



Implantica MediSwiss AG, Vaduz
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders
Financial Statements 2019



KPMG (Liechtenstein) AG

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Report of the Statutory Auditor on the Financial Statements to the General Meeting of Shareholders of

Implantica MediSwiss AG, Vaduz

As statutory auditor, we have reviewed the financial statements (balance sheet, income statement and notes) of Implantica MediSwiss AG for the year ended 31 December 2019.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review. We confirm that we meet the legal requirements concerning professional qualification and independence.

We conducted our review in accordance with the Liechtenstein Standard on Review Engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position and the results of operations in accordance with Liechtenstein law. Furthermore nothing has come to our attention that causes us to believe that the financial statements do not comply with Liechtenstein law and the company's articles of incorporation.

Based on our review, nothing has come to our attention that would lead to our not recommending the approval of the financial statements.

KPMG (Liechtenstein) AG

Lars Klossack
*Chartered Accountant
Auditor in Charge*

Benjamin Marte
Swiss Certified Auditor

Vaduz, 3 June 2020

Enclosure:

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

Implantica MediSwiss AG, Vaduz (LI)

Financial Statements 2019



Smart Medical Implants

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BALANCE SHEET

ASSETS	31 December 2019	31 December 2018
in CHF		
A. Non-current assets		
<i>I. Fixed Assets</i>		
1. Property, plant and equipment	5'027	6'226
<i>II. Financial assets</i>		
1. Shares in affiliated companies	227'411'274	300'069'000
Total non-current assets	227'416'300	300'075'226
B. Current assets		
<i>I. Receivables</i>		
1. Other receivables	73'229	22'736
<i>(of which with a remaining term > 1 year)</i>	<i>0</i>	<i>0</i>
Total receivables	73'229	22'736
II. Cash at bank	1'007	2'868
Total cash at bank	1'007	2'868
Total current assets	74'236	25'604
C. Prepaid expenses and accrued income		
1. Prepaid expenses and accrued income	17'211	18'411
Total prepaid expenses and accrued income	17'211	18'411
Total assets	227'507'747	300'119'241

EQUITY AND LIABILITIES

	31 December 2019	31 December 2018
in CHF		
A. Equity		
I. Share capital	90'000'000	90'000'000
II. Capital reserves		
1. Reserves from capital contributions	1'298'472	1'298'472
2. Other capital reserves	210'000'000	210'000'000
Total capital reserves	211'298'472	211'298'472
III. Loss carried forward	-2'361'445	-621'160
IV. Loss for the period	-73'937'029	-1'740'285
Total equity	224'999'998	298'937'027
B. Provisions		
1. Tax provisions	1'800	1'800
Total provisions	1'800	1'800
C. Payables		
1. Payables to affiliated companies	1'162'128	206'307
2. Other payables	1'219'019	161'189
Total payables	2'381'147	367'496
<i>(of which with a remaining term < 1 year)</i>	<i>1'895'840</i>	<i>367'496</i>
D. Accrued expenses		
1. Accrued expenses	124'802	812'918
Total accrued expenses	124'802	812'918
Total equity and liabilities	227'507'747	300'119'241

INCOME STATEMENT

	01.01.2019 - 31.12.2019	01.01.2018 - 31.12.2018
in CHF		
1. Personnel expenses		
a) Wages and salaries	-65'277	-63'957
b) Social security and pension expenses	-15'868	-18'085
<i>(thereof pension expenses)</i>	<i>(-4'404)</i>	<i>(-4,264)</i>
2. Depreciation on property, plant and equipment	-1'199	-1'160
3. Other operating expenses	-1'195'086	-1'655'214
4. Interest income	1	1
5. Impairment loss on shares in affiliated companies	-72'657'726	
6. Interest expenses	-75	-70
7. Loss before taxes	-73'935'229	-1'738'485
8. Income taxes	-1'800	-1'800
9. Loss for the period	-73'937'029	-1'740'285

NOTES TO THE FINANCIAL STATEMENTS

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1. Basis of accounting

The financial statements have been prepared in accordance with the provisions of the Liechtenstein Persons and Companies Act ("PGR").

2. Going concern

The company avails from a letter of financial support from the majority shareholder who confirms that he is able and committed to take all necessary measures to financially support the company and will ensure that the entity will have sufficient funds available to allow it to meet all of its financial obligations in the ordinary course of business. Further, the majority shareholder signed a subordination agreement with respect to his receivables from the company in the amount of CHF 485'307.