

Report of the independent auditor to the board of directors on the interim financial statements as of March 31, 2025

SunMirror AG



Report of the independent auditor
to the board of directors of
SunMirror AG, Zug

Zürich, June 24, 2025

Report on the audit on the interim financial statements

Opinion

We have audited the interim financial statements of SunMirror AG (the Company), which comprise the statement of financial position as of March 31, 2025, the statement of income for the period from July 1, 2024 to March 31, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for our opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Independent Auditor's responsibilities for the audit of the interim financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' responsibilities for the interim financial statements

The Board of Directors is responsible for the preparation of the interim financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's responsibilities for the audit of the interim financial statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the interim financial statements is located on EXPERTsuisse's website at: <https://expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Ferax Treuhand AG

Renzo Peduzzi

*Licensed
Audit expert*

Mujo Selimovic

*Licensed
Audit expert*

Enclosures:

- ▶ Balance sheet as at March 31, 2025
- ▶ Income statement for the period from July 1, 2024 to March 31, 2025
- ▶ Notes to the interim financial statements

SunMirror AG

Zug

INTERIM FINANCIAL STATEMENTS as of 31 March 2025

for the fiscal year 2024/25

consists of

- Statement of financial position as of 31 March 2025 and 30 June 2024
- Statement of profit and loss for the nine months ended 31 March 2025 and the twelve months ended 30 June 2024
- Notes to the financial statements

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
SunMirror AG, Zug

STATEMENT OF FINANCIAL POSITION

CHF

	Notes	<u>31 March 2025</u>	<u>30 June 2024</u>
ASSETS			
Cash and cash equivalents	1	843'326	1'864'724
Other current receivables	2	108'451	408'768
Prepaid expenses and accrued income	3	16'789	36'892
Total current assets		<u>968'566</u>	<u>2'310'384</u>
Financial assets	4	4'108'196	8'435'477
Investments in subsidiaries	5	1	1'175'000
Intangible assets	6	1	2'794
Total non-current assets		<u>4'108'198</u>	<u>9'613'271</u>
Total assets		<u>5'076'764</u>	<u>11'923'655</u>
EQUITY AND LIABILITIES			
Trade accounts payable	7	58'332	31'409
Other current liabilities	8	5'678	4'179
Deferred income and accrued liabilities	10	219'476	233'949
Total current liabilities		<u>283'486</u>	<u>269'537</u>
Provisions	9	6'586	7'094
Total non-current liabilities		<u>6'586</u>	<u>7'094</u>
Total liabilities		<u>290'072</u>	<u>276'631</u>
Share capital		2'395'755	2'395'755
Statutory capital reserve		27'343'731	27'343'731
Statutory retained earnings		92	92
Accumulated losses			
Loss carried forward		-18'092'554	-16'725'322
Loss for the year		-6'860'332	-1'367'232
Total equity	11	<u>4'786'692</u>	<u>11'647'024</u>
Total equity and liabilities		<u>5'076'764</u>	<u>11'923'655</u>

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
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STATEMENT OF PROFIT AND LOSS

CHF

	Notes	2024/25 (9 months)	2023/24 (12 months)
Personnel expenses	12	-550'263	-677'601
Other operating expenses	13	-336'394	-435'136
Operating loss before interest, tax, depreciation and amortisation (EBITDA)		-886'657	-1'112'737
Depreciation, amortization and impairment of non-current assets	14	-2'793	-2'390
Operating loss before interest and taxes (EBIT)		-889'450	-1'115'127
Financial income	15	25'031	160'312
Financial expenses	16	-224'685	-254'546
Operating loss before taxes (EBT)		-1'089'104	-1'209'361
Extraordinary, non-recurring or income relating to other periods	17	43'950	56'776
Extraordinary, non-recurring or expenses relating to other periods	18	-5'813'678	-211'747
Loss for the year before taxes		-6'858'832	-1'364'332
Direct taxes	19	-1'500	-2'900
Loss for the year		-6'860'332	-1'367'232

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
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NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Company name, registered office and legal form

Company name and registered office: SunMirror AG, Zug, Switzerland
UID: CHE-395.708.464
Legal form: Aktiengesellschaft (AG)

SIGNIFICANT ACCOUNTING POLICES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (CO), commercial accounting and financial reporting (Art. 957 ff. CO). Disclosures on the principles and accounting options applied, unless they are required by law.

The financial statements are prepared on a going concern basis at cost and are presented in Swiss francs (CHF).

Interim financial statements

Purpose: These interim financial statements have been prepared as the basis for a subsequent merger with a newly incorporated subsidiary.

Simplifications: Due to the fact that no interim financial statements were prepared in previous periods, the comparative figures disclosed are the figures from the last annual financial statements. Therefore, the comparative figures in the balance sheet show the reporting date as of 30 June 2024, and the comparative figures in the income statement cover the twelve months period from 1 July 2023, to 30 June 2024.

Deviations from previous annual financial statements: As a prudent measure, some assets have been valued lower than in the last annual financial statements. These differences are recognized in the income statement as expenses relating to other periods.

Presentation of the statement of profit and loss

The statement of profit and loss is presented in accordance with the nature of expense method.

Share based payments

In May 2023, the Board of Directors of SunMirror AG introduced a stock option plan. Certain members of the management and selected key employees are eligible to participate in the plan (participants). This stock option plan establishes a framework to provide participants with long-term incentives and to better align their interests with the interests of shareholders and the prosperity of the Company. The stock option plan is classified as cash settled. However, the Company has the right to settle either in cash or equity at its sole discretion. The stock option plan may be amended from time to time and is a discretionary incentive plan for employee retention and motivation.

Awards are made on the recommendation of the Remuneration Committee based on participant performance and employment conditions and are approved by the Board of Directors. The individual terms and conditions applicable to each participant in connection with each stock option award, in addition to the general provisions of this plan, are subject a separate award agreement.

Generally, awards are made over a three-year service period. The vested options may subsequently be exercised over a period of 10 years. One option entitles the holder to subscribe one share of SunMirror AG or a corresponding compensation in cash. The exercise prices of the options are calculated by reference to share price historical averages. Upon termination of employment, unvested options may or may not be cancelled depending on the circumstances. The related expense is recognized as personnel expense over the service period and the cumulative liabilities are recognized as non-current provision.

Currency and roundings

Foreign currency items in current assets and current non-interest-bearing liabilities are measured at the closing rate. Corresponding gains and losses are recognized in the income statement for the period. Non-current assets, interest-bearing liabilities and non-current liabilities are valued at the historical exchange rate, except where this would result in overvaluations of assets or undervaluations of liabilities. Foreign currency transactions in the income statement are recorded at the exchange rates prevailing on the date of the transaction.

Individual figures in the annual financial statements are rounded. In tables, such commercially rounded figures may not add up exactly to the respective totals also shown in the tables.

DISCLOSURES ON ITEMS IN THE STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF PROFIT AND LOSS

1	Cash and cash equivalents	CHF	
		31 March 2025	30 June 2024
	Cash in bank	843'326	1'864'724
	Total	843'326	1'864'724

2	Other current receivables	CHF	
		31 March 2025	30 June 2024
	Shareholders (direct or indirect)	277'485	300'200
	Government agencies	38'641	28'786
	Advance payments	67'329	78'282
	Miscellaneous current receivables	2'480	1'500
	Value adjustment	-277'484	0
	Total	108'451	408'768

Receivables from participations were reclassified from current to non-current receivables (financial assets) in the reporting year.

3	Prepaid expenses and accrued income	CHF	
		31 March 2025	30 June 2024
	Prepaid expenses	16'789	27'360
	Accrued income	0	9'532
	Total	16'789	36'892

4	Financial assets	CHF	
		31 March 2025	30 June 2024
	Non-current receivable from participations (direct or indirect)	8'456'859	8'435'477
	Value adjustments	-4'348'663	0
	Total	4'108'196	8'435'477

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
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5 Investments in subsidiaries

	Local currency	Share of votes	Share of capital	Share capital in local currency	CHF		
					Opening balance	Additions/ disposals	Closing balance
SunMirror Luxembourg S.A., Luxembourg (direct shareholding)	EUR	100%	100%	1'111'000	1'175'000	0	1'175'000
Lithium 1 Pty Ltd, Perth, Western Australia (indirect shareholding)	AUD	100%	100%	10	n/a	n/a	n/a
Pharlap Holdings Pte. Ltd., Singapore (indirect shareholding)	SGD	100%	100%	4'172'472	n/a	n/a	n/a
Value adjustments					0	-1'174'999	-1'174'999
End of the period 31 March 2025					1'175'000	-1'174'999	1
SunMirror Luxembourg S.A., Luxembourg (direct shareholding)	EUR	100%	100%	1'111'000	1'175'000	0	1'175'000
Lithium 1 Pty Ltd, Perth, Western Australia (indirect shareholding)	AUD	100%	100%	10	n/a	n/a	n/a
Pharlap Holdings Pte. Ltd., Singapore (indirect shareholding)	SGD	100%	100%	4'172'472	n/a	n/a	n/a
End of the period 30 June 2024					1'175'000	0	1'175'000

6 Intangible assets

	CHF					
	Opening balance	Additions	Disposals	Total before amortization	Amortization	Closing balance
Domains	2'794	0	0	2'794	-2'793	1
End of the period 31 March 2025	2'794	0	0	2'794	-2'793	1
Domains	5'184	0	0	5'184	-2'390	2'794
End of the period 30 June 2024	5'184	0	0	5'184	-2'390	2'794

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
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7 Trade accounts payable	CHF	
	31 March 2025	30 June 2024
Third parties (accounts payable)	42'766	21'031
Other related parties	15'566	10'378
Total	58'332	31'409

8 Other current liabilities	CHF	
	31 March 2025	30 June 2024
Social securities/ government agencies	5'385	3'887
Pension plan	293	292
Total	5'678	4'179

9 Provisions	Number of options	CHF	
		31 March 2025	30 June 2024
Stock option plan management and administrative bodies	17'968	6'586	7'094
Total		6'586	7'094
due within 12 months		0	0
due after 12 months		6'586	7'094

Until 31 March 2025, a total of 17'968 stock options with an average exercise price of EUR 7.00 per share have been legally vested. No further stock options were recognised as compensation expense in the current financial year so far.

10 Deferred income and accrued liabilities	CHF	
	31 March 2025	30 June 2024
Accrued liabilities and short-term provisions	219'476	233'949
Total	219'476	233'949

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
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11 Total equity

	CHF	
	<u>31 March 2025</u>	<u>30 June 2024</u>
Number of bearer shares at a nominal value of CHF 1.00 per share issued at end of period:	2'395'755	2'395'755
Statutory capital reserve		
Capital contribution reserve - opening balance	<u>27'343'731</u>	<u>27'343'731</u>
Total Statutory capital reserve	<u>27'343'731</u>	<u>27'343'731</u>
Statutory retained earnings		
General statutory reserve	<u>92</u>	<u>92</u>
Total Statutory retained earnings	<u>92</u>	<u>92</u>
Accumulated losses		
Loss carried forward	-18'092'554	-16'725'322
Loss for the year	<u>-6'860'332</u>	<u>-1'367'232</u>
Total Accumulated losses	<u>-24'952'886</u>	<u>-18'092'554</u>
Total equity	<u>4'786'692</u>	<u>11'647'024</u>

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12 Personnel expenses		CHF	
		2024/25 (9 months)	2023/24 (12 months)
		-536'502	-652'414
Wages and salaries		-10'336	-13'788
Social security		-1'117	-1'848
Pension plan		-2'308	-9'551
Other personnel expenses		-550'263	-677'601
Total			
Share based payments	Number		
Options and value (expenses)/ price adjustments	0	329	-321
13 Other operating expenses		CHF	
		2024/25 (9 months)	2023/24 (12 months)
Rent		-4'310	-5'863
Insurances, duties, fees, permits		-27'907	-36'609
Administration and IT		-9'449	-15'381
Accounting and consolidation		-21'949	-70'186
Business consulting		0	-2'398
Legal and tax consulting		-87'863	-45'880
Regulatory expenses		-71'602	-60'532
Board of Directors and General Meeting		-13'610	-4'965
Auditing fees		-75'000	-145'137
Investor Relations		-24'699	-48'173
Sundry operating expenses		-5	-12
Total		-336'394	-435'136
14 Depreciation, amortization and impairment of non-current assets		CHF	
		2024/25 (9 months)	2023/24 (12 months)
Amortization intangible assets		-2'793	-2'390
Total		-2'793	-2'390
15 Financial income		CHF	
		2024/25 (9 months)	2023/24 (12 months)
Interest income		24'124	58'169
Gains on currency translation - realized		346	99'994
Gains on currency translation - unrealized		561	2'149
Total		25'031	160'312

INTERIM FINANCIAL STATEMENTS as of 31 March 2025
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16 Financial expenses	CHF	
	2024/25 (9 months)	2023/24 (12 months)
Interest	0	-17
Bank fees	-13'512	-18'778
Losses on currency translation - realized	-27'796	-158'165
Losses on currency translation - unrealized	-183'377	-77'586
Total	-224'685	-254'546

17 Extraordinary, non-recurring or income relating to other periods	CHF	
	2024/25 (9 months)	2023/24 (12 months)
Income relating to other periods	43'950	56'776
Total	43'950	56'776

2024/25

CHF 191: Government subsidy for an earlier reporting period.
CHF 43'759: Reversal of short-term provisions no longer required.

2023/24

CHF 24'380: Successful clawback of an advance payment.
CHF 32'396: Reversal of short-term provisions no longer required.

18 Extraordinary, non-recurring or expenses relating to other periods	CHF	
	2024/25 (9 months)	2023/24 (12 months)
Expenses relating to other periods	-5'813'678	-211'747
Total	-5'813'678	-211'747

2024/25

CHF 1'174'999: Value adjustment on investment in SunMirror Luxembourg S.A. subsidiary.
CHF 4'340'763: Value adjustment on loan to SunMirror Luxembourg S.A.
CHF 287'016: Value adjustments on loan and interest to Gilmore Capital
CHF 10'900: Expenses from previous periods for which no accrual was made.

2023/24

CHF 211'747: Subsequently invoiced services of a subsidiary.

19 Direct taxes	CHF	
	2024/25 (9 months)	2023/24 (12 months)
Capital taxes	-1'500	-2'900
Total	-1'500	-2'900

Direct taxes are related to capital taxes. As the Company shows a loss for the reporting period and the previous period, there are no expenses related to income taxes.

OTHER DISCLOSURES REQUIRED BY LAW**20 Full-time equivalents (average per year/ period)**

	<u>31 March 2025</u>	<u>30 June 2024</u>
The number of full-time equivalents is	not above 10	not above 10

21 Contingent liabilities

The Company has been in a dispute with the holders of the former 52'534 mandatory convertible notes ISIN CH1142529093, which were issued in December 2021 and were automatically converted into SunMirror shares on 20 December 2022 at a price of EUR 75 per share. The noteholders have disputed the conversion of their notes. The Company considers that the notes were rightfully converted to shares and fundamentally disagrees with the noteholder's allegations. On this basis and given the current facts, the Company is of the opinion that the claims are unfounded and does not recognize a provision or disclose a contingent liability in connection with this dispute. At a conciliation hearing in March 2023, no settlement was reached. Following such conciliation hearing the noteholders failed to file a claim in Swiss courts within the applicable deadline. In order to file a claim, the noteholders would have to start the process again and request a new conciliation meeting. There have been no further developments on this matter since March 2023.