



Implantica MediSwiss AG, Vaduz
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders
Financial Statements 2018



KPMG (Liechtenstein) AG

Audit

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HR Nr. FL-0001.548.458-1

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 (income statement, balance sheet and notes) of Implantica MediSwiss AG for the year ended 31 December 2018.

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*

Reto Benz
Swiss Certified Auditor

Schaan, March 8, 2019

Enclosure:

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

Implantica MediSwiss AG, Vaduz (LI)

Financial Report 2018



Smart Medical Implants

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STATEMENT OF PROFIT OR LOSS

STATEMENT OF PROFIT OR LOSS

	01.01.2018 - 31.12.2018	22.2.2017 - 31.12.2017
in CHF		
1. Personnel expenses		
a) Wages and salaries	-63'957	0
b) Social security and pension expenses	-18'085	0
<i>(thereof pension expenses)</i>	<i>(-4,264)</i>	<i>0</i>
2. Depreciation on property, plant and equipment	-1'160	0
3. Other operating expenses	-1'655'214	-619'360
4. Interest income	1	0
5. Interest expenses	-70	0
6. Loss before taxes	-1'738'485	-619'360
7. Income taxes	-1'800	-1'800
8. Loss for the period	-1'740'285	-621'160

BALANCE SHEET

ASSETS	31 December 2018	31 December 2017
in CHF		
A. Non-current assets		
<i>I. Fixed Assets</i>		
1. Property, plant and equipment	6'226	0
<i>II. Financial assets</i>		
1. Shares in affiliated companies	300'069'000	300'069'000
Total non-current assets	300'075'226	300'069'000
B. Current assets		
<i>I. Receivables</i>		
Other receivables	22'736	6'661
<i>(of which with a remaining term > 1 year)</i>	0	0
Total receivables	22'736	6'661
II. Cash at bank	2'868	351
Total cash at bank	2'868	351
Total current assets	25'604	7'012
C. Prepaid expenses and accrued income		
1. Prepaid expenses and accrued income	18'411	15'688
Total prepaid expenses and accrued income	18'411	15'688
Total assets	300'119'241	300'091'700

BALANCE SHEET

EQUITY AND LIABILITIES	31 December 2018	31 December 2017
in CHF		
A. Equity		
I. Share capital	90'000'000	90'000'000
II. Capital reserves		
1. Reserves from capital contributions	1'298'472	144'655
2. Other capital reserves	210'000'000	210'000'000
Total capital reserves	211'298'472	210'144'655
III. Loss carried forward	-621'160	0
III. Loss for the period	-1'740'285	-621'160
Total equity	298'937'027	299'523'495
B. Provisions		
1. Tax provisions	1'800	1'800
Total provisions	1'800	1'800
C. Payables		
1. Payables to affiliated companies	206'307	0
2. Other payables	161'189	73'905
Total payables	367'496	73'905
<i>(of which with a remaining term < 1 year)</i>	367'496	73'905
D. Accrued expenses		
1. Accrued expenses	812'918	492'500
Total accrued expenses	812'918	492'500
Total equity and liabilities	300'119'241	300'091'700

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").