P8H Inc.  | 457 212            | 457 212            |
| Interests on loan Youngtimers Asset Company AG, related party | -                  | 87 267             |
| Miscellaneous   | -                  | 1 572              |
| <b>Accrued income and prepaid expenses</b>                    | <b>457 212</b>     | <b>546 051</b>     |
| Impairment on P8H Inc., interests                             | (457 212)          | (457 212)          |
| <b>Impairment on accrued income and prepaid expenses</b>      | <b>(457 212)</b>   | <b>(457 212)</b>   |
| <b>Accrued income and prepaid expenses, net</b>               | <b>-</b>           | <b>88 839</b>      |

## 7. INVESTMENTS

|  | Voting and<br>capital rights in<br>% | Voting and<br>capital rights in<br>% | Capital     | Capital       |
|--|--------------------------------------|--------------------------------------|-------------|---------------|
|  | 31 Dec 2022                          | 31 Dec 2021                          | 31 Dec 2022 | 31 Dec 2021   |
| <b>Direct investment</b>                         |                                      |                                      |             |               |
| Youngtimers Asset Company AG, Basel, Switzerland | N/A                                  | 100%/100%                            | N/A         | CHF 1'000'000 |
| <b>Indirect investments</b>                      |                                      |                                      |             |               |
| Garage Italia Customs S.r.l., Milano, Italy      | N/A                                  | 70%/70%                              | N/A         | EUR 1'200'000 |
| Youngtimers Media LLC, New York, USA             | N/A                                  | 100%/100%                            | N/A         | USD 100       |

|   | Gross book<br>value | Movements          | Gross book<br>value | Accumulated<br>provisions | Movements   | Accumulated<br>provisions | Net book<br>value  | Net book<br>value  |
|---|---------------------|--------------------|---------------------|---------------------------|-------------|---------------------------|--------------------|--------------------|
|   | 31 Dec 2021<br>CHF  | 2022<br>CHF        | 31 Dec 2022<br>CHF  | 31 Dec 2021<br>CHF        | 2022<br>CHF | 31 Dec 2022<br>CHF        | 31 Dec 2021<br>CHF | 31 Dec 2022<br>CHF |
| Youngtimers Asset Company<br>AG, Basel, Switzerland | 1 050 000           | (1 050 000)        | -                   | -                         | -           | -                         | 1 050 000          | -                  |
| <b>TOTAL</b>  | <b>1 050 000</b>    | <b>(1 050 000)</b> | <b>-</b>            | <b>-</b>                  | <b>-</b>    | <b>-</b>                  | <b>1 050 000</b>   | <b>-</b>           |

On 20 July 2021 and with completion date 1 September 2021, the Company acquired Youngtimers Asset Company AG with a share capital of CHF 100'000. On 15 September 2021, The Company carried out a capital increase at Youngtimers Asset Company AG of CHF 900'000 to CHF 1'000'000.

Through the 100% subsidiary Youngtimers Asset Company AG, the Company held a 70% stake in Garage Italia Customs S.r.l., Italy and a 100% stake in Youngtimers Media LLC, United States.

On 12 December 2022, the Company has fully divested of Youngtimers Asset Company AG. The decision to exit the automotive business was caused by the current market conjuncture as well as negative development of the Garage Italia Customs S.r.l. business as of end of Q3/Q4 2022. To avoid further substantial impact on its business as well as potential contingent liabilities, the Company has booked a loss of CHF 1'049'999 and sold Youngtimers Asset Company AG for CHF 1 to a related party.

## 8. FINANCIAL ASSETS, NET

|  | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|--|--------------------|--------------------|
| Loan Youngtimers Asset Company AG, related party               | 19 934 289         | 30 398 500         |
| Impairment on loan Youngtimers Asset Company AG, related party | (19 934 288)       | (11 000 000)       |
| <b>Financial assets to related parties, net</b>                | <b>1</b>           | <b>19 398 500</b>  |

On 26 July 2021 the Company granted its own subsidiary Youngtimers Asset Company AG a shareholder loan of CHF 30'398'500, which was impaired by CHF 11'000'000 as of 31 December 2021. The Company has subordinated CHF 11'000'000 of the shareholder loan and impaired the amount in the 2021 accounts.

Due to the negative developments in the subsidiaries of Youngtimers Asset Company AG and potential contingent liabilities, the Company took the decision to divest it. The Company has received a partial repayment of the loan in the amount of CHF 16'168'285 with a remaining amount of CHF 19'934'289 fully impaired as of 31 December 2022. The amount of CHF 16'168'285 was repaid in kind, i.e., by delivering listed securities, including treasury shares. The total amount outstanding of CHF 19'934'289 has been fully subordinated due to the over indebtedness of Youngtimers Asset Company AG.

## 9. ACCRUED EXPENSES

|                               | 31 Dec 2022<br>CHF | 31 Dec 2021<br>CHF |
|-------------------------------|--------------------|--------------------|
| Provision on taxes 2017-2020  | -                  | 40 200             |
| Provision on taxes 2021       | -                  | 27 200             |
| Provision on taxes 2022       | 25 500             | -                  |
| Provision for fees            | 213 965            | 211 339            |
| Others accrued expenses       | 62 595             | 63 832             |
| <b>Total accrued expenses</b> | <b>302 060</b>     | <b>342 571</b>     |

## 10. SHAREHOLDERS' EQUITY

|   | Share<br>Capital  | Capital<br>Reserves | Reserve for<br>treasury shares | Accumulated<br>losses | Treasury<br>Shares | Total             |
|---|-------------------|---------------------|--------------------------------|-----------------------|--------------------|-------------------|
|   | CHF               | CHF                 | CHF                            | CHF                   | CHF                | CHF               |
| <b>Balance at 1 January 2021</b>                                | <b>5 045 698</b>  | <b>-</b>            | <b>-</b>                       | <b>122 240</b>        | <b>(20 712)</b>    | <b>5 147 226</b>  |
| Capital increase  | 21 000 000        | 10 657 022          | 2 034 000                      | -                     | -                  | 33 691 022        |
| Loss for the year   | -                 | -                   | -                              | (11 667 982)          | -                  | (11 667 982)      |
| <b>Balance at 31 December 2021</b>                              | <b>26 045 698</b> | <b>10 657 022</b>   | <b>2 034 000</b>               | <b>(11 545 742)</b>   | <b>(20 712)</b>    | <b>27 170 266</b> |
| <b>Balance at 1 January 2022</b>                                | <b>26 045 698</b> | <b>10 657 022</b>   | <b>2 034 000</b>               | <b>(11 545 742)</b>   | <b>(20 712)</b>    | <b>27 170 266</b> |
| Acquisition of treasury shares previously owned by a subsidiary | -                 | 2 034 000           | (2 034 000)                    | -                     | (6 148 279)        | (6 148 279)       |
| Loss for the year   | -                 | -                   | -                              | (10 075 259)          | -                  | (10 075 259)      |
| <b>Balance at 31 December 2022</b>                              | <b>26 045 698</b> | <b>12 691 022</b>   | <b>-</b>                       | <b>(21 621 001)</b>   | <b>(6 168 991)</b> | <b>10 946 728</b> |

### Capital Reserves

As of 31 December 2022, the capital reserves amounting to CHF 12'691'022 (31 December 2021: CHF 10'657'022) and the reserve for treasury shares amounting to CHF 0 (31 December 2021: CHF 2'034'000), may not be distributed.

### Share Capital

As of 31 December 2022, the share capital amounts to CHF 26'045'697.72, consisting of 62'013'566 bearer shares with a nominal value of CHF 0.42 each. Each share has one voting right and is fully entitled to dividends. The shares are fully paid in.

### Capital Increase 30 June 2021

At the Annual General Meeting of 30 June 2021, the Shareholders accepted the motion of the Board of Directors and voted in favor of an increase of the current share capital of the Company of CHF 5'045'697.72 by a minimum of CHF 12'000'000.18 and a maximum of CHF 24'000'000.36 to a maximum of new CHF 29'045'698.08 by issuance of a minimum of 28'571'429 and a maximum of 57'142'858 new bearer shares with a nominal value of CHF 0.42 each and to cancel the subscription rights of the Shareholders, as the capital increase was to enable the acquisition of companies or parts thereof (article 652b Swiss Code of Obligations), and let the Board of Directors in its sole discretion allocate to third parties the subscription rights.

The capital increase was subscribed through a Private Placement by a small number of private investors.

Subsequent the Annual General Meeting the Board of Directors has carried out the capital increase in an amount of CHF 21'000'000 corresponding to 50'000'000 new bearer shares at CHF 0.42 each.

### Treasury shares

The Company holds 5'644'876 treasury shares at year-end (2021: 4'253), corresponding to an investment of 9.1% (2021: 0.007%) of total shares issued. The Company received 5'640'623 as part of the repayment of the loan (see Note 8) for a consideration of CHF 6'148'279 (average price CHF 1.09).



## 11. DEFERRED TAX ASSETS

The Company did not recognize deferred tax assets of CHF 2'826'622 (2021: CHF 1'516'838) relating to unused tax losses of CHF 21'743'241 (2021: CHF 11'667'982) as it is not likely that future taxable profits will be available against which the Company could offset tax losses.

The applicable income tax rate is equal to 13%.

## 12. EARNINGS PER SHARE

### Basic earnings per share

Basic earnings per share are calculated by dividing the net profit/loss attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares owned by the Company and held as treasury shares (see Note 10).

|  | 2022          | 2021          |
|--|---------------|---------------|
| Net loss attributable to Owners of the Company (CHF)                                   | (10 075 259)  | (11 667 982)  |
| Total shares   | 62 013 566    | 62 013 566    |
| Less Treasury shares (average)   | (1 163 285)   | (46 756)      |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 60 850 281    | 61 966 810    |
| <b>Basic loss per share (CHF)</b>  | <b>(0,17)</b> | <b>(0,19)</b> |

### Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit/loss attributable to Owners of the Company and weighted average number of ordinary shares outstanding (excluding treasury shares), after adjustments to assume conversion of all dilutive potential ordinary shares.

|  | 2022          | 2021          |
|--|---------------|---------------|
| Net loss attributable to Owners of the Company (CHF)                                     | (10 075 259)  | (11 667 982)  |
| Weighted average number of ordinary shares for the purpose of basic earnings per share   | 60 850 281    | 61 966 810    |
| Adjustment for assumed exercise of share-based payments (N/A)                            | -             | -             |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 60 850 281    | 61 966 810    |
| <b>Diluted loss per share (CHF)</b>  | <b>(0,17)</b> | <b>(0,19)</b> |

### 13. IMPORTANT SHAREHOLDERS

The following shareholders (with a participation exceeding 3% known to the Company) are considered as significant:

| Name                             | 31.12.2022 | 31.12.2021 |
|----------------------------------|------------|------------|
| Digital Knight Finance Sàrl      | 32.58%     | -          |
| Le Nouveau Holdings Inc.         | 27.54%     | -          |
| L Holding S.r.l.                 | 23.04%     | -          |
| Treasury Shares                  | 9.10%      | -          |
| Patrick Deveraux                 | 3.23%      | -          |
| HLEE Finance Sàrl                | -          | 23.68%     |
| Good Cause Capital SA            | -          | 21.81%     |
| Digital Investment Platform Sàrl | -          | 10.83%     |
| Adam Lindemann                   | -          | 5.00%      |

### 14. COMMITMENTS

There are no commitments.

### 15. CONTINGENT LIABILITIES

The Company has certain contingent liabilities in respect of legal claims arising in the ordinary course of business. In Management's opinion, it is not anticipated that any material liabilities will arise from the contingent liabilities.

### 16. RELATED PARTIES TRANSACTIONS

Details of transactions and balances between the Company and its related parties are disclosed below.

On 12 December 2022, the Company has sold 100% of its subsidiary, Youngtimers Asset Company AG, to a related party, Garage Italia Finance Sàrl, for a total consideration of CHF 1 (see Note 7).

On 26 July 2021 the Company granted its own subsidiary Youngtimers Asset Company AG a shareholder loan of CHF 30'398'500. During 2022, the Company has increased its loan to Youngtimers Asset Company AG up to CHF 36'071'991.

On 17 October 2022, the Company received a partial repayment of the above-mentioned loan for CHF 16'168'285 including interest for an amount of CHF 141'519 (see Note 8).

On 1 September 2022, the Company has signed a consulting agreement for G&A functions with a related party for a total expense of CHF 100'000 booked in the General Expenses for Financial Year 2022.

On 2 November 2021, Digital Knight Finance Sàrl, controlled by a shareholder, acquired EUR 4'500'000 of HLEE Finance Sàrl Bonds according to a buy-back agreement at the nominal value plus accrued interest for a total amount of EUR 4'889'250.

On 20 July 2021, The Company has acquired from Massimiliano Iuliano, Chairman and Delegate of the Board until 26 August 2022, its former subsidiary Youngtimers Asset Company AG for a consideration of CHF 150'000.

## **17. FULL-TIME EQUIVALENT EMPLOYMENTS**

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

## **18. PENSION LIABILITIES**

On 31 December 2022, the liability to the pension scheme amounted to CHF 0 (31 December 2021: CHF 0).

## **19. LEASING**

The Company has a no leasing liability as of 31 December 2022 (31 December 2021: CHF 32'524).

## **20. SHARES AND OPTIONS HELD BY THE BOARD OF DIRECTORS**

Mr. Norman Hansen, Chairman of the Board of Directors, indirectly holds 27.54% of the Company.

As of 31 December 2021, Mr. Adam Lindemann, former Chairman of the Board of Directors, held 5.00% of the Company.

As of 31 December 2021, Clive Ng, former Vice Chairman of the Board of Directors, indirectly held 23.68% of the Company.

No options have currently been issued to any member of the Board of Directors or to any member of the Executive Management Team under any share option plan.

## 21. COMPENSATION TO THE BOARD OF DIRECTORS

The compensation of the Board of Directors and other members of key management personnel during the year were as follows:

**31 December 2022**

In TCHF

| Members of the Board of Directors and Executive Management Team of Youngtimers AG |  | Board of Directors compensation (i) | Executive Management Team compensation(ii) | Other | Total      |
|---|--|-------------------------------------|--|-------|------------|
| Function  |  |                                     |  |       |            |
| Massimiliano Iuliano  | Delegate of the Board of Directors (until 26 August 2022)* | 0                                   | 242  | 0     | <b>242</b> |
| <b>Total</b>  |  | -                                   | <b>242</b>                                 | -     | <b>242</b> |

**31 December 2021**

In TCHF

| Members of the Board of Directors and Executive Management Team of Youngtimers AG |   | Board of Directors compensation (i) | Executive Management Team compensation(ii) | Other | Total      |
|---|---|-------------------------------------|--|-------|------------|
| Function  |   |                                     |  |       |            |
| Patrick Girod   | Chairman of the Board of Directors (until 30 June 2021) | 50                                  | 0  | 0     | <b>50</b>  |
| Victor Iezuitov   | Member of the Board of Directors (until 30 June 2021)   | 35                                  | 0  | 0     | <b>35</b>  |
| Massimiliano Iuliano  | Delegate of the Board of Directors (from 30 June 2021)  | 0                                   | 104  | 0     | <b>104</b> |
| <b>Total</b>  |   | <b>85</b>                           | <b>104</b>                                 | -     | <b>189</b> |

\*Compensation until 31.10.2022 in accordance with Swiss Labor Law

(i) Gross fixed compensation to the members of the Board of Directors

(ii)Gross fixed compensation and fringe benefits to the members of the Executive Management Team.

The remuneration of Mr Massimiliano Iuliano has been considered since the acquisition of Youngtimers Asset Company AG (1 September 2021).

## 22. LOANS AND CREDITS GRANTED TO THE BOARD OF DIRECTORS

There are no loans granted to members of the Board of Directors.

There are no guarantees issued or assumed for any members or former members of the Board of Directors.

## 23. FEES PAID TO THE AUDITOR

The audit related fees for the year 2022 amount to CHF 56'500 (2021: CHF 91'000). Fees for other tax services for the year 2022 amount to CHF 300 (2021: CHF 6'100).

## **24. SUBSEQUENT EVENTS**

Youngtimers AG has implemented a revised and refined investment strategy focused on low principal capital risk, dividend-paying investments. Following such decision, the Board of Directors of the Company has elected to divest entirely from its tactical investment in Talenthouse AG and exited it through a sale to a third party consummated after the reporting period with an investment loss of CHF 1'393'334 which has already been fully provisioned in the Financial Statements as of 31 December 2022. This transaction will have no negative impact on the financial situation of the Company in 2023.

After the reporting date and until the date of publication of this Report, the Company has actively managed its investment portfolio and realized substantial gains. Thanks to a favorable market for some of its equities, the Company realized a gain equal to CHF 508'944 on an investment with a book value of CHF 2'604'448.

**AUDITOR'S REPORT ON STATUTORY FINANCIAL STATEMENTS UNDER SWISS  
GAAP FER**

## Report of the statutory auditor to the general meeting of Youngtimers AG, Basel

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Youngtimers AG (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 44 to 61) give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Berney Associés

## Impairment of the loan due from Youngtimers Asset Company AG

### Key audit matters

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As of 31 December 2022, the company has granted a long-term loan to Youngtimers Asset Company AG in the gross amount of CHF 19'934'289. This loan is subject to a value adjustment amounting to CHF 19'934'288. As of 31 December 2022, the net book value amounts to CHF 1. The negative effect of the impairment on the 2022 result for the year amounts to CHF -8'934'288.

Due to negative developments in the subsidiaries and potential contingent liabilities, the company took the decision to divest of Youngtimers Asset Company AG in 2022. The total amount outstanding of CHF 19'934'288 has been fully subordinated due to the over indebtedness of Youngtimers Asset Company AG (see notes 7 and 8).

This financial asset must be tested annually for impairment. An impairment would need to be recorded if the loan balance was no longer considered recoverable from the related party.

### How our audit addressed the key audit matter

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We discussed with the Management the adequate implementation of accounting policies and controls regarding the valuation of the loan. We critically assessed the methodology applied and the reasonableness of the underlying assumptions and judgments.

We tested the transactions related to the increase and subsequent partial repayment in kind of the loan with listed securities.

We reviewed equity to evidence the financial position of Youngtimers Asset Company AG and challenged the impairment on the loan booked as of 31 December 2022.

Based on the audit procedures performed above, we consider Management's estimates in the assessment of the unrecoverable value of the loan to be fairly stated.

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance



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## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Audit

## Board of Directors' responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Comptabilité

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Expertise & Conseil

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Fiscalité

Payroll

Corporate finance

# Berney Associés

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

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From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and SA-CH 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the Board of Directors was partially documented and not implemented in all material respects.

In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of the financial statements.

We recommend that the financial statements submitted to you be approved.

Berney Associés Audit SA

**BA** Qualified electronic signature

**BA** Qualified electronic signature

Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge

Claude HERI  
Licensed Audit Expert

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