tria revisions ag

MPower Ventures AG

Zürich

Year 2019

Report of the statutory auditors on the Limited Statutory Examination tria revisions ag

To the General Meeting of
MPower Ventures AG
8005 Zürich

Report of the statutory auditors on the Limited Statutory Examination

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of MPower Ventures AG for the year ended 31 December 2019.

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 financial statements do not comply with Swiss law and the company's articles of incorporation.

We would draw your attention to the fact that one half of share capital and the legal reserves are no longer covered (Art. 725 para. 1 CO).

Cham, 2 July 2020

Tria Revisions AG

Stefan Koller	Hannes Zumstein
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Enclosures: Financial Statements

6330 Cham | Riedstrasse 7 | Telefon +41 41 748 35 65 | Telefax +41 41 748 35 51
info@tria-ag.ch

EXPERT SUISSE

MPower Ventures AG
8005 Zürich

Balance Sheet as of 31.12.2019

Assets	31.12.2019 CHF	31.12.2018 CHF
Bank balances	138'312.81	144'937.38
Cash and cash equivalents	**138'312.81**	**144'937.38**
Receivables from third parties	391'268.74	78'588.32
Receivables from investments	256'131.71	0.00
Valuation adjustment	-11'409.31	-20'160.73
Trade accounts receivable	**635'991.14**	**58'427.59**
Other short-term receivables from third parties	30'010.25	18'658.13
Other short-term receivables	**30'010.25**	**18'658.13**
Inventories	449'551.94	262'867.30
Valuation adjustment	-68'407.43	-40'000.00
Inventories	**381'144.51**	**222'867.30**
Current assets	**1'185'458.71**	**444'890.40**
Investments	7'976.48	3'501.48
Financial assets	**7'976.48**	**3'501.48**
EnergyHub and equipment	72'774.33	77'502.02
Office equipment	0.00	879.83
Property, plant and equipment	**72'774.33**	**78'381.85**
Patents, licences and copyrights	4'256.93	4'902.35
Software development	101'368.27	47'586.61
Intangible assets	**105'625.20**	**52'488.96**
Unpaid capital	**118'807.04**	**0.00**
Non-current assets	**305'183.05**	**134'372.29**
Total Assets	**1'490'641.76**	**579'262.69**

MPower Ventures AG
8005 Zürich

Balance Sheet as of 31.12.2019

Liabilities & Equity	31.12.2019 CHF	31.12.2018 CHF
Accounts payable due to third parties	12'426.00	58'858.73
Accounts payable due to investments	2'625.44	0.00
Trade accounts payable	**15'051.44**	**58'858.73**
Other short-term liabilities due to third parties	-11'645.38	26'290.40
Other short-term liabilities due to shareholders	3'656.72	2'550.00
Debenture loans	171'000.00	0.00
Other short-term liabilities	**163'011.34**	**28'840.40**
Short-term provisions	**0.00**	**0.00**
Accrued expenses and deferred income	**3'500.00**	**0.00**
Short-term liabilites	**181'562.78**	**87'699.13**
Bank loans	750'000.00	0.00
Loans due to third parties	375'000.00	365'000.00
Long-term interest bearing liabilities	**1'125'000.00**	**365'000.00**
Other long-term liabilities due to third parties	0.00	43'740.10
Other long-term liabilities	**0.00**	**43'740.10**
Provisions	**12'586.74**	**11'028.06**
Long-term liabilities	**1'137'586.74**	**419'768.16**
Liabilities	**1'319'149.52**	**507'467.29**
Share capital	**170'200.00**	**148'780.00**
Reserves from capital contributions	328'351.72	62'526.88
Legal capital reserves	**328'351.72**	**62'526.88**
Results carried forward	-139'511.48	0.00
Loss for the year	-187'548.00	-139'511.48
Accumulated losses	**-327'059.48**	**-139'511.48**
Equity	**171'492.24**	**71'795.40**
Total Liabilities & Equity	**1'490'641.76**	**579'262.69**

MPower Ventures AG
8005 Zürich

Income Statement 01.01.2019 - 31.12.2019

Income Statement	2019 CHF	2018 CHF
Revenue from sale of goods and services	685'163.04	91'343.69
Other revenue - Management Fee	42'500.00	23'641.12
Other revenue - Grants	45'000.00	75'000.00
Revenue reduction	-235'301.65	-31'188.79
Revenue from sale of goods and services	**537'361.39**	**158'796.02**
Material expenses	-339'477.95	-33'434.88
Expenses for purchased services	-26'399.84	-31'050.57
Value adjustment Inventory	0.00	-40'000.00
Cost of goods sold	**-365'877.79**	**-104'485.45**
Total operating income	**171'483.60**	**54'310.57**
Salary costs	-223'081.00	-76'989.00
Social security costs	-23'734.40	-8'310.26
Other personnel expenses	-187.70	-956.15
Personnel expenses	**-247'003.10**	**-86'255.41**
Rent and repair costs for non-production facilities	-2'905.00	-6'872.42
Administrative efforts and IT expenditures	-42'465.98	-28'982.07
Advertising & travel costs	-25'392.19	-45'405.11
Other operating expenses	**-70'763.17**	**-81'259.60**
Operating result before financial results, taxes, deprication and impairment losses	**-146'282.67**	**-113'204.44**
Depreciation	-27'085.30	-20'121.36
Depreciation	**-27'085.30**	**-20'121.36**
Operating results before financial result and taxes	**-173'367.97**	**-133'325.80**
Financial expenses	-24'009.15	-6'187.60
Financial income	1'077.70	1.92
Financial result	**-22'931.45**	**-6'185.68**
Operating result before taxes	**-196'299.42**	**-139'511.48**
Extraordinary, non-recurring or prior period income	8'751.42	0.00
Extraordinary, non-recurring or prior period expenses	**8'751.42**	**0.00**
Loss for the year	**-187'548.00**	**-139'511.48**

MPower Ventures AG
8005 Zürich

Notes to the financial statements

Notes	31.12.2019 CHF	31.12.2018 CHF

Details of the accounting principles applied in the annual financial statements

These annual financial statements were compiled in compliance with Swiss legal regulations, in particular the articles on commercial bookkeeping and accounting in the Swiss Code of Obligations (Art. 957 to 962).

Preparation of the financial statements requires estimates and judgments by the Board of Directors that could affect the reported amounts of assets and liabilities and contingent liabilities at balance sheet date, as well as income and expenses during the reporting period. The Board of Directors decides each case at its own discretion on the use of existing legal valuation and accounting leeway. For the benefit of the company, depreciations, value adjustments and provisions beyond the economically required extent can be formed under the principle of prudence.

Full-time equivalents

Average annual number of full-time employees	below 10	below 10

Investments

MPower Ventures Iberia S.L. Calle Titán 8, 28045 Madrid, Spain Nominal Value: EUR 3'010.00 Quote: 100%	3'501.48	3'501.48
MPower Cameroun Sarl Quartier Ndogbong, face collège La Conquete, Douala 4, Cameroun Nominal Value: XAF 1'000'000.00 Quote: 100%	1'710.00	0.00
MPower Togo Sarl LOME quartier Adidogomé, Rue Zionto, 04 BP 983, Togo Nominal Value: XOF 990'000 Quote: 99%	1'730.00	0.00
MPower Ventures Zambia Limited 7a/110a, Villa Elizabetha, Musonda Ngosa Road, Lusaka, Lusaka Province, Zambia; PO Box: 34255 Nominal Value: ZMW 14'850.00 Quote 99%	1'035.00	0.00
Total:	7'976.48	3'501.48

Receivables in foreign currencies

There are significant receivables from third parties in foreign currencies (ZMW). The exchange rate for 1 ZMW decreased from 31.12.2019 (0.069 CHF) to 0.052 CHF at 22.06.2020. This is covered with a discount on this position.

Unpaid capital

In the capital increase of December 2019, the capital (share capital and premium) was increased by CHF 287,244.84 in accordance with documents from the Commercial Register. Of this amount, CHF 118,807.04 had not yet been received by 31.12.2019 and is therefore shown in the balance sheet as unpaid capital. The Board of Directors is responsible for collecting this remaining amount in 2020.

Extraordinary, non-recurring or prior period positions

Adjustment of doubtful debts (income)	8'751.42	0.00

MPower Ventures AG
8005 Zürich

Notes to the financial statements

Notes	31.12.2019 CHF	31.12.2018 CHF

Significant events after the balance sheet date

The current events relating to the COVID-19 pandemic have not been included in the 2019 financial statements. The company will have to accept an impact on the business activities. An assessment of the financial impact is not possible at present and depends on the duration of the pandemic.

In Q3 2020 there will be a capital increase where the loans due to third parties of CHF 375'000.00 will be converted into equity.

After the balance sheet date and until the adoption of the financial statements by the Board, no other significant events have occurred which might affect the validity of the financial statements for 2019 or need to be disclosed at this point.