

## 2018 Annual Report / Outlook for 2019, Swiss Fintec Invest AG, Kreuzlingen

### Foreword by the Chairman of the Board of Directors

Dear Shareholders,

We are pleased to be able to report to you on the 2018 financial year. As well as reporting retrospectively, we would also like to look ahead today to make some statements about future developments here, and to explain the management's assessment of the future based on what we know at present.

At this point, please allow me to thank all our employees, the management staff and our service providers for their efforts, their commitment and their enthusiasm that are making the wee Group into something magnificent.

On behalf of Swiss Fintec Invest AG

Dr Leo Th. Schrott  
Chairman of the Board of Directors

#### **Note:**

*Where this report uses the words "expect", "assess", "intend" or similar terms that include forward-looking statements, it is pointed out that future development depends on various factors and that Swiss Fintec Invest AG does not intend to update future-oriented statements on a continuous basis. The forward-looking statements are based on the status of knowledge on the day of publication.*

### 1. Business environment

At global level, the financial year was characterised by geopolitical risks and conflicts which, in some cases, were worrying: these include trade disputes which weakened the economic outlook. Growth forecasts were therefore corrected downwards. However, this has virtually no negative impact on the business model of Swiss Fintec Invest AG's subsidiaries. On the contrary: cashback and mobile payment are constantly becoming more popular. Save, collect wees and even have the cashback paid out in cash: these are attractive choices and they are likely to remain so. We assume that we are situated in a growth market.

## 2. Overall conditions

As a corporate conglomerate that operates throughout Europe and overseas, we are confronted with statutory and regulatory requirements which are challenging, given that we want to work in compliance with the law in all jurisdictions.

However, technological developments are also moving forward at a breathtaking pace. Parallel currencies (e-money and cryptocurrencies), mobile payment and blockchain are "megatrends" that are also integral components of our business model.

## 3. Marketplace in 2018

One year ago, we gave a presentation to the shareholders setting out the strategy for our marketplace that was developed by Envolved GmbH. This strategy was also presented to the shareholders attending the general meeting.

a) The dominant activity in 2018 was the implementation of the approved strategy by Envolved GmbH in the focus markets. In this context, a decision was also taken in favour of new software (wee 3.0).

b) No further efforts were made to obtain the e-money licence through weePayment AG, which has its registered office in Liechtenstein. Due to challenges related to compliance with requirements, we decided to accept the offer of collaborating with a German credit institution so that we would be able to use their existing e-money licence in the long term. Negotiations on this subject are taking place for Germany and Austria in the first instance, and they are likely to be completed by the end of July 2019.

c) As regards connecting retailers in the various countries, we are currently collaborating (on the one hand) with MPM Group AG, our external distribution partner. On the other hand, in order to provide additional support for this critical phase, we have also implemented our own in-house distribution structure with the aim of developing traders. The first pilot project was carried out in Munich: weeLove Munich.

## 4. ICO financing

In addition to normal refinancing through our external distribution partner's market development sets, we launched an ICO (Initial Coin Offering) during the year under review. Responsibility for this initiative is taken by weeLicences AG, the subsidiary of Swiss Fintec Invest AG which was renamed weeNexx AG on 19 June 2018.

By the end of the year, EUR 10,693,107 was received through the "Friends & Family" round. The effective ICO is planned by the end of 2019. Through this financing, we shall make the liquid funds required for market development available to the Group.

## 5. Unusual events

There are no unusual events in the financial year which the Board of Directors considers relevant and which would require reporting, except for the suspension of trading in the shares and the threat of delisting from the Paris Euronext. We are currently conducting intensive discussions both with Euronext and also with alternative stock exchanges.

## 6. Outlook for 2019

We can inform you that negotiations are taking place with a Swiss company which holds an e-money licence in Liechtenstein and which, moreover, has successfully passported the licence into various other countries. Our objective here – as a complement to our collaboration with the German banking institution already mentioned – is a cooperation arrangement that would enable us to make wees promptly available as e-money in various additional countries.

Since weePayment AG has not continued to pursue the goal of obtaining a licence, it is intended to liquidate this company in the near future.

On the one hand, the success of our marketplace depends on the scalability of retailer development through our distribution structures – and in this regard, we are very well positioned. On the other hand, success is also related to dynamic channelling of end customers to the marketplace. In terms of strategy, we are convinced that it has been possible to find an ideal combination with the sports and entertainment fan world. For this reason, we expect that we will be able to implement an ideal combination – and one which will deliver success – through wee Sports & Entertainment AG, which is currently in the process of incorporation.

## 7. Risk assessment by the Board of Directors

In the assessment of the Board of Directors, the greatest risks are posed – on the one hand – by the different legal situations in the various European jurisdictions. This is also true throughout the world. The e-money licence is unknown in the mother country, for example, whereas it is a mandatory requirement in various other countries. This envisioned solution – as explained in point 6 – also allows the possibility of passporting into other European countries.

The wee share was temporarily suspended from trading on Euronext. This imposes restrictions on the tradability and liquidity of the share, which can be relevant for its price. The measures that were implemented have been explained above.

There is always a risk involved in refinancing market development. Should it not be possible to implement the ICO as envisioned, alternative possibilities for financing would need to be put into practice rapidly.

Above and beyond these factors, IT security must also be mentioned as a potential risk. Data security, data protection and also KYC (Know Your Customer) are issues to which the wee Group pays the greatest attention, and in which it makes the appropriate investments.

## 8. Corporate governance

### Shareholders and participation rights

It is the view of the Board of Directors that the shareholders' rights are guaranteed with the aforementioned restriction of trading and, consequently, of liquidity.

### Board of Directors

Mr Michael Wild is not standing for re-election. Thanks are due to him for his work as a member of the Board of Directors, and we wish him all the best for the future.

Dr Leo Th. Schrutt, Chairman of the Board of Directors, is making himself available for a further term of office.

The Board of Directors is proposing two new members for election:

Dr Judith Behr, German national, domiciled in Switzerland;  
and

Mr Rolf Gehriger, Swiss citizen, domiciled in Switzerland.

### Auditor

At the extraordinary general meeting on 27 June 2019, ReviCons AG, of Lagerstrasse 33, 8004 Zurich, was elected as the company's auditor for the 2018 financial year, for a period until the closure of the next ordinary general meeting. ReviCons AG has also stated its readiness to carry out the regular statutory audit of the 2018 annual financial statements.

This Annual Report is available for inspection at the company's registered office and will be published online after the general meeting has concluded.

Kreuzlingen, 3 July 2019

Dr Leo Th. Schrutt  
Chairman of the Board of Directors