



Profundo B.V.
Located Amsterdam

ANNUAL REPORT 2018

Compilation statement 29 July 2019

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Profundo B.V.
Radarweg 505
1043 NZ Amsterdam

Limmen, 29 July 2019

Considering the fact that we have not completed the compilation of these financial statements yet, we have not issued a compilation report at this moment. In accordance with professional standards we have mentioned 'unaudited' on each page of these financial statements.

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Profundo B.V., Amsterdam, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2018 and the statement of income and expenditure for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Profundo B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

FINANCIAL POSITION

To provide insight in the development of the financial position of the Company we provide you with the following statements. These are based on the information from the annual report. Hereafter we provide you with the balance sheet as at 31 December 2018 in an abridged form.

Financial structure

	31-12-2018		31-12-2017	
	€	%	€	%
Assets				
Intangible fixed assets	1.500	0,2	2.000	0,3
Tangible fixed assets	16.470	2,1	20.747	2,9
Receivables	258.937	33,1	385.495	53,2
Cash at bank and in hand	504.530	64,6	314.979	43,6
	<u>781.437</u>	<u>100,0</u>	<u>723.221</u>	<u>100,0</u>
Liabilities				
Equity	280.496	35,9	230.979	31,9
Provisions	40.393	5,2	39.601	5,5
Long-term liabilities	36.780	4,7	36.758	5,1
Short-term liabilities	423.768	54,2	415.883	57,5
	<u>781.437</u>	<u>100,0</u>	<u>723.221</u>	<u>100,0</u>

Analysis of the financial position

	<u>31-12-2018</u> €	<u>31-12-2017</u> €
Available on short term		
Receivables	258.937	385.495
Cash at bank and in hand	<u>504.530</u>	<u>314.979</u>
	763.467	700.474
Short-term liabilities	<u>-423.768</u>	<u>-415.883</u>
Liquidity surplus = working capital	<u>339.699</u>	<u>284.591</u>
Established for the long term		
Intangible fixed assets	1.500	2.000
Tangible fixed assets	<u>16.470</u>	<u>20.747</u>
	<u>17.970</u>	<u>22.747</u>
Financed with on the long term available assets	<u>357.669</u>	<u>307.338</u>
Financing		
Equity	280.496	230.979
Provisions	40.393	39.601
Long-term liabilities	<u>36.780</u>	<u>36.758</u>
	<u>357.669</u>	<u>307.338</u>

FISCAL POSITION

Calculation taxable amount

The taxable amount for the current financial year has been calculated as follows:

				2018 €
Result from ordinary activities before taxation				62.569
Partially deductible amounts	Base amount	%	€	
Representation expenses	2.932	26,50	777	
Canteen expenses	10.148	26,50	2.689	
Excursions/seminars/congresses	631	26,50	167	
				3.633
				66.202
Investment agreements				
Small scale investment allowance				-940
Taxable amount				65.262
Rounding				2
Rounded taxable amount				65.260

Situation at balance sheet date

The corporate income tax liability / asset as at 31 December 2018 can be specified as follows:

Year	Liability / Receivable at 01-01-2018 €	corporate tax (income/expenses) in 2018 €	Payments / receipts during 2018 €	Adjustments in 2018 €	Liability / Receivable at 31-12-2018 €
2016	-17.478	-	17.478	-	-
2018	-	13.052	-16.854	-	-3.802
	-17.478	13.052	624	-	-3.802

Please do not hesitate to raise any queries you may have.

Yours sincerely,

Vanhier B.V.

M.J.A. Koot
Registeraccountant



Financial statements

**BALANCE SHEET AS AT 31 DECEMBER 2018***(After proposal distribution of profit)*

		31-12-2018	31-12-2017
		€	€
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>	<i>1</i>		
Goodwill		1.500	2.000
<i>Tangible fixed assets</i>	<i>2</i>		
Furniture, fixtures and fittings		16.470	20.747
Current assets			
<i>Receivables</i>			
Trade debtors	3	140.366	136.847
Taxes and social security premiums	4	9.530	22.302
Other receivables and accrued assets	5	109.041	226.346
		258.937	385.495
<i>Cash at bank and in hand</i>	<i>6</i>	504.530	314.979
Total assets		781.437	723.221

		<u>31-12-2018</u>		<u>31-12-2017</u>	
		€	€	€	€
LIABILITIES					
Equity	7				
Capital	8	18.000		18.000	
General reserve		<u>262.496</u>		<u>212.979</u>	
			280.496		230.979
Provisions					
Annuity commitments	9		40.393		39.601
Long-term liabilities	10				
			36.780		36.758
Short-term liabilities					
Trade creditors	11	12.549		7.103	
Taxes and social security premiums	12	74.547		88.837	
Other liabilities and accrued expenses	13	<u>336.672</u>		<u>319.943</u>	
			423.768		415.883
Total liabilities			<u><u>781.437</u></u>		<u><u>723.221</u></u>



STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2018

		2018	2017
		€	€
Net Turnover	14	1.423.261	1.366.608
Personnel costs	15	1.000.530	1.011.442
Amortisation of intangible fixed assets	16	500	500
Depreciation of tangible fixed assets	17	7.629	8.174
Other staff costs	18	42.052	47.324
Housing costs	19	93.727	77.095
Selling costs	20	64.349	60.655
Office costs	21	31.212	30.376
General costs	22	119.343	153.358
Total operating expenses		<u>1.359.342</u>	<u>1.388.924</u>
Operating result		63.919	-22.316
Other interest and similar income	23	-	214
Interest and similar costs	24	<u>-1.350</u>	<u>-1.727</u>
Financial income and expense		<u>-1.350</u>	<u>-1.513</u>
Result from operational activities before taxation		62.569	-23.829
Corporate income tax		<u>-13.052</u>	<u>4.466</u>
Net result after taxation		<u><u>49.517</u></u>	<u><u>-19.363</u></u>



NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Profundo B.V. is Radarweg 505, 1043 NZ in Amsterdam NL. Profundo B.V. is registered at the Chamber of Commerce under number 55290833.

General notes

The most important activities of the entity

The activities of Profundo B.V. consist mainly of consultancy in the field of operational management.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Profundo B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code, with the exception of Section 6 'Provisions in respect of the principles of valuation and of the determination of the result'. Instead, the principles for the determination of the taxable profit are applied, as stipulated in the Corporate Income Tax Act ('Wet op de Vennootschapsbelasting 1969'). In addition, the Decree on Fiscal valuation principles ('Besluit fiscale waarderingsgrondslagen') and the 'Handreiking bij de toepassing van fiscale grondslagen voor kleine rechtspersonen' of the Dutch Accounting Standards Board are applicable.

Assets and liabilities are generally valued at historical cost or production cost less depreciation at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting principles.

Intangible assets

With effect from 1 January 2007, production costs of intangible fixed assets can be charged in full to the result of the calendar year under section 3.30 of the Dutch Income Tax Act 2001 ('Wet op de Inkomstenbelasting 2001'). Intangible fixed assets from a date prior to 1 January 2007 are carried at the costs incurred less the accumulated amortisation costs and, if applicable, impairment costs. The annual amortisation costs are accounted for as a fixed percentage of the costs incurred, as is specified in the disclosure notes to the balance sheet.

Goodwill originating from acquisitions is capitalised and depreciated over a period of at least 10 years. Depreciation takes place on the basis of the straight-line method.

Property, plant and equipment

Land and buildings are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account.

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

The depreciation costs are based on the estimated economic useful life, unless a legal maximum percentage of 20% is prescribed under tax law, and are calculated on the basis of a fixed percentage of the cost price, taking into account a residual value, if applicable. Depreciation commences from the date of initial use. Land is not depreciated. Depreciation takes place up to the minimum value; for buildings the minimum value is 50% of the value for the purpose of the Valuation of Immovable Property Act ('WOZ-waarde'), on other buildings (being



buildings held for investment), this amounts to 100% of the value for the purposes of the Valuation of Immovable Property Act.

Receivables

Receivables are carried at their nominal value, less any provisions deemed necessary to mitigate the risk of bad debt. These provisions are determined on the basis of an individual assessment of the receivables. Unless stated otherwise, the receivables have a maturity of less than 1 year.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Provisions

Provisions are recognised for future expenses, if:

1. those expenses originate from facts or circumstances which took place prior to the balance sheet date;
2. there is a reasonable certainty that these facts or circumstances will take place; and
3. can be attributed to that period.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension (including self-administered) are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise. If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Other provisions

The provisions for annuities has been calculated with 2% interest. The actuarial interest rate applied equals the market interest for long-term liabilities at the time those obligations were entered into. Amounts paid for annuities and standing rights are deducted from this provision.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Wages

The benefits payable to personnel are recorded in the statement of income and expenditure on the basis of the employment conditions.

Amortisation of intangible assets and depreciation of property, plant and equipment

Intangible fixed assets (to the extent that they have been capitalised), including goodwill, and tangible fixed assets are depreciated or amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets and capitalised goodwill. Land is not depreciated.



Any book results realised upon the disposal of intangible and tangible fixed assets are recognised under Depreciation and amortisation. Upon the appropriation of the result book profits are recognised in a reinvestment reserve if and insofar as permitted under tax law.

Acquisition costs or production costs relating to operating assets assigned as operating assets in the interest of the protection of the Dutch environment are depreciated on an arbitrary basis.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Income tax expense

Tax on the result is calculated based on the result before tax in the statement of income and expenditure, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs.

**NOTES TO THE BALANCE SHEET****Fixed assets****1 Intangible fixed assets**

	Goodwill €
Book value as at 1 January 2018	2.000
Amortisations	<u>-500</u>
Book value as at 31 December 2018	<u>1.500</u>

2 Tangible fixed assets

	Furniture, fixtures and fittings €
Balance as at 1 January 2018	
Acquisitions costs	66.093
Accumulated depreciation	<u>-45.346</u>
Book value as at 1 January 2018	<u>20.747</u>
Movements	
Investments	3.352
Depreciation	<u>-7.629</u>
Balance movements	<u>-4.277</u>
Balance as at 31 December 2018	
Acquisitions costs	69.446
Accumulated depreciation	<u>-52.976</u>
Book value as at 31 December 2018	<u>16.470</u>
Depreciation percentages	<u>20</u>

**Current assets****Receivables**

	31-12-2018	31-12-2017
	€	€
3 Trade debtors		
Trade debtors	140.366	136.847

4 Taxes and social security premiums

Company tax	3.802	17.478
Pension contributions	5.728	4.824
	9.530	22.302

5 Other receivables and accrued assets

Work in progress	72.750	182.023
Prepaid costs	36.291	44.323
	109.041	226.346

6 Cash at bank and in hand

Triodos Bank	504.530	314.979
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7 Equity

	Capital	General reserve	Total
	€	€	€
Balance as at 1 January 2018	18.000	212.979	230.979
Appropriation of result	-	49.517	49.517
Balance as at 31 December 2018	18.000	262.496	280.496

The withheld part of the result in equity

The withheld part of the result in equity amounts to € 49.517.

8 Capital

All the shares are held by mr. J. van Gelder.

Disclosure of share capital

The issued share capital of the company amounts to € 90.000, divided into 90.000/€ 1 ordinary shares.
The total number of issued shares is 18.000/€ 1.

**Provisions**

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
9 Annuity commitments		
Annuity commitments	<u>40.393</u>	<u>39.601</u>

When Profundo was converted from a sole proprietorship to a private company, a pension reserve was formed on behalf of the owner. On this pension reserve an annual interest rate of 2% is applicable.

10 Long-term liabilities

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
Retirement obligation		
Old-age pension commitment (ODV)	<u>36.780</u>	<u>36.758</u>

According to fiscal legislation the self administrated pension scheme is in 2017 converted in a long term liability.

Short-term liabilities

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
11 Trade creditors		
Trade creditors	<u>12.549</u>	<u>7.103</u>

12 Taxes and social security premiums

Value added tax	48.472	62.745
Wage tax	<u>26.075</u>	<u>26.092</u>
	<u>74.547</u>	<u>88.837</u>

13 Other liabilities and accrued expenses

Other liabilities	20.641	20.040
Holiday allowances	72.147	68.716
Expenses to be paid	19.088	19.630
Prepayments on research projects	<u>224.796</u>	<u>211.557</u>
	<u>336.672</u>	<u>319.943</u>

Off-balance-sheet rights, obligations and arrangements**Disclosure of off-balance sheet commitments**

The annual rental commitment for office space is € 87.300 (ex VAT).



Proposal appropriation of result

The management of the company proposes to appropriate the result as follows:

The net result for the year 2018 in the amount of € 49.517 will be added in full to the General reserve.

This proposal needs to be determined by the General Meeting, but has already been processed in anticipation in the annual accounts 2018 for the company.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

	2018 €	2017 €
14 Net Turnover		
Turnover	1.423.261	1.366.608
15 Personnel costs		
Wages and salaries	782.012	794.201
Social security premiums and pensions cost	218.518	217.241
	1.000.530	1.011.442
<u>Wages and salaries</u>		
Salaries	732.129	780.986
Received sick funds	-16.313	-65.681
Internship remunerations	425	150
Holiday allowances	65.540	73.946
Other	231	4.800
	782.012	794.201
Average number of employees		
The average number of employees calculated on a full-time-equivalent basis was:		
2018		
Average number of employees	Number	17,60
2017		
Average number of employees	Number	18,70
<u>Social security premiums and pensions cost</u>		
Social security charges	129.346	135.441
Health insurance	30.144	20.823
Addition pension provision for scheme	-	4.709
Other pension charges	59.028	56.268
	218.518	217.241
16 Amortisation of intangible fixed assets		
Amortisation costs goodwill	500	500
17 Depreciation of tangible fixed assets		
Depreciation costs inventory	7.629	8.174

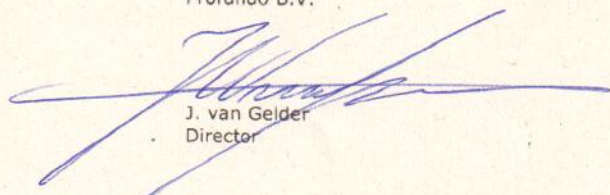
	2018	2017
	€	€
18 Other staff costs		
Pension advisor	4.428	4.770
Study costs staff	3.415	4.786
Personnel recruitment costs	-	550
Food, drinks and other accommodation costs	2.802	2.156
Traveling costs commuting	22.989	28.093
Other staff costs	8.418	6.969
	<u>42.052</u>	<u>47.324</u>
19 Housing costs		
Rent costs	90.511	64.075
Other housing costs	3.216	13.020
	<u>93.727</u>	<u>77.095</u>
20 Selling costs		
Hotel and accommodation costs	21.047	17.993
Other sales costs	538	102
Other gifts	1.000	-
Maintenance and development websites	6.800	4.715
Other travelling costs	34.964	37.845
	<u>64.349</u>	<u>60.655</u>
21 Office costs		
Office supplies	111	1.939
Postage costs	321	485
Telephone and fax costs	7.623	5.362
Printed matters	-	493
Literature	365	805
Automation costs	22.792	21.292
	<u>31.212</u>	<u>30.376</u>
22 General costs		
Subscriptions	3.777	2.416
Insurance premium	2.393	1.701
Audit costs, other non-audit services	5.509	5.142
Database costs	81.172	87.591
Management advice	845	9.675
Banking costs	1.199	17.767
Research and information costs	21.129	29.066
Other general costs	3.319	-
	<u>119.343</u>	<u>153.358</u>



Profundo B.V. at Amsterdam

	<u>2018</u>	<u>2017</u>
	€	€
23 Other interest and similar income		
Received bank interest	-	214
24 Interest and similar costs		
Interest tax authorities	-	319
Interest other liabilities	601	632
Interest annuity commitment	749	776
	<u>1.350</u>	<u>1.727</u>

Amsterdam, 29 July 2019
Profundo B.V.



J. van Gelder
Director