SunMirror AG
Zug

(former Dynastar AG, Zurich)

Independent Auditor's Report on the Financial Statements
as at 30 June 2020, 31 December 2019, 2018 and 2017

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Independent Auditor's Report

To the Board of Directors of
SunMirror AG, Zug (former Dynastar AG, Zurich)

Opinion

We have audited the financial statements of SunMirror AG (the Company), which comprise the statement of financial position as at 30 June 2020, 31 December 2019, 2018 and 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement give a true and fair view of the financial position of the Company as at 30 June 2020, 31 December 2019, 2018 and 2017 and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Switzerland, 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.

Responsibilities of the Board of Directors' for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and for such internal control as the board of Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for overseeing the Company's financial reporting process.

In preparing the 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors 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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Zurich, 15 December 2020

Grant Thornton AG

Dr. Shqiponja Isufi	Tobias Bader
Audit partner	Manager

<u>Enclosure:</u>

- Financial statements

Statement of financial position

as of 30 June 2020, 31 December 2019, 31 December 2018, 31 December 2017 and 1 January 2017

In USD

ASSETS	Notes	Jun 30 2020	Dec 31 2019	Dec 31 2018	Dec 31 2017	Jan 1 2017
Total non-current assets		**0**	**0**	**0**	**0**	**0**
Current assets						
Securities	3.5	0	0	0	0	104'537
Other receivables	3.8	1'473	128	0	7'353	8'495
Cash and cash equivalents	3.7	234'082	248'249	265'857	332'316	11'664
Total current assets		**235'555**	**248'376**	**265'857**	**339'669**	**124'697**
Total assets		**235'555**	**248'376**	**265'857**	**339'669**	**124'697**
EQUITY AND LIABILITIES						
Equity						
Share capital		327'030	327'030	327'030	327'030	98'425
Legal reserves		93	93	93	22	22
Accumulated loss/Retained Earnings		-111'904	-90'812	-71'032	1'798	409
Foreign currency translation reserve		12'514	7'528	3'895	6'748	0
Total shareholders' equity		**227'734**	**243'838**	**259'987**	**335'597**	**98'856**
Non-current liabilities						
Total non-current liabilities		**0**	**0**	**0**	**0**	**0**
Current liabilities						
Other payables	3.9	7'821	4'538	5'870	4'072	25'841
Total current liabilities		**7'821**	**4'538**	**5'870**	**4'072**	**25'841**
Total liabilities		**7'821**	**4'538**	**5'870**	**4'072**	**25'841**
Total equity and liabilities		**235'555**	**248'376**	**265'857**	**339'669**	**124'697**

Statement of profit and loss and comprehensive income

for the periods ended 30 June 2020, 31 December 2019, 31 December 2018 and 31 December 2017

In USD	**Notes**	**2020**	**2019**	**2018**	**2017**
Revenue	3.1	0	0	0	0
Other income	3.2	0	0	0	35'693
Personnel expense	3.3	-6'213	-6'038	-6'184	-31'482
General and administrative expense	3.4	-14'766	-13'627	-66'459	-6'658
Operating loss		**-20'980**	**-19'665**	**-72'643**	**-2'446**
Finance income	3.5	0	0	0	4'693
Finance expense	3.5	-112	-116	-115	-357
Earnings before taxes		**-21'091**	**-19'781**	**-72'758**	**1'891**
Income tax	3.6	0	0	0	-502
Loss / Profit for the period		**-21'091**	**-19'781**	**-72'758**	**1'389**
Effects from currency translation		4'987	3'632	-2'853	6'748
Other comprehensive income		**4'987**	**3'632**	**-2'853**	**6'748**
Total comprehensive loss/income for the period		**-16'105**	**-16'148**	**-75'611**	**8'137**

Statement of changes in equity

for the periods ended 30 June 2020, 31 December 2019, 31 December 2018 and 31 December 2017

In USD	Share capital	Legal reserves	Accumul. Loss/ Retained Earnings	Effects from currency translation	Total share-holders' equity
Balance as at 01 January 2017	98'425	22	409	0	98'856
Capital increase	228'605	0	0	0	228'605
Total comprehensive loss/income	0	0	1'389	6'748	8'137
Balance as at 31 December 2017	**327'030**	**22**	**1'798**	**6'748**	**335'597**
Balance as at 01 January 2018	327'030	22	1'798	6'748	335'597
Total comprehensive loss/income	0	0	-72'758	-2'853	-75'611
Allocation to legal reserves	0	72	-72	0	0
Balance as at 31 December 2018	**327'030**	**93**	**-71'032**	**3'895**	**259'987**
Balance as at 01 January 2019	327'030	93	-71'032	3'895	259'987
Total comprehensive loss/income	0	0	-19'781	3'632	-16'148
Balance as at 31 December 2019	**327'030**	**93**	**-90'812**	**7'528**	**243'838**
Balance as at 01 January 2020	327'030	93	-90'812	7'528	243'838
Total comprehensive loss/income	0	0	-21'091	4'987	-16'105
Balance as at 30 June 2020	**327'030**	**93**	**-111'904**	**12'514**	**227'734**

Statement of cash flows

for the periods ended 30 June 2020, 31 December 2019, 31 December 2018 and 31 December 2017

In USD	Note	2020	2019	2018	2017
Cash flows from operating activities					
Loss/Profit of the period/year		**-21'091**	**-19'781**	**-72'758**	**1'389**
Increase/decrease in other receivables	3.8	-1'345	-128	7'353	1'142
Increase/decrease in other payables	3.9	3'283	-1'332	1'798	-21'769
Net cash flow from operating activities		**-19'153**	**-21'240**	**-63'607**	**-19'238**
Cash flows from investing activities					
Sale of securitites	3.5	0	0	0	104'537
Net cash flow from investing activities		**0**	**0**	**0**	**104'537**
Cash flows from financing activities					
Capital increase		0	0	0	228'605
Net cash flow from financing activities		**0**	**0**	**0**	**228'605**
Net foreign exchange differences		4'987	3'632	-2'853	6'748
Net change in cash and cash equivalents		**-14'167**	**-17'608**	**-66'460**	**320'652**
Cash and cash equivalent at beginning of year		248'249	265'857	332'316	11'664
Cash and cash equivalent at end of year		**234'082**	**248'249**	**265'857**	**332'316**

Notes to the financial statements

1 General information

The purpose of SunMirror AG ("the Company") as a holding company in the raw materials sector is to promote the long-term value of the subsidiaries, the affiliated companies or the parties involved and to provide the associated financing through uniform administration and central services.

The company is a limited liability company incorporated and domiciled in Switzerland. The shares are listed under ISIN CH0396131929 on the Regulated Unofficial Market in Duesseldorf, Germany. The company changed its name to SunMirror AG (former Dynastar AG) on 31 August 2020. The address of its registered office and principle place of business is Steinhauserstrasse 74, Zug, Switzerland. The company was managed by Dr. M. Gubser, who was the Board of Director of the company until 12 August 2020. Ultimate Beneficial Owner was R. Felder. From 12 August 2020 onwards, the company is managed by Dr. Heinz Kubli who is the Board of Director of the company. Ultimate Beneficial Owner are several shareholders.

These financial statements were authorised for issue by the board of directors on 15 December 2020.

SunMirror AG prepares and publishes its financial statements in US Dollar (USD). Unless otherwise stated, the numbers are rounded in USD. The presentation currency is different from SunMirrors functional currency, which is determined as Swiss Franc (CHF). Due to rounding, it is possible that figures in the financials may not add up exactly to the sum given.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of SunMirror AG (formerly Dynastar AG) have been prepared on a going concern basis in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

These financial statements contain a short fiscal year which is the period 1 January 2020 to 30 June 2020 leading to limited comparability with the comparative periods. Going forward, the fiscal year will be from 1 July to 30 June.

2.2 First-time adoption of IFRS

These financial statements, for the period ended 30 June, 2020, are the first the Company has prepared in accordance with IFRS as adopted by the European Union. For periods up to and including the period ended June 30, 2020, the Company prepared its financial statements in accordance with IFRS for SME.

Accordingly, the Company has prepared financial statements that comply with IFRS as adopted by the European Union, applicable as at 30 June, 2020. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2018, the Company's date of transition to IFRS as adopted by the European Union. No adjustments compared to the former financial statements were necessary. The estimates at 1 January 2019, at 31 December, 2019 and at 30 June 2020 are consistent with those made for the same dates in accordance with IFRS for SMEs.

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

2.3.1 Current versus non-current classifications

The Company presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is current when it is either: (i) expected to be realized within twelve months after the reporting period or (ii) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when it is due to be settled within twelve months after the reporting period.

2.3.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For some assets and liabilities, observable market transactions or market information is available. For other assets and liabilities, observable market transactions or market information might not be available. When a price for an identical asset or liability is not observable, another valuation technique is used. To increase consistency and comparability in fair value measurements, there are three levels of the fair value hierarchy. Level 1 contains the use of quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 3 inputs are unobservable. Within this hierarchy level estimated values were made, based on reasonable assumptions including other fair value methods by management.

For assets and liabilities that are recognized in the financial statements at fair value on a re-curing basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

As of the reporting date, none of the Company's assets or liabilities are measured at fair value on a recurring basis.

2.3.3 Employee benefits

<u>Short-term employee benefits</u>

Short-term employee benefits are expenses as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

<u>Long-term employee benefits</u>

Provisions for pensions are recognised for obligations relating to vested benefits and current benefit payments to eligible active and former employees of the Company and their surviving dependants. Pension plans according to IFRS are generally either defined contribution plans or defined benefit plans.

The Company does not employ own personal. The directors do not have employment contracts with the entity but with an external service company. They are however considered employees for IAS 19 purposes and the invoice charged is treated as personal expense as shown in the income statement. No long-term obligation exists.

2.3.4 Taxes

<u>Current income tax</u>

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>Deferred tax</u>

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either (i) the same taxable entity or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3.5 Foreign currencies

The Company's financial statements are presented in USD, which is different to the functional currency (CHF). The Company intends to expand its activities within the mineral sector, whose main currency is the USD.

For each subsidiary, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to the statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

Foreign exchange gains or losses are included in other income or other expenses.

Presentation currency

Selecting a presentation currency that is different from the functional currency requires a translation from the functional currency into the presentation currency. The results and financial position is translated using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
- Income and expenses for each statement presenting profit or loss and other comprehensive income are translated at exchange rates at the transaction dates. The Company uses average rates as approximates to the exchange rates at the transaction date.
- All resulting exchange differences are recognised in other comprehensive income, and they are accumulated as a separate component of equity.

2.3.6 Leases

The Company assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

SunMirror AG applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). SunMirror AG also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Currently, the Company has not identified any leases.

2.3.7 Financial instruments

Financial assets

Financial instruments are initially measured at fair value (this includes transaction costs except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

These instruments are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The category *financial instruments at fair value through OCI with recycling* is not relevant for the Company.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

These instruments are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A financial asset is primarily derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to a third party.

The Company's financial assets mainly consist of cash and cash equivalents measured at amortized cost. The Company's receivables do not bear interest.

<u>Impairment of financial assets</u>

An allowance for expected credit losses (ECLs) has to be recognized for all financial debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company may apply a simplified approach in calculating ECLs. Under this approach, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For purposes of subsequent measurement, financial liabilities are classified in two categories – at fair value through profit or loss or at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.3.9 Equity

Share capital represents the nominal value of the shares that have been issued. Legal reserves consist of the reserves that have to be constituted according to Swiss law. Retained earnings/Accumulated loss include all current and prior period retained profits or losses. The Company's shares have a nominal value of 1 CHF.

2.4 Standards issued but not yet effective

The Company analysed new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements and that might have an impact on the Company's financial statements. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In USD	**tax loss (unused)**
Tax loss from 2019, expiring in 2026	73'561
Tax loss from 2018, expiring in 2025	19'993
Tax loss from 2017, expiring in 2024	20'915
Total unused tax losses	**114'469**

As 31 of December 2019, the Company has in total USD 114'469 of tax losses carried forward. These losses relate to a history of losses and expire within 7 years.

The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

As of the reporting date, no further significant judgements had been identified that might have an impact on the financial statements.

3 Details on performance and balance sheet items

3.1 Revenue

The Company did not start its operating activities yet, therefore no revenue had been generated in the reporting period and in the comparative period.

3.2 Other income

In USD	**2020**	**2019**	**2018**	**2017**
Other income	0	0	0	35'693
Other income	**0**	**0**	**0**	**35'693**

3.3 Personnel expense

In USD	2020	2019	2018	2017
Board of directors fee	-6'213	-6'038	-6'184	-31'482
Total personnel expense	**-6'213**	**-6'038**	**-6'184**	**-31'482**

3.4 General and administrative expense

In USD	2020	2019	2018	2017
Office rent	-1'243	-2'415	-2'657	-914
Adiminstrative expense	-13'236	-10'984	-62'575	-3'110
Capital tax	-288	-228	-572	-248
Other expense	0	0	-655	-2'386
Total general and administrative expense	**-14'766**	**-13'627**	**-66'459**	**-6'658**

3.5 Finance result

In USD	2020	2019	2018	2017
Bank charges	-112	-116	-115	-357
Total finance expenses	**-112**	**-116**	**-115**	**-357**
Interest on securites	0	0	0	2'895
Exchange gains on securities	0	0	0	1'798
Total finance income	**0**	**0**	**0**	**4'693**
Total Finance result	**-112**	**-116**	**-115**	**4'336**

Interest and exchange gains relate to a security in the amount of USD 104'537 as of 1 January 2017. The security has been sold during 2017.

3.6 Income Tax

Due to the overall loss for the period, no income tax was payable in the period from 1 January 2020 to 30 June 2020 as well as for the comparative period. The company has tax loss carryforwards in the amount of USD 114’469 but determined, that there is not enough potential to recognize these losses as deferred tax assets. Refer to chapter I2.5 Significant accounting judgements, estimates and assumptions for further details.

A reconciliation of tax expense and the accounting loss multiplied by SunMirror's domestic tax rate for 2017, 2018, 2019 and 2020 is provided below:

In USD	**2020**	**2019**	**2018**	**2017**
Loss/Profit before income tax in USD	**-21'091**	**-19'781**	**-72'758**	**1'891**
Expected tax income/expense based on the average tax rate	2'509	2'353	8'654	-225
Income tax paid	0	0	0	-502
Lack of recognition of deferred tax assets	-2'509	-2'353	-8'654	0
Other	0	0	0	277
Tax expense according to income statement	**0**	**0**	**0**	**-502**
Effective tax rate	*-11.9%*	*-11.9%*	*-11.9%*	*-11.9%*

3.7 Cash and cash equivalents

In USD	**Jun 30 2020**	**Dec 31 2019**	**Dec 31 2018**	**Dec 31 2017**	**Jan 01 2017**
Cash at bank	234'082	248'249	265'857	332'316	11'664
Total cash and cash equivalents	**234'082**	**248'249**	**265'857**	**332'316**	**11'664**

3.8 Other receivables

In USD	**Jun 30 2020**	**Dec 31 2019**	**Dec 31 2018**	**Dec 31 2017**	**Jan 01 2017**
VAT/withholding tax	1'179	128	0	2'732	2'618
Prepaid expense	294	0	0	0	758
Other receivables	0	0	0	4'621	5'118
Total other receivables	**1'473**	**128**	**0**	**7'353**	**8'495**

3.9 Other payables

In USD	Jun 30 2020	Dec 31 2019	Dec 31 2018	Dec 31 2017	Jan 01 2017
Audit fees (accrued)	3'169	3'224	2'543	3'081	0
Audit fees 2019	2'011	0	0	0	0
Accouting fees (accrued)	2'641	827	1'017	0	0
Office rent	0	0	1'831	0	0
Tax liabilities	0	487	479	991	295
Other payables	0	0	0	0	2'953
Other payables (related parties)	0	0	0	0	22'593
Total other payables	**7'821**	**4'538**	**5'870**	**4'072**	**25'841**

4 Other disclosures

4.1 Disclosure on financial instruments

4.1.1 Fair values and categories of financial instruments

The Company's financial instruments comprise of cash and cash equivalents that are categorized at amortized cost. Due to the short-term maturities, fair values of these financial instruments approximate their carrying amounts. In 2017 the Company held securities measured at fair value through profit or loss.

4.1.2 Financial instruments risk management objective and policies

The Company's exposure to risk is limited to the nature of its financial instruments.

<u>Credit risk</u>

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its activities, including deposits with banks and financial institutions.

Credit risk from balances with banks and financial institutions is managed by the Company on an ongoing basis. Investments of surplus funds are made only with banks. Credit risk stemming from cash and deposits is very low. Deposits are secured by the deposit protection funds.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020, 31 December 2019, 2018 and 2017 are the carrying amounts as illustrated in the financial statements.

<u>Liquidity risk</u>

The Company monitors its risk of a shortage of funds. SunMirror AG only holds short-term debt and ensures the availability of cash and cash equivalents.

<u>Foreign currency risk</u>

The Company's exposure to foreign currency risk is very limited, as most of the transactions are currently denominated in Swiss Francs. The Company continuously monitors future risk exposure to ensure that respective actions can be taken.

<u>Risk concentration</u>

The Company is not aware of any concentrations of risk that could adversely affect the Company's financial statements.

4.1.3 Capital risk management

The objective of the capital management of SunMirror AG is primarily designed to finance the Company's growth strategy and to maximise the shareholder value. Capital includes share capital, legal reserves and any retained earnings or accumulated loss.

4.2 Related party transactions

The company's related parties include its associates and key management personnel. None of the transactions incorporates special terms and conditions and no guarantees were given or received. Outstanding balances were unsecured and are usually settled in cash.

4.2.1 Transactions with key management personnel

Transactions with key management personnel (M. Gubser) during the period from 1 January 2020 to 30 June 2020 includes the board of director's fee of USD 6'213 (2019: USD 6'038, 2018: USD 6'184). The fee was paid to LEGAFIN GmbH, which is fully owned by Mr. Gubser. There was no outstanding balance at 30 June 2020.

In 2017 the transaction with key management personnel (M. Dudler) include the board of director's fee of USD 31'482 and other payables in the amount of USD 22'593 as of 1 January 2017. The payable has been repaid during 2017.

5 Events after the end of reporting period

On 31 August 2020, the Company's general meeting resolved to change the company's name from Dynastar AG to SunMirror AG. Additionally, the fiscal year was changed to the period 1 July to 30 June.

Furthermore, the Company has implemented a capital increase from CHF 325'000 to CHF 2'000'000 by means of a cash contribution of CHF 500,000 and a contribution in kind of CHF 1'175'000. Couno Resources S.A., a mining and exploration business, was in turn be transferred to SunMirror on 18 September 2020 as a contribution in kind. On balance, SunMirror's share capital will therefore rise from CHF 325'000 to CHF 2'000'000. With its capital increase, the company has relocated its registered office to Zug.

From 12 August 2020 onwards, the Company is managed by Dr. Heinz Kubli who is the Board of Director of the company.