

New Venturetec AG, Zug

Bericht des
unabhängigen Wirtschaftsprüfers
zum Zwischenabschluss
an den Verwaltungsrat
Zwischenabschluss per 30. April 2019



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Bericht des unabhängigen Wirtschaftsprüfers zum Zwischenabschluss an den Verwaltungsrat der

New Venturetec AG, Zug

Auftragsgemäss haben wir als Wirtschaftsprüfer den beiliegenden Zwischenabschluss der New Venturetec AG, bestehend aus Bilanz per 30. April 2019, Erfolgsrechnung, umfassend den Zeitraum von 1. Oktober 2018 bis 30. April 2019, und Anhang geprüft.

Verantwortung des Verwaltungsrates

Der Verwaltungsrat ist für die Aufstellung des Zwischenabschlusses in Übereinstimmung mit den Bilanzierungs-, Gliederungs- und Bewertungsvorschriften des schweizerischen Gesetzes und der Statuten, die für die Aufstellung der Jahresrechnung massgeblich sind, verantwortlich. Diese Verantwortung beinhaltet die Ausgestaltung, Implementierung und Aufrechterhaltung eines internen Kontrollsystems mit Bezug auf die Aufstellung eines Zwischenabschlusses, der frei von wesentlichen falschen Angaben als Folge von Verstössen oder Irrtümern ist. Darüber hinaus ist der Verwaltungsrat für die Auswahl und die Anwendung sachgemässer Rechnungslegungsmethoden sowie die Vornahme angemessener Schätzungen verantwortlich.

Verantwortung des unabhängigen Wirtschaftsprüfers

Unsere Verantwortung ist es, aufgrund unserer Prüfung ein Prüfungsurteil über den Zwischenabschluss abzugeben. Wir haben unsere Prüfung in Übereinstimmung mit den Schweizer Prüfungsstandards vorgenommen. Nach diesen Standards haben wir die beruflichen Verhaltensanforderungen einzuhalten und die Prüfung so zu planen und durchzuführen, dass wir hinreichende Sicherheit gewinnen, ob der Zwischenabschluss frei von wesentlichen falschen Angaben ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen für die im Zwischenabschluss enthaltenen Wertansätze und sonstigen Angaben. Die Auswahl der Prüfungshandlungen liegt im pflichtgemässen Ermessen des Prüfers. Dies schliesst eine Beurteilung der Risiken wesentlicher falscher Angaben im Zwischenabschluss als Folge von Verstössen oder Irrtümern ein. Bei der Beurteilung dieser Risiken berücksichtigt der Prüfer das interne Kontrollsystem, soweit es für die Aufstellung des Zwischenabschlusses von Bedeutung ist, um die den Umständen entsprechenden Prüfungshandlungen festzulegen, nicht aber um ein Prüfungsurteil über die Existenz und Wirksamkeit des internen Kontrollsystems abzugeben. Die Prüfung umfasst zudem die Beurteilung der Angemessenheit der angewandten Rechnungslegungsmethoden, der Plausibilität der vorgenommenen Schätzungen sowie eine Würdigung der Gesamtdarstellung des Zwischenabschlusses. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise eine ausreichende und angemessene Grundlage für unser Prüfungsurteil bilden.



Prüfungsurteil

Nach unserer Beurteilung entspricht der Zwischenabschluss den Bilanzierungs-, Gliederungs- und Bewertungsvorschriften des schweizerischen Gesetzes und der Statuten, die für die Aufstellung der Jahresrechnung massgeblich sind.

KPMG AG

Christoph Gröbli
Zugelassener Revisionsexperte

Stefan Biland
Zugelassener Revisionsexperte

Zürich, 14. Juni 2019

Beilage:

- Zwischenabschluss bestehend aus Bilanz, Erfolgsrechnung und Anhang

Interim statutory financial statements for the seven months period ended April 30, 2019

Balance sheet

	Note	April 30, 2019 CHF	September 30, 2018 CHF
Assets			
Cash and cash equivalents		79,387,420	939,151
Other accounts receivable	3	11,182	6,266
Current assets		79,398,602	945,417
Venture capital investments	4	5,204,748	51,933,159
Non-current assets		5,204,748	51,933,159
Total assets		84,603,350	52,878,576
Liabilities and equity			
Loan payable to related party, interest bearing	5	7,589,310	6,589,310
Convertible notes payable to related party, interest bearing	6	0	12,000,000
Convertible notes, interest bearing	6	625,000	0
Accrued expenses and deferred income	7	654,668	557,206
Short term liabilities		8,868,978	19,146,516
Loan payable to related party, interest bearing	5	0	1,000,000
Convertible notes, interest bearing	6	0	1,125,000
Long term liabilities		0	2,125,000
Total liabilities		8,868,978	21,271,516
Share capital	8	37,894,716	30,000,000
Legal capital reserves			
Reserves from capital contributions		36,980,707	32,500,000
Accumulated losses			
Accumulated losses brought forward		(30,892,940)	(57,565,318)
Net profit for the period		31,751,889	26,672,378
Shareholders' equity		75,734,372	31,607,060
Total liabilities and shareholders' equity		84,603,350	52,878,576

**Interim statutory financial statements
for the seven months period ended April 30, 2019**

Income statement

	Note	Interim seven months Period ended April 30, 2018 CHF	Year ended September 30, 2018 CHF
Gains on venture capital investments	4	34,780,646	3,958,778
Reversal of impairment losses on investment in subsidiary		0	24,031,035
Other income		8,646	0
Total income		34,789,292	27,989,813
Loss on venture capital investments	4	(2,019,828)	0
Interest expenses	11	(480,555)	(875,900)
Foreign exchange losses		(33,745)	(7,015)
General and administrative expenses		(502,390)	(433,631)
Total expenses		(3,036,518)	(1,316,546)
Profit before tax		31,752,774	26,673,267
Direct taxes		(885)	(889)
Profit after tax		31,751,889	26,672,378

Notes to the interim statutory financial statements for the seven months period ended April 30, 2019

1. Company information

New Venturetec Ltd., Zug ("the Company") was formed on July 16, 1997 and incorporated on August 11, 1997 for the purpose of direct and indirect investments in Swiss and foreign companies, especially in high risk venture capital companies in the industries of Biotechnology and Technology.

2. Accounting policies

2.1. General principles

These interim financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

The financial line item "venture capital investments" have been recognized according to the fair value principle.

Information on balance sheet and income statement items

3. Other account receivable

	April 30, 2019 CHF	September 30, 2018 CHF
VAT Receivable	11,182	6,266
Other accounts receivable	11,182	6,266

Notes to the interim statutory financial statements for the seven months period ended April 30, 2019

4. Venture capital investments

	Interim seven months Period ended April 30, 2018 CHF	Year ended September 30, 2018 CHF
Cost as of the beginning of the period	47,974,454	0
Cost as transferred from Venturetec Inc.	0	48,410,079 ¹
Disposals	(41,004,455)	(435,625)
Cost as of the end of the period	6,969,999	47,974,454
Cumulative fair value adjustments as of the beginning of the period	3,958,705	0
Gains	34,780,646	3,958,778
Losses	(2,019,828)	0
Disposals	(38,484,774)	(73)
Cumulative fair value adjustments as of the end of the period	(1,765,251)	3,958,705
Venture capital investments, book value as of the end of the period	5,204,748	51,933,159

1) The amount shown as cost reflects the fair value of the assets as at the date the items have been transferred from the dissolved subsidiary Venturetec Inc.

5. Loans payable to related parties, interest bearing

	April 30, 2019 CHF	September 30, 2018 CHF
4% secured promissory note ¹⁾	5,089,310	5,089,310
4% secured promissory note ¹⁾	1,500,000	1,500,000
4%+3% secured promissory note ²⁾	1,000,000	1,000,000
Loan payable to related party	7,589,310	7,589,310
Thereof current	7,589,310	6,589,310
Thereof non-current	0	1,000,000

1) The 4% secured promissory notes are both held by and payable Friedli Corporate Finance GmbH, Zug. Friedli Corporate Finance GmbH, Zug, is fully owned and controlled by Peter Friedli, the Chairman of the Board of Directors of New Venturetec Ltd. The term of the notes will be automatically extended by six month on each consecutive maturity date and the current due date is December 31, 2019. The notes can be terminated on each maturity date by either party upon a 3 month written notice. Both notes are secured by all tangible and intangible assets of New Venturetec Ltd.

2) The 4%+3% secured promissory note is held by and payable Friedli Corporate Finance GmbH, Zug. Friedli Corporate Finance GmbH, Zug, is fully owned and controlled by Peter Friedli, the Chairman of the Board of Directors of New Venturetec Ltd. The note bears a 4% coupons and a 3% premium is payable on maturity date, which is December 31, 2019. The note is secured by all tangible and intangible assets of New Venturetec Ltd.

Notes to the interim statutory financial statements for the seven months period ended April 30, 2019

6. Convertible notes, interest bearing

Date of issuance	Interest rate %	Maturity	Convertible into shares of the Company	Conversion price CHF	Aggregated principal amount as of	Aggregated principal amount as of
					April 30, 2019 CHF	September 30, 2018 CHF
22.01.18	4.00	31.12.19	Voluntarily, at the discretion of the holder	9.50	625,000 ^{1/3}	1,125,000 ¹
20.04.18	4.00	31.12.19	Voluntarily, at the discretion of the holder	9.50	0 ²	12,000,000 ²
Convertible notes					625,000	13,125,000
Thereof current					625,000	12,000,000
Thereof non-current					0	1,125,000
Thereof payable to related persons					50,000	12,050,000

- 1) Andreas von Sprecher, member of the Board of New Venturetec Ltd. subscribed to CHF 50,000 of the Convertible Notes issued January 22, 2018. In accordance with the terms and conditions of the convertible notes, Andreas von Sprecher has the right to voluntarily convert his holdings into 5,263 shares of New Venturetec Ltd.
- 2) Friedli Corporate Finance GmbH, Zug, subscribed to CHF 12,000,000 of the Convertible Notes issued April 20, 2018. Friedli Corporate Finance GmbH, Zug, is fully owned and controlled by Peter Friedli, the Chairman of the Board of Directors of New Venturetec Ltd. The note became due November 30, 2018 and was extended to December 31, 2019 through re-issuance. In accordance with the terms and conditions of the convertible note, it was converted on April 15, 2019 into 1,263,157 shares of New Venturetec Ltd. with nominal value of CHF 6.00 each.
- 3) On April 26, 2019 an additional CHF 500,000 convertible note held by third parties has been converted into 52,629 shares of New Venturetec Ltd. with nominal value of CHF 6.00 each. In accordance with the terms of the notes, New Venturetec Ltd. gave notice for early redemption of the remaining CHF 625'000 including accrued interests as of May 30, 2019.

7. Accrued expenses and deferred income

	Interim seven months Period ended	Year ended
	April 30, 2018 CHF	September 30, 2018 CHF
Accrued expenses	360,589 ¹	160,205 ¹
Accrued interests	294,079 ²	397,001 ²
Accrued expenses and deferred income	654,668	557,206
1) thereof payable to governing bodies	75,319	100,000
2) thereof payable to related parties	280,011	386,251

Notes to the interim statutory financial statements for the seven months period ended April 30, 2019

8. Share capital and authorized capital

The share capital as of September 30, 2018 in the amount of CHF 30,000,000 consisted of 5,000,000 bearer shares with a par value of CHF 6.00 each fully paid in. During the seven months reporting period ended April 30, 2019, the share capital was increased through the conversion of convertible notes by the issuance of 1,315,786 new bearer shares with a par value of CHF 6.00 each and total nominal value of CHF 7,894,716 (see also Note 6). These shares have been created by using the contingent share capital. The difference to the conversion price of CHF 9.50, less stamp taxes, was credited to the reserves from capital contribution in the net amount of CHF 4,480,707. The share capital as of April 30, 2019 therefore results in the amount of CHF 37,894,716, consisting of 6,315,786 shares with a par value of CHF 6.00 each fully paid in.

In accordance with Swiss Code of Obligations, the declaratory publication of aforementioned capital increase in the Commercial Register and the corresponding amendment of the Articles of Association of New Venturetec Ltd. by the Board of Directors is planned for second half of the financial year.

Contingent share capital: The share capital of the Company may be increased by a maximum amount of CHF 2,305,284 through the issue of a maximum of 384,214 nominal shares to be fully paid-in with a nominal value of CHF 6.00 each through the exercise of conversion or option rights in connection with notes, bonds or similar instruments that are or may be issued by the Company (as of September 30, 2018: Maximum amount of CHF 10,200,000 through the issue of a maximum of 1,700,000 nominal shares).

9. Interest expenses

	Interim seven months Period ended April 30, 2018 CHF	Year ended September 30, 2018 CHF
Interest expenses on loans to related party	(214,583)	(426,462)
Interest expenses on convertible notes and bonds	(265,972) ¹⁾	(433,357) ¹⁾
Interest expenses from investment in subsidiary	0	(16,081)
Interest expenses	(480,555)	(875,900)
¹⁾ thereof payable to related parties	(241,167)	(366,005)

Notes to the interim statutory financial statements for the seven months period ended April 30, 2019

Other information

10. Full time employees

As of April 30, 2019 and September 30, 2018, the Company does not have any employees.

11. Significant shareholders

At balance sheet date the following shareholders filed a holding of 3% or more of the total outstanding shares to the Company to SIX Swiss Exchange:

As at April 30, 2019

Between 20% and 25%

- Peter Friedli, through Friedli Corporate Finance GmbH, Zug

Between 15% and 20%

- Rosa Siegrist, Reinhard Siegrist, Rossier, Mari & Associates AG, Georges Mari, Chantal Biner, Alexander Biner and Guido Erni

Between 5% and 10%

- none

Between 3% and 5%

- RM Strategic Fund

As at September 30, 2018

Between 20% and 25%

- none

Between 15% and 20%

- none

Between 5% and 10%

- Reinhard and Rosa Siegrist, with Georges Mari and Rossier, Mari & Associates AG, Zurich, all together as a group represented by Georges Mari, Zurich
- Alexander and Chantal Biner, through 4iS Four Eyes AG, St. Gallen

Between 3% and 5%

- RM Strategic Fund
- HERCULIS Partners "Aries" Fund, Liechtenstein

12. Remuneration of, and shares held by the Board of Directors

CHF 23,333 were accrued as fees to the Board Directors for the seven months period under review and CHF 40,000 were paid out related to accrued fees for prior periods (2018: CHF 40,000 accrued and CHF 50,000 paid). Such fees are due to Andreas von Sprecher, Member of the Board of New Venturetec Ltd., and Michael Endres, Member of the Board of New Venturetec Ltd. Peter Friedli, Chairman of the Board of New Venturetec Ltd., was not remunerated for serving on the Board.

Peter Friedli as the beneficial owner of Friedli Corporate Finance GmbH, Zug, held 1,366,538 shares (30.9.2018: 103,381 shares) and Andreas von Sprecher 3,000 shares (30.9.2018: 3,000 shares) of the Company as of April 30, 2019. Friedli Corporate Finance GmbH acquired 1,263,157 through the conversion of Convertible Note at the conversion price CHF 9.50 per share (See note 6). No further transactions in such shares took place during the period under review.

Andreas von Sprecher, member of the Board of New Venturetec Ltd. subscribed to CHF 50,000 of the Convertible Notes. In accordance with the terms and conditions of the convertible note, Andreas von Sprecher, member of the Board of New Venturetec Ltd. has the right to voluntarily convert his holdings in the convertible note into 5,263 shares of New Venturetec Ltd.

13. Events after the balance sheet date

The financial statements were authorized for issue by the Board of Directors on June 14, 2019.

The Board of Directors is not aware of any events between April 30, 2019 and June 14, 2019, which would require adjustment to the carrying amounts of the Company's assets and liabilities as of June 14, 2019 or would require disclosure under this heading.