

Report of the statutory auditor

with financial statements as of 31 December 2017 of

wee.com AG, Kreuzlingen

To the General Meeting of
wee.com AG, Kreuzlingen

Zurich, 19 June 2018

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of wee.com Ltd (formerly BAMBU Ltd), which comprise the balance sheet, income statement, cash flows statements and notes, for the year ended 31 December 2017.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the company's articles of incorporation.

Emphasis of matter

We draw attention to note 6 of the financial statements, which indicates that the Company's ability to continue as a going concern is dependent on the acceptance of the business model by independent financial-markets regulators in different countries as well as on sufficient li-

quidity. This facts together with other matters disclosed in note 6 indicates that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The financial statements of wee.com Ltd (formerly BAMBU Ltd) for the year ended 31 December 2016 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 18 May 2017.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the Board of Directors was adequately documented but not implemented in all material respects.

In our opinion the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of the financial statements.

We recommend that the financial statements submitted to you be approved.

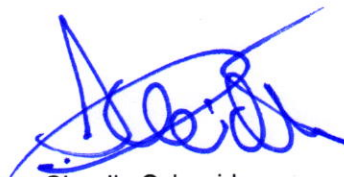
Additionally, we point out that, contrary to the requirements of article 699 paragraph 2 CO, the ordinary general meeting of shareholders is planned to be held on 12 July 2018 and therefore not within six months after the balance sheet date.

Should the going concern assumption no longer be appropriate, the financial statements would have to be prepared based on liquidation values. In this case, relevant provisions according to 725 CO would have to be complied with.

Ernst & Young Ltd



Kaspar Streiff
Licensed audit expert
(Auditor in charge)



Claudio Schneider
Licensed audit expert

Enclosures

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

wee.com AG, 8280 Kreuzlingen

BALANCE SHEET AS OF 31 DECEMBER 2017

	Notes	31.12.2017	31.12.2016
		CHF	CHF
ASSETS			
Current assets			
Cash		11'185'221.59	236'396.70
Other current receivables	2.1	958'362.10	0.00
Accrued income and prepaid expenses		152'519.35	0.00
Total current assets		12'296'103.04	236'396.70
<i>as a percentage of total assets</i>		17%	100%
Non-current assets			
Financial assets			
Loans			
thereof subsidiaries	2.2	348'960.40	0.00
Shareholdings		61'323'096.84	0.00
Total non-current assets		61'672'057.24	0.00
<i>as a percentage of total assets</i>		83%	0%
TOTAL ASSETS		73'968'160.28	236'396.70

	Notes	31.12.2017	31.12.2016
		CHF	CHF
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables			
thereof third parties		720'627.75	2'578.80
Other current liabilities			
thereof subsidiaries	2.3	139'436.05	0.00
Deferred income and accrued expenses		2'461'092.98	16'625.00
Total current liabilities		3'321'156.78	19'203.80
<i>as a percentage of total assets</i>		4%	8%
Total liabilities		3'321'156.78	19'203.80
<i>as a percentage of total assets</i>		4%	8%
Equity			
Share capital		72'222'345.10	300'000.00
Reserves from capital contribution	2.4	9'354'690.27	0.00
Statutory retained earnings		385.00	385.00
Voluntary retained earnings or accumulated losses		-10'930'416.87	-83'192.10
Profit/loss carryforward		-83'192.10	7'308.20
Loss for the year		-10'847'224.77	-90'500.30
Retained earnings/accumulated losses		-10'930'416.87	-83'192.10
Total equity		70'647'003.50	217'192.90
<i>as a percentage of total assets</i>		96%	92%
TOTAL EQUITY AND LIABILITIES		73'968'160.28	236'396.70

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INCOME STATEMENT 2017

	Notes	2017	2016
		CHF	CHF
INCOME STATEMENT			
Income statement			
Other operating income		166'222.40	0.00
<i>Total income</i>		<u>166'222.40</u>	<u>0.00</u>
Other operating expenses	2.5	-10'947'363.26	-89'613.05
Financial cost		-64'462.71	-691.00
Direct taxes		<u>-1'621.20</u>	<u>-196.25</u>
<i>Total costs</i>		<u>-11'013'447.17</u>	<u>-90'500.30</u>
Loss for the year		<u><u>-10'847'224.77</u></u>	<u><u>-90'500.30</u></u>

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CASH FLOW STATEMENT 2017

	2017	2016
CASH FLOW STATEMENT	CHF	CHF
Net loss for the year	-10'847'224.77	-90'500.30
Offsetting of liabilities against equity	7'200'000.00	0.00
Change in receivables	-958'362.10	0.00
Change in other liabilities	139'436.05	0.00
Change in accrued income and prepaid expenses	-152'519.35	0.00
Change in current liabilities (without financial liabilities)	718'048.95	2'189.00
Change in deferred income and accrued expenses	2'444'467.98	10'615.00
Cash flow from operating activities	-1'456'153.24	-77'696.30
Investments in tangible fixed assets	0.00	0.00
Disposals of tangible fixed assets	0.00	0.00
Investments in financial assets	-1'627'057.24	0.00
Cash flow from investing activities	-1'627'057.24	0.00
Cash received from capital increases	14'032'035.37	0.00
Cash flow from financing activities	14'032'035.37	0.00
Change in net cash and cash equivalents	10'948'824.89	-77'696.30
CHANGE IN NET CASH AND CASH EQUIVALENTS		
As of 1 January	-236'396.70	-314'093.00
As of 31 December	11'185'221.59	236'396.70
Change in net cash and cash equivalents	10'948'824.89	-77'696.30

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2017

1 Applicable accounting law:

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO).

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

	31.12.2017 CHF	31.12.2016 CHF
2.1 Other current receivables		
Short term loan weeTech AG	900'000.00	0.00
VAT credits	58'362.10	0.00
Total other current receivables	<u>958'362.10</u>	<u>0.00</u>
2.2 Financial assets		
towards weeMarketplace AG	15'950.00	0.00
towards weePayment AG	302'435.60	0.00
towards weeLicences AG	30'574.80	0.00
Total Financial assets	<u>348'960.40</u>	<u>0.00</u>
2.3 Other current liabilities		
towards weeTech AG	127'158.54	0.00
towards weeCONOMY AG	12'277.51	0.00
Total other current liabilities	<u>139'436.05</u>	<u>0.00</u>
2.4 Reserves from capital contribution		
The reserves from capital contribution in the amount of CHF 9'354'690.27 are subject to confirmation by the federal tax administration.		
2.5 Other operating expenses		
Consulting expenses	7'751'734.55	83'613.05
Expenses for capital increase	2'928'338.53	0.00
Expenses for auditors, board of directors	231'503.80	2'000.00
Others	35'786.38	4'000.00
Total other operating expenses	<u>10'947'363.26</u>	<u>89'613.05</u>
3 Auditing fees		
Ernst & Young AG (previous year BDO AG)	57'000.00	14'000.00
Total auditing fees	<u>57'000.00</u>	<u>14'000.00</u>

	2017	2016	Share capital
4 Overview of shareholdings			
weeMarketplace AG, CH-Kreuzlingen (direct)			CHF 21'000'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weePayment AG, FL-Vaduz (direct)			EUR 1'000'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeTech AG, CH-Kreuzlingen (direct)			CHF 100'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeConomy AG, CH-Kreuzlingen (indirect)			CHF 100'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeCom GmbH AG, DE-München (indirect)			EUR 25'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeLicences AG, CH-Kreuzlingen (indirect)			CHF 50'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeBusinessGmbH, DE-München (indirect)			EUR 25'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeTechnology GmbH, DE-München (indirect)			EUR 25'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeASIA Ltd., CN-Hong Kong (indirect)			HKD 1.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeConnect AG, CH-Kreuzlingen (indirect)			CHF 100'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	
weeTurkey A.S., TR-Istanbul (indirect)			TRL 50'000.00
Share in capital	100%	0	
Share in voting rights	100%	0	

5 The average number of full-time equivalents for the year was:

- | | |
|-------------------------------------|--------------------|
| <input checked="" type="checkbox"/> | between 1 and 9 |
| <input type="checkbox"/> | between 10 and 49 |
| <input type="checkbox"/> | between 50 and 249 |
| <input type="checkbox"/> | more than 250 |

6 Material uncertainty related to going concern

wee.com AG is positioning itself as a developer of innovative fintech business models. The company invests in promising new and semi-established fintech ventures.

In the 2017 financial year, the company focused in particular on reviewing the strategy, risks, technical feasibility and financial market requirements. The business model of the weeMarketplace AG subsidiary requires substantial additional liquidity as part of its growth strategy. In addition, an e-money licence is required in the relevant target markets for the full implementation of the business model.

Liquidity

The establishment of the marketplace in the strategic target markets is expected to require funding of around EUR 35 million by the end of 2019 (including further investments in IT and strategic implementation support). The company's available liquidity is not sufficient to fully cover the needs. The company plans to provide sufficient funds through the Initial Coin Offering (ICO), which is planned to be initiated in the 2018 financial year. Based on past fundraising experience and the planned ICO, the Board of Directors is convinced that the necessary liquidity can be provided in order to establish the marketplace.

Obtaining the required e-money licence

The weeMarketplace AG business model, i.e. the cashback system, is currently being scrutinised by the financial market supervisory authorities of various countries with regard to the need for regulation. At present, only certain markets can be processed on the basis of national regulations without an e-money licence.

The company is currently working in various European countries on applying for an e-money licence in order to implement the internationality of our marketplace without restrictions. The e-money licence will also make it possible to develop additional fintech business areas.

When issuing an e-money licence and national notifications, we depend on the respective financial market supervisory authorities. The Board of Directors is convinced that the planned procedure meets the requirements for obtaining the e-money licence.

Should there be significant delays in the receipt of e-money licences or in the measures aimed at securing liquidity, this could jeopardise the successful implementation of the business strategy, which would lead to material uncertainty and thus to significant doubts as to the ability of the business to continue as a going concern.