

**ANNUAL REPORT 2017
AT THE HAGUE**

Tymlez Holding B.V.

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REPORT OF THE AUDITORS

To the board of directors of
Tymlez Holding B.V.
Prinses Beatrixlaan 582
2595 BM The Hague

Referentie: 84190000/TM

The Hague, June 12, 2018

Dear sirs,

Herewith we report on the annual account of Tymlez Holding B.V. regarding the financial year 2017.

1 AUDIT

In accordance with your instructions we have audited the annual account 2017 of your company, including the consolidated balance sheet with counts of € 2,017,819 and the consolidated profit and loss account with a negative result after taxes of € 145,938.

For the audit opinion we refer to the chapter "Other information" on page 22 of this report.

2 RESULTS

2.1 Development of income and expenses

The result after taxation has increased, compared to financial year 2016, with € 142,016 ending in a result of negative € 145,938. A comparison between both financial years gives the following figures. The amounts have been derived from the consolidated profit and loss account.

	2017		2016	
	€	%	€	%
Net turnover	332,614	100.0	68,150	100.0
Cost of sales	-	-	9,954	14.6
Gross margin	332,614	100.0	58,196	85.4
Employee expenses	3,381	1.0	-	-
Amortisation and depreciation	1,743	0.5	1,005	1.5
Other labour expenses	249	0.1	213	0.3
Accommodation expenses	24,724	7.4	18,264	26.8
Operating expenses	10,477	3.2	3,823	5.6
Office expenses	48,897	14.7	31,370	46.0
Selling and distribution expenses	50,194	15.1	39,390	57.8
General expenses	313,419	94.2	250,702	367.9
Total operating expenses	453,084	136.2	344,767	505.9
Operating result	-120,470	-36.2	-286,571	-420.5
Financial income and expenses	-25,468	-7.7	-1,383	-2.0
Taxes	-	-	-	-
Result after tax	-145,938	-43.9	-287,954	-422.5
Result after taxation	-145,938	-43.9	-287,954	-422.5

3 FINANCIAL POSITION

The following compilation, based on the data from the consolidated balance sheets, can be used to analyse the financial position:

	12/31/2017		12/31/2016	
	€	%	€	%
ASSETS				
Fixed assets				
Intangible fixed assets	663,761	32.9	229,643	61.3
Tangible fixed assets	11,304	0.6	7,223	1.9
	<u>675,065</u>	<u>33.5</u>	<u>236,866</u>	<u>63.3</u>
Current assets				
Receivables, prepayments and accrued income	186,480	9.2	83,564	22.3
Cash and cash equivalents	1,156,274	57.3	53,969	14.4
	<u>1,342,754</u>	<u>66.5</u>	<u>137,533</u>	<u>36.7</u>
	<u><u>2,017,819</u></u>	<u><u>100.0</u></u>	<u><u>374,399</u></u>	<u><u>100.0</u></u>
EQUITY AND LIABILITIES				
Equity	-133,894	-6.6	12,046	3.2
Non-current liabilities	1,943,699	96.3	241,820	64.6
Current liabilities	208,014	10.3	120,533	32.2
	<u><u>2,017,819</u></u>	<u><u>100.0</u></u>	<u><u>374,399</u></u>	<u><u>100.0</u></u>

3.1 Analysis of the available assets

The consolidated balance sheet can be summarized as follows:

	12/31/2017	12/31/2016
	€	€
Long term funds:		
Equity	-133,894	12,046
Non-current liabilities	1,943,699	241,820
	<u>1,809,805</u>	<u>253,866</u>
Long term investments:		
Intangible fixed assets	663,761	229,643
Tangible fixed assets	11,304	7,223
	<u>675,065</u>	<u>236,866</u>
Working capital	<u>1,134,740</u>	<u>17,000</u>
This amount is applied as follows:		
Receivables, prepayments and accrued income	186,480	83,564
Cash and cash equivalents	1,156,274	53,969
	<u>1,342,754</u>	<u>137,533</u>
Debit: Short-term debt	208,014	120,533
Working capital	<u>1,134,740</u>	<u>17,000</u>

4 FISCAL POSITION

4.1 Taxable amount 2017

The taxable amount for 2017 has been calculated as follows:

	2017
	€
Result before taxes	-145,938
<i>Tax differences:</i>	
Non-deductible expenses	14
Investment allowance	-5,824
	-5,810
Taxable amount 2017	-151,748

No corporate income tax is due over the taxable amount.

We trust that this report meets your requirement and we are willing to provide a more detailed explanation on request.

The Hague, June 12, 2018

Yours faithfully,

HLB Den Hartog
Accountants & Consultants



S.T.M. ten Hagen RA

CONSOLIDATED ANNUAL ACCOUNTS 2017

Consolidated balance sheet as at December 31, 2017

Consolidated profit & loss account for the year 2017

Consolidated cash flow statement for the year ended 2017

Notes to the consolidated financial statements

Notes to the consolidated balance sheet as of December 31, 2017

Notes to the consolidated profit & loss account for the year 2017

1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2017
(after appropriation of result)

		December 31, 2017		December 31, 2016	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Intangible fixed assets	(1)				
Development costs			663,761		229,643
Tangible fixed assets	(2)				
Inventory			11,304		7,223
			<u>675,065</u>		<u>236,866</u>
CURRENT ASSETS					
Receivables, prepayments and accrued income	(3)				
Trade receivables		103,785		35,174	
Taxes and social securities		24,900		39,690	
Other receivables and accrued income		<u>57,795</u>		<u>8,700</u>	
			186,480		83,564
Cash and cash equivalents	(4)		1,156,274		53,969
			<u>2,017,819</u>		<u>374,399</u>

	December 31, 2017	December 31, 2016
	€	€
LIABILITIES		
GROUP CAPITAL	-133,894	12,046
NON-CURRENT LIABILITIES (5)		
Debt to participating interests and companies	-	241,820
Payables to other related parties	<u>1,943,699</u>	<u>-</u>
	1,943,699	241,820
CURRENT LIABILITIES (6)		
Trade creditors	129,520	113,533
Taxes and social securities	202	-
Other liabilities and accruals and deferred income	<u>78,292</u>	<u>7,000</u>
	208,014	120,533
	<u>2,017,819</u>	<u>374,399</u>

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2017

		2017		2016	
		€	€	€	€
Net turnover	(7)	332,614		68,150	
Cost of sales	(8)	-		9,954	
Gross margin			332,614		58,196
			332,614		58,196
Employee expenses		3,381		-	
Amortisation and depreciation	(9)	1,743		1,005	
Other labour expenses	(10)	249		213	
Accommodation expenses	(11)	24,724		18,264	
Operating expenses	(12)	10,477		3,823	
Office expenses	(13)	48,897		31,370	
Selling and distribution expenses	(14)	50,194		39,390	
General expenses	(15)	313,419		250,702	
			453,084		344,767
Operating result			-120,470		-286,571
Financial income and expenses	(16)		-25,468		-1,383
Result before tax			-145,938		-287,954
Taxes			-		-
Result after tax			-145,938		-287,954

3 CONSOLIDATED CASHFLOW STATEMENT 2017

The cash flow statement has been prepared using the indirect method.

	2017		2016	
	€	€	€	€
Cash flow from operating activities				
Operating result	-120,470		-286,571	
Adjustments for:				
Amortisation and depreciation	1,743		1,005	
Movement of working capital:				
Movement of accounts receivable	-102,916		-83,564	
Movement of short-term liabilities (excluding finance company debt)	87,481		120,533	
Cash flow from operating activities		-134,162		-248,597
Interest paid		-25,468		-1,383
Cash flow from operating activities		-159,630		-249,980
Cash flow from investing activities				
Investments in intangible fixed assets	-434,118		-229,643	
Investments in tangible fixed assets	-5,824		-8,228	
Cash flow from investing activities		-439,942		-237,871
Cash flow from financing activities				
Movement of share capital	-		20,000	
Movement of share premium reserve	-		280,000	
Movement of other related parties	1,943,699		-	
Movement of loans to shareholders	-241,820		241,820	
Cash flow from financing activities		1,701,879		541,820
		1,102,307		53,969
Compilation cash				
	2017		2016	
	€	€	€	€
Compilation cash at January 1		53,969		-
Movement of cash and cash equivalents		1,102,305		53,969
Liquide middelen per December 31		1,156,274		53,969

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group structure

Tymlez Holding B.V. in The Hague is the head of a group of legal entities.

Foreign currencies

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognised in the annual account at the exchange rates prevailing at transaction date. The exchange differences resulting from the conversion as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Foreign group companies and non-consolidated participating interests outside the Netherlands qualify as carrying on of business operations in a foreign country, with a functional currency different from that of the company. For the conversion of the annual account of these foreign entities the balance sheet items are translated at the exchange rate at balance sheet date and the profit and loss account items at the exchange rate at transaction date. The conversion differences that arise are directly deducted from or added to group equity.

4.1 Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Receivables and deferred assets

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price.

When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value.

4.2 Principles for the determination of the result

Determination of the result

The result is determined based upon the difference between the nett turnover and the costs and other expenses taking into account the aforementioned valuation principles.

Net turnover

The net turnover consists of revenue from the sale of goods during the reporting period after deducting discounts, rebates and value added taxes.

Cost of sales

Cost of sales comprises costs that relate directly to the goods sold and services rendered.

Financial income and expenses

Financial income and expenses comprise interest income and expenses for loans (issued and received) during the current reporting period.

Share in result of participating interests

Where significant influence is exercised over participations, the group's share in the participations' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Tymlez Holding B.V.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the annual account and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

The allocation of corporate income tax to the partnerships included in the fiscal unit is realised as if the participating interests are independently taxable.

5 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2017

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Development costs
	€
<i>Carrying amount as of January 1, 2017</i>	
Purchase price	229,643
Cumulative depreciation and impairment	-
	<u>229,643</u>
<i>Movement</i>	
Investments	434,118
Amortization	-
	<u>434,118</u>
<i>Carrying amount as of December 31, 2017</i>	
Purchase price	663,761
Cumulative depreciation and impairment	-
	<u>663,761</u>

2. Tangible fixed assets

	Other fixed operating assets
	€
<i>Carrying amount as of January 1, 2017</i>	
Purchase price	8,228
Cumulative depreciation and impairment	-1,005
	<u>7,223</u>
<i>Movement</i>	
Investments	5,824
Depreciation	-1,743
	<u>4,081</u>
<i>Carrying amount as of December 31, 2017</i>	
Purchase price	14,052
Cumulative depreciation and impairment	-2,748
	<u>11,304</u>

CURRENT ASSETS

3. Receivables, prepayments and accrued income

	12/31/2017	12/31/2016
	€	€
<u>Trade receivables</u>		
Debtors	<u>103,785</u>	<u>35,174</u>
<u>Taxes and social securities</u>		
Turnover tax	<u>24,900</u>	<u>39,690</u>
<u>Other receivables and accrued income</u>		
<i>Other receivables</i>		
Deposits	<u>1,936</u>	<u>1,936</u>

	12/31/2017	12/31/2016
	€	€
<i>Prepayments and accrued income</i>		
Subsidy	43,982	-
Miscellaneous	11,877	6,764
	<u>55,859</u>	<u>6,764</u>

4. Cash and cash equivalents

ING Bank N.V.	<u>1,156,274</u>	<u>53,969</u>
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EQUITY AND LIABILITIES

5. NON-CURRENT LIABILITIES

	12/31/2017	12/31/2016
	€	€
Debt to participating interests and companies		
Subordinated loan Injo Holding B.V.	-	84,700
Subordinated loan Fergil B.V.	-	87,120
Subordinated loan Timeless-Systems GmbH	-	70,000
	-	241,820
Payables to other related parties		
Loan Tymlez Group Ltd	1,943,699	-

6. CURRENT LIABILITIES

Other liabilities and accruals and deferred income

Accruals and deferred income

Audit costs	18,618	7,000
Consultancy fees	5,040	-
Interest and bank charges	825	-
Nett income	2,424	-
Advanced payment received	36,385	-
Prepaid amount	3,000	-
Injo Holding B.V.	12,000	-
	78,292	7,000

CONTINGENT LIABILITIES

Contingent liabilities

Tax entity

For purposes of VAT, Tymlez Holding B.V. forms a fiscal unity with its subsidiaries:

- Tymlez B.V.
- Tymlez Properties B.V.

Long-term financial obligations

Rental commitments buildings

The company and its group companies have long-term rental commitments for undetermined time, which relate to the rent of the office/building. The commitments amount to € 26.100.

6 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2017

	2017	2016
	€	€
7. Net turnover		
Net turnover	332,614	68,150
8. Cost of sales		
Cost of sales	-	9,954
<u>Wages and salaries</u>		
Gross wages	3,179	-
<u>Social security charges</u>		
Social charge	202	-
<u>Other personnel costs</u>		
External hiring	433,977	-
Allocated labour costs	-433,977	-
	-	-
Staff		
At the company during 2017, - employee was employed (2016: -).		
9. Amortisation and depreciation		
Tangible fixed assets	1,743	1,005
<u>Depreciation of tangible fixed assets</u>		
Other fixed operating assets	1,743	1,005
Other operating expenses		
10. Other labour expenses		
Canteen costs	249	213
11. Accommodation expenses		
Rent	23,332	15,485
Maintenance of buildings	64	1,845
Cleaning	1,328	934
	24,724	18,264
12. Operating expenses		
Minor assets	10,477	3,823

	2017	2016
	€	€
13. Office expenses		
Office supplies	905	1,749
Printed matter	21	981
Automation costs	35,547	25,750
Telephone	3,778	2,144
Postage	165	7
Contributions and subscriptions	7,483	502
Other office supplies	998	237
	<u>48,897</u>	<u>31,370</u>
14. Selling and distribution expenses		
Publicity and advertisement	988	1,458
Representation costs	4,390	3,158
Exhibition costs	4,105	7,106
Travelling expenses	40,711	27,668
	<u>50,194</u>	<u>39,390</u>
15. General expenses		
Management fees	93,500	162,700
Audit costs	31,042	5,000
Accounting costs	13,128	5,090
Consultancy fees	98,427	51,315
Insurance	1,909	2,552
Financial consultancy	75,110	13,899
Foundation costs	-	9,998
Other general expenses	303	148
	<u>313,419</u>	<u>250,702</u>
16. Financial income and expenses		
Interest and similar expenses	<u>-25,468</u>	<u>-1,383</u>
Interest and similar expenses		
Interest and bank charges	-1,555	-379
Interest Tymlez Group Ltd	-10,993	-
Other interest payable	-12,920	-1,004
	<u>-25,468</u>	<u>-1,383</u>

Signing of the financial statements

Adoption of the financial statements

The consolidated and separate financial statements are created and adopted by the management respectively the General Meeting.

The Hague, June 12, 2018

Fergil B.V.
On behalf of,

R.M. van der Drift

Timeless-Systems GmbH
On behalf of,

M. Ren

OTHER INFORMATION

1 Recognition of the loss for 2017

The board of directors proposes to add the 2017 result to the other reserves for an amount of € 145,938. The General Meeting of Shareholders will be asked to approve the appropriation of the 2017 result, this proposition is already recognised in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To: the Management of Tymlez Holding B.V.

*A. Report on the audit of the financial statements 2017 included in the annual report***Our opinion**

We have audited the financial statements 2017 of Tymlez Holding B.V., based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Tymlez Holding B.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the profit and loss account for 2017;
3. the cash flow statement for 2017 and
4. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Tymlez Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

*B. Description of responsibilities regarding the financial statements***Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

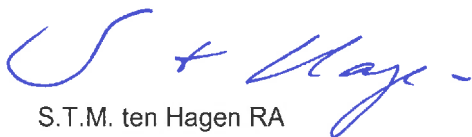
We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The Hague, 12 June 2018

HLB Den Hartog
Accountants & Consultants

S.T.M. ten Hagen RA