



FIDUCIAIRE
DEUBER & BEURET SA

révision
comptabilité
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PYLANIA SA

Grandval

Report of the statutory auditors

On the financial statements per

31 March 2021



FIDUCIAIRE
DEUBER & BEURET SA

Report of the statutory auditors on the limited statutory examination to the general meeting of PYLANIA SA, Grandval

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Pylania SA for the year ended 31 March 2021.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the accompanying financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Cortailod, May 19th 2021

Antoine Deuber
Licensed audit expert
Auditor in charge

Thierry Beuret
Licensed audit expert

Enclosures : Financials statements (balance sheet, income statement and notes)

PYLANIA SA

ASSETS	31.03.2021 CHF	31.03.2020 CHF
 <u>NON-CURRENT ASSETS</u>		
<u>Tangible assets</u>		
Land	80'000.00	80'000.00
Building and Surrounding	378'000.00	398'000.00
Infrastructure and Facilities	30'300.00	37'970.00
Machines, Equipment, Furniture	170'100.00	187'813.00
Vehicles	3'400.00	4'873.00
EDP Hard -und Software	1.00	1.00
 <u>Total tangible assets</u>	 661'801.00	 708'657.00
 <u>Financial assets</u>		
Participations	120'000.00	120'000.00
 <u>Total financial assets</u>	 120'000.00	 120'000.00
 <u>CURRENT ASSETS</u>		
<u>Liquid Funds</u>		
Banks accounts	194'241.36	298'649.69
 <u>Total Liquid Funds</u>	 194'241.36	 298'649.69
<u>Trade receivables</u>		
Third parties	194'538.82	94'907.94
Intercompany	61'832.38	115'630.40
 <u>Total trade receivables</u>	 256'371.20	 210'538.34
<u>Other current receivables</u>		
Third parties	2'500.00	2'500.00
Guarantees	10'000.00	10'000.00
VAT to be recovered	13'934.91	466.80
Advance to Estima GmbH	0.00	0.00
Advance to Group companies	4'400.00	3'400.00
Loan to Estima AG	309'565.00	277'046.00
Subordinated Loan to Estima AG	900'000.00	900'000.00
 <u>Total other current receivables</u>	 1'240'399.91	 1'193'412.80
 <u>Inventory</u>	 250'830.00	 23'000.00
 <u>Total current assets</u>	 1'941'842.47	 1'725'600.83
 TOTAL ASSETS	 <u>2'723'643.47</u>	 <u>2'554'257.83</u>

PYLANIA SA
Grandval

LIABILITIES AND EQUITY	31.03.2021	31.03.2020
	CHF	CHF
<u>LIABILITIES</u>		
<u>Trade accounts payables</u>		
Third parties	24'555.27	23'291.03
Intercompany	223'468.88	378'397.00
c/c KIHLE SA	0.00	0.00
VAT due	0.00	4'190.65
Accrued liabilities	0.00	0.00
<u>Total trade accounts payables</u>	248'024.15	405'878.68
<u>Long term liabilities</u>		
Loan Radexpo AG	203'000.30	205'014.00
Loan COVID	220'000.00	0.00
Loan from banks	131'250.00	146'250.00
Loan from Independent sources	103'750.00	101'247.00
Loan related party	0.00	102'201.00
<u>Total other liabilities</u>	658'000.30	554'712.00
<u>Total Liabilities</u>	906'024.45	960'590.68
<u>EQUITY</u>		
<u>Share capital</u>	2'000'000.00	2'000'000.00
<u>Capital form agios</u>	450'000.00	450'000.00
<u>Revaluation Reserves</u>	240'200.00	240'200.00
<u>Balances Loss</u>		
Loss brought forward	-1'096'532.85	-1'423'076.38
Profit of the period	223'951.87	326'543.53
<u>Total of balances loss</u>	-872'580.98	-1'096'532.85
<u>Total Equity</u>	1'817'619.02	1'593'667.15
TOTAL LIABILITIES AND EQUITY	<u>2'723'643.47</u>	<u>2'554'257.83</u>

PYLANIA SA
Grandval

PROFIT AND LOSS STATEMENT	01.04.2020 31.03.2021 CHF	01.04.2019 31.03.2020 CHF
Income		
Net sales	1'249'671.60	1'124'573.87
<u>Total income</u>	1'249'671.60	1'124'573.87
Expenses		
Cost of goods sold	-906'888.72	-726'756.04
Personnel Expenses	-43'605.15	-111'682.62
Repair Maintenance, Energy	-3'049.72	-3'000.06
Administratives expenses	-54'825.42	-139'896.29
Depreciation and amortisation	-48'510.18	-53'831.59
Financial expenses	-16'026.44	-31'202.24
Extraordinary income	15'399.10	245'710.00
Financial incomes	32'519.00	27'046.00
Tax expenses	-732.20	-4'417.50
<u>Total expenses</u>	-1'025'719.73	-798'030.34
NET PROFIT	<u>223'951.87</u>	<u>326'543.53</u>

APPENDIX AS AT MARCH 31, 2021

Fixed assets - Fixed assets are stated at acquisition cost less accumulated depreciation. Depreciation has been provided on Written down value Method.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following

Property, plant and equipment	2021 (% of WDV)	2020 (% of WDV)
Land		
Building and Environment	5%	5%
Facilities and Equipment	20%	20%
Factory Equipment and Machines	10%	10%
Office Equipment	20%	20%
Vehicles	30%	30%
Computers, Hardware/Software	30%	30%

Inventories - Inventories are valued at acquisition cost, less a provision for obsolete items if necessary.

Inventories		
CHF	2021	2020
Raw materials, consumables and supplies		
Work in progress		
Finished goods	250'830.00	23'000.00
Trading goods		
Total inventory	250'830.00	23'000.00

Participation - subsidiary		
CHF	2021	2020
Net book value as at 01.01	120'000.00	120'000.00
Addition or disposal during the year	-	-
Amortization	-	-
Net book value as at 31.12	120'000.00	120'000.00

Pylania AG owns 30% of the share capital of Estima AG - Grenchen

Equity participations				
Name and legal form	Votes	Regist. Office	2021	2020
			Capital (CHF)	Capital (CHF)
KDDL Limited	37.80%	India	755'000.00	755'000.00
	47.20%	Switzerl	945'000.00	945'000.00
Kamla International Holding Limited		and		
Q & S finance, GMBH	15.00%	Switzerl	300'000.00	300'000.00

APPENDIX AS AT MARCH 31, 2021

	31.03.2021 CHF	31.03.2020 CHF
Total Book Value of Assets Pledged	460'500.00	480'500.00
Land	80'000.00	80'000.00
Building and Surrounding	378'000.00	398'000.00
Deposits	2'500.00	2'500.00
Fire Insurance Value of Fixed Assets	2'126'400.00	2'126'400.00

Going concern

On March 16, 2020, the Federal Council declared the extraordinary situation according to art. 7 of the law on epidemics (LEp) following the pandemic due to the Coronavirus COVID-19. The restrictions linked to this decision will have significant impacts on the Swiss economy and the companies active in Switzerland.

To date, the financial impacts associated with COVID-19 and the subsequent restrictions that society will face cannot be measured reliably given the uncertainty as to the duration and severity of the pandemic.

The Board of Directors has already defined and implemented certain measures to meet short-term liquidity needs and is closely monitoring the development of the situation in order to take decisions adapted to these exceptional circumstances.

The board of directors has no doubt as to the company's ability to continue operating.

The company obtained a Covid loan guarantee by the Swiss Authorities of CHF 220'000.- to manage its cash flow.

The loan will be reimbursed by the end of June 2021.

Evaluation of Risks

Management has evaluated from time to time risks the company runs and taken - if necessary - appropriate measures.