

Be Informed Holding B.V.
Apeldoorn
concerning the annual accounts for April 2017 - March 2018

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To the shareholders and management of
Be Informed Holding B.V.
Laan van Westenenk 150
7336 AV Apeldoorn

Apeldoorn, March 5, 2019

Dear shareholders and management,

We hereby send you the report regarding the financial statements for the year April 2017 - March 2018 of your company.

1 AUDIT

In accordance with your instructions we have audited the annual accounts April 2017 - March 2018 of your company, including the non-consolidated balance sheet with counts of € 1,040,515, the consolidated balance sheet with counts of € 1,984,017, the non-consolidated profit and loss account with a negative result after taxes of € 2,930,912 and the consolidated profit and loss account with a negative result after taxes of € 1,465,983.

1.1 Other information

For the independent auditor's report we refer to the section "Other Information" on page 35 of this report.

boon registeraccountants bv

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2 GENERAL

2.1 Company

The activities of Be Informed Holding B.V. and its subsidiaries mainly are the development and sale of software products. The Company also provides professional services to its customers.

2.2 Board

The board of directors has been formed by Hoogenberg Beheer B.V. till 1 May, 2018. As of 1 May, 2018, the board of directors is formed by R.G.P. Louter.

2.3 Recognition of the April 2016 - March 2017 loss

The loss amounting to € 1,269,887 has been carried forward as accumulated deficit.

3 RESULTS

3.1 Development of income and expenses

The result after taxation for April 2017 - March 2018 amounts to negative € 1,465,983 compared to negative € 1,269,887 for April 2016 - March 2017. The results for both years can be summarized as follows:

	April 2017 - March 2018		April 2016 - March 2017		Difference
	€	%	€	%	€
Net revenues	2,890,069	100.0	3,362,341	100.0	-472,272
Expenses					
Wages and salaries	1,894,657	65.6	2,164,018	64.5	-269,361
Social security charges	252,029	8.7	257,777	7.7	-5,748
Pension costs	69,584	2.4	84,461	2.5	-14,877
Management fees	170,208	5.9	21,020	0.6	149,188
Other personnel costs	639,591	22.1	778,112	23.1	-138,521
Amortization and depreciation	583,022	20.2	581,111	17.3	1,911
Accommodation expenses	231,812	8.0	175,994	5.2	55,818
Office expenses	138,663	4.8	189,394	5.6	-50,731
Selling and distribution expenses	113,260	3.9	36,998	1.1	76,262
General expenses	35,133	1.2	207,845	6.2	-172,712
	4,127,959	142.8	4,496,730	133.8	-368,771
Operating result	-1,237,890	-42.8	-1,134,389	-33.8	-103,501
Financial income and expenses	-228,093	-7.9	-135,498	-4.0	-92,595
Result before tax	-1,465,983	-50.7	-1,269,887	-37.8	-196,096
Taxation	-	-	-	-	-
Result after tax	-1,465,983	-50.7	-1,269,887	-37.8	-196,096

4 FINANCIAL POSITION

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

	3/31/2018		3/31/2017	
	€	%	€	%
ASSETS				
Fixed assets				
Intangible fixed assets	1,024,269	51.6	1,588,568	44.3
Tangible fixed assets	49,200	2.5	28,600	0.8
	<u>1,073,469</u>	<u>54.1</u>	<u>1,617,168</u>	<u>45.1</u>
Current assets				
Projects in progress	-	-	87,752	2.5
Receivables, prepayments and accrued income	869,237	43.8	103,393	2.9
Cash and cash equivalents	41,311	2.1	1,776,911	49.5
	<u>910,548</u>	<u>45.9</u>	<u>1,968,056</u>	<u>54.9</u>
	<u><u>1,984,017</u></u>	<u><u>100.0</u></u>	<u><u>3,585,224</u></u>	<u><u>100.0</u></u>
EQUITY AND LIABILITIES				
Equity	-844,275	-42.6	14,950	0.3
Non-current liabilities	1,194,788	60.2	1,183,091	33.0
Current liabilities				
Bank overdrafts	5,610	0.3	213,700	6.0
Projects in progress	770	-	-	-
Trade creditors	219,897	11.1	99,307	2.8
Taxes and social securities	128,221	6.5	416,090	11.6
Other liabilities and Accruals and deferred income	1,279,006	64.5	1,658,086	46.3
	<u>1,633,504</u>	<u>82.4</u>	<u>2,387,183</u>	<u>66.7</u>
	<u><u>1,984,017</u></u>	<u><u>100.0</u></u>	<u><u>3,585,224</u></u>	<u><u>100.0</u></u>

The consolidated balance sheet can be summarized as follows:

	3/31/2018	3/31/2017
	€	€
Long term funds:		
Equity	-844,275	14,950
Non-current liabilities	1,194,788	1,183,091
	<u>350,513</u>	<u>1,198,041</u>
Long term investments:		
Intangible fixed assets	1,024,269	1,588,568
Tangible fixed assets	49,200	28,600
	<u>1,073,469</u>	<u>1,617,168</u>
Working capital	<u>-722,956</u>	<u>-419,127</u>
This amount is applied as follows:		
Projects in progress	-	87,752
Receivables, prepayments and accrued income	869,237	103,393
Cash and cash equivalents	41,311	1,776,911
	<u>910,548</u>	<u>1,968,056</u>
Debit: Short-term debt	1,633,504	2,387,183
Working capital	<u>-722,956</u>	<u>-419,127</u>

5 FISCAL POSITION

5.1 Fiscal unity

The Dutch entities in the Group form a fiscal unity for Dutch corporate income tax. Be Informed Holding B.V. is the parent of the fiscal unity. Each entity in the fiscal unity is jointly and severally liable for the tax liabilities of the fiscal unity.

The corporate income tax of the subsidiaries is calculated as if the subsidiary is independently tax liable.

5.2 Tax losses available for future compensation

Per year-end 2013, the Company had tax losses available for future compensation of approximately € 26 million. In connection with the restart of the Company an agreement was made with the Dutch tax authorities. In this deal these tax losses were surrendered in return for a settlement of various tax payables and for the right to amortize for tax purposes in 5 years IP rights for € 15 million in total, starting February 2014. As of per March 31, 2018, the Company has tax losses available for future compensation of € 15,538,870 (March 31, 2017: € 11,185,305). A loss on Goodwill of € 12,250,000 (March 31, 2017: € 9,250,000) resulted from the bankruptcy is part of this compensable losses.

Despite the positive outlook on the long term, currently it is insufficiently certain that the Company will generate sufficient fiscal gains to timely utilize all tax losses. As a result no deferred tax asset has been recorded.

We will gladly provide you further explanations upon request.

Sincerely yours

Boon Registeraccountants B.V.

1 CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018
(before appropriation of result)

		March 31, 2018		March 31, 2017	
		€	€	€	€
ASSETS					
Fixed assets					
Intangible fixed assets	(1)	1,024,269		1,588,568	
Tangible fixed assets	(2)	<u>49,200</u>		<u>28,600</u>	
			1,073,469		1,617,168
Current assets					
Projects in progress	(3)		-		87,752
Receivables, prepayments and accrued income	(4)		869,237		103,393
Cash and cash equivalents	(5)		41,311		1,776,911
			<u>1,984,017</u>		<u>3,585,224</u>

[illegible]

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR APRIL 2017 - MARCH 2018

		April 2017 - March 2018		April 2016 - March 2017	
		€	€	€	€
Net revenues			2,890,069		3,362,341
Expenses					
Wages and salaries		1,894,657		2,164,018	
Social security charges		252,029		257,777	
Pension costs		69,584		84,461	
Management fees		170,208		21,020	
Other personnel costs		639,591		778,112	
Amortization and depreciation	(9)	583,022		581,111	
Other operating expenses	(10)	518,868		610,231	
			4,127,959		4,496,730
Operating result			-1,237,890		-1,134,389
Interest and similar income	(11)	-		8,395	
Interest and similar expenses	(12)	-228,093		-143,893	
Financial income and expenses			-228,093		-135,498
Result before tax			-1,465,983		-1,269,887
Taxation			-		-
Result after tax			-1,465,983		-1,269,887

3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

General accounting principles for the preparation of the financial statements

The Company financial statements have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Income and expenses are accounted for an accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Activities

The activities of Be Informed Holding B.V. and its group companies ('the Group'), with its statutory seat in Apeldoorn, registered under Chamber of Commerce number 02090147 consist mainly of the development and sales of software.

Group structure

Be Informed Holding B.V. in Apeldoorn is head of a group of legal entities.

Consolidation

In the financial statements of Be Informed Holding B.V. the financial information is consolidated of Be Informed Holding B.V. and her following group companies:

Name, statutory registered office	Share in issued capital %
Be Informed IP B.V. Apeldoorn	100.00
Be Informed B.V. Apeldoorn	100.00
Be Informed USA Inc. Wilmington	100.00

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by Be Informed Holding B.V. or where central management is conducted has been consolidated in the financial statements of Be Informed Holding B.V. The consolidated financial statements have been prepared in accordance with the accounting principles for valuation and result determination of Be Informed Holding B.V.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements.

Assumption of continuity

The fiscal year 2017, ending at 31st of March 2018, has not been a successful year.

The shareholders felt the urge of changing management which they did. Per the 1st of May 2018 a new CEO is appointed and a new management team has been put in place.

The new management team found out that personnel and the basic platform are of outstanding quality. This did, however, not guarantee a successful sales and cash flow situation.

Management decided to bring in more sales capacity, invest in marketing and give a new focus to the company by creating a new strategy based on solution selling via partners.

This new strategy was validated by the shareholders, and they support it also by investing more money in the company, next to opening their network and relations to help us realize our targets. They will support us also in our growth ambitions even if this requires some additional share capital.

The fiscal year 2018 can therefore be described as a 'year in transition'.

The new focus in strategy and the investment in sales resulted in:

- Clear vision on the US market; management thinks that the partners in the US now have the opportunities and the tools to bring Be Informed at their customers. Especially our partner GDIT will grow with Be Informed as one of their emerging technology partners (see for more information: <https://www.gditmerge.com/sponsors/>).
- Clear vision on the Caribbean market; management thinks that helping our partner Bearing Point in their transition to 'solution' selling will give lots of opportunities. The pipeline at Bearing Point is very promising.
- Clear vision in helping customers make their solutions more and easy available for reselling. We have signed contracts with smaller and bigger partners (ING, Witteveen+Bos, Cargonaut, Naris) who will sell their solutions and bringing in license fees for Be Informed without lots of efforts from Be Informed.
- More leads are coming from our website which has gone live in December 2018; this was a major job done by our marketing.
- New sales also brings in their network; the pipeline did grow by lots of connections and new interested partners and customers. We did embark Betty Blocks, EY and Accenture as a partner, management expects to embark also KPMG and some smaller (technology) partners in the near future.

Consequently the fiscal year 2018/19 will be more profitable than 2017/18.

- We have closed 8 new customers and new deals. Most promising is ING, next to that is Prudential via Deloitte, who both will grow in licenses and services. Expected income for these two customers is around € 2,000,000 licenses in 2019.
- Turnover will be twice as high as in 2017/18.
- The recurring revenue will grow with 25% compared to 2017/18.
- Operating cashflow, even without the capital investment of the shareholders, will be positive
- We have not lost customers, but reestablished the relations. Tesco Bank, IND and Home Office are expected to grow in revenue for the coming years.

Concluding: management is very positive for the near future. We see a lot of opportunities resulting from our new strategy and focus; our colleagues are happy, they like working in the new atmosphere. We will hire new colleagues in sales and development, also to be prepared for the longer future. As a result, the financial statements have been prepared under the assumption of going concern.

Prior-year comparison

Reclassifications have been made, if needed, in order to make comparison possible between the financial statements of April 2016 - March 2017 and April 2017 - March 2018.

Change in estimates

In the financial statements April 2016 - March 2017 the Company changed its policy of revenue recognition of license fees for new contracts. License revenue is recognized directly if the following conditions are met:

- the contract is irrevocable and the transfer is unconditional;
- the licensee is free to exercise his rights unconditionally;
- the licensor has no further obligations.

In previous years this fee was recognized pro rata per month over the term of the contract. The impact of this change was approximately € 400k positive on the result of the financial year April 2016 - March 2017.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Be Informed Holding 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.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial statements. The company does not use derivatives.

Translation of foreign currency

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.

The foreign subsidiaries and non-consolidated companies qualify as foreign operations with functional currency other than that of the company. For the translation of the financial statements of the foreign operations, the exchange rate used at the balance sheet date is used for the balance sheet items. For the profit and loss account, the exchange rates on the transaction dates are used. The exchange rate differences that arise are directly deducted from or added to equity.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments in value. Amortization 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 amortization method are reassessed at the end of each financial year.

Tangible fixed assets

The 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.

Financial fixed assets

The compensating fiscal losses to be settled have not been valued due to the uncertainty of future taxable profits.

Impairment of non-current assets

The Company assesses at each balance sheet date whether there is objective evidence that a non-current asset or a group of non-current assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement

The amount of an impairment loss incurred on non-current assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

Projects in progress

The projects in progress commissioned by third parties are valued at the realised project costs plus the allocated profit minus the expected losses and invoiced installments. No profit is allocated if the result of the projects in progress cannot be reliably estimated. The project costs include costs directly relating to the project, costs that are apportionable to project activities in general and can be allocated to the project, and other costs that can be apportioned to the customer by contract.

Project income and project costs pursuant to projects in progress are processed as income and costs in the profit and loss account proportionally to the attained performance on the balance sheet date. The extent to which the performance has been attained is determined based on the project costs up to the balance sheet date in relation to the estimated total project costs.

If the aggregate of all projects in progress shows a debit balance, the aggregate balance is presented under the current assets. If the aggregate of all projects in progress shows a credit balance, the aggregate balance is presented under the current liabilities.

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.

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 carried at nominal value.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. 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.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

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, less transaction costs. This usually is the nominal value.

Leasing

The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and, on the other hand, the costs and expenses for that year, valued at historical costs.

Revenue recognition

License revenue is recognized directly if the following conditions are met:

- the contract is irrevocable and the transfer is unconditional;
- the licensee is free to exercise his rights unconditionally;
- the licensor has no further obligations.

If there are any further significant obligations related to the license fee, or the license term is not perpetual, the revenue related to that license is recognized pro rata the services performed. If contracts are hybrid, an allocation is made between licenses and other revenue.

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognized in proportion to the service delivered.

Revenue related to fixed price contracts are recorded based on the percentage of completion (see Projects in progress above).

Wages, salaries and social security charges

The Company has committed to its employees pension. The pension commitment is transferred to an insurance company and qualifies as a defined contribution plan. The Company therefore recognizes an expense in the profit and loss account corresponding to the premiums.

As at year-end April 2017 - March 2018 (and April 2016 - March 2017) no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

Amortization and depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Financial profit and losses on disposal of tangible fixed assets are recorded under amortization/depreciation.

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.

Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

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

4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2018

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Developed intellectual property	Paid intellectual property	Total
	€	€	€
<i>Carrying amount as of April 1, 2017</i>			
Historical costs	2,721,495	100,000	2,821,495
Accumulated amortization and impairments	-1,170,427	-62,500	-1,232,927
	<u>1,551,068</u>	<u>37,500</u>	<u>1,588,568</u>
<i>Movement</i>			
Amortization	-544,299	-20,000	-564,299
<i>Carrying amount as of March 31, 2018</i>			
Historical costs	2,721,495	100,000	2,821,495
Accumulated amortization and impairments	-1,714,726	-82,500	-1,797,226
	<u>1,006,769</u>	<u>17,500</u>	<u>1,024,269</u>

At restart, an amount of € 100,000 was paid to the liquidator for Intellectual Property. This amount is capitalized and amortization started in 2014.

In 2014, 2015 and the first quarter of 2016 the staff costs on Product Development are capitalized. This concerns the development of new Be Informed software for an amount of € 2.7 million.

In the opinion of the Management, software development qualifies for capitalization for each of the following reasons:

- it concerns a new version that is separately marketed;
- the customer can choose between an old and a new version;
- revenue on software generated with the existing (old version) will decrease, revenue generated with the new version will increase.

As the financial statements have been drawn up under the assumption that the Company can continue to operate as a going concern and there is a very significant pipeline of revenue, no impairment of intangible fixed assets has been identified and accounted for.

Amortization rates

	%
Developed intellectual property	20
Paid intellectual property	20

2. Tangible fixed assets

	Building improvements	Equipment	Total
	€	€	€
<i>Carrying amount as of April 1, 2017</i>			
Acquisition cost	3,000	80,829	83,829
Cumulative depreciation and impairment	-1,900	-53,329	-55,229
	<u>1,100</u>	<u>27,500</u>	<u>28,600</u>
<i>Movement</i>			
Investments	-	39,323	39,323
Disposals	-	-5,829	-5,829
Depreciation on disposals	-	5,829	5,829
Depreciation	-600	-18,123	-18,723
	<u>-600</u>	<u>21,200</u>	<u>20,600</u>
<i>Carrying amount as of March 31, 2018</i>			
Acquisition cost	3,000	114,323	117,323
Cumulative depreciation and impairment	-2,500	-65,623	-68,123
Carrying amount as of March 31, 2018	<u>500</u>	<u>48,700</u>	<u>49,200</u>

Depreciation rates

	%
Building improvements	20
Equipment	20

CURRENT ASSETS

	3/31/2018	3/31/2017
	€	€
3. Projects in progress		
Projects in progress	<u>-</u>	<u>87,752</u>

The projects in progress where the project costs realised and profit attributed exceed the instalments already invoiced and recognised losses amounts to nil (April 2016 - March 2017: € 93k).

The projects in progress where the balance of instalments already invoiced and recognised losses exceed the project costs realised and profit attributed amounts to € 1k (April 2016 - March 2017: € 6k).

	3/31/2018	3/31/2017
	€	€
4. Receivables, prepayments and accrued income		
Trade receivables	824,988	58,365
Taxes and social securities	33	8,489
Other receivables, prepayments and accrued income	44,216	36,539
	<u>869,237</u>	<u>103,393</u>
Trade receivables		
Trade receivables	854,884	58,365
Doubtful debtor provision	-29,896	-
	<u>824,988</u>	<u>58,365</u>
Taxes and social securities		
Turnover tax	-	8,489
Pension premiums	33	-
	<u>33</u>	<u>8,489</u>
Other receivables, prepayments and accrued income		
Other receivables, prepayments and accrued income	<u>44,216</u>	<u>36,539</u>
5. Cash and cash equivalents		
ING Bank N.V. (Savings)	-	1,750,000
Rabobank	-	431
ING Bank N.V.	40,744	-
Bank of America	567	26,438
Cash	-	42
	<u>41,311</u>	<u>1,776,911</u>

EQUITY AND LIABILITIES

6. GROUP EQUITY

Please refer to the notes to the non-consolidated balance sheet on page 30 of this report for an explanation of the equity.

7. NON-CURRENT LIABILITIES

	3/31/2018	3/31/2017
	€	€
Other debenture loans and privately placed loans	200,000	200,000
Loans from financial institutions	605,000	605,000
Loans from shareholders	389,788	378,091
	<u>1,194,788</u>	<u>1,183,091</u>

Other debenture loans and privately placed loans

Loans from employees	<u>200,000</u>	<u>200,000</u>
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The loans from employees carries no interest. The loan can only be repaid by borrower when certain conditions are met. They cannot be repaid on request of the lender. The loan is subordinated.

Loans from financial institutions

Loan NPEX	<u>605,000</u>	<u>605,000</u>
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Be Informed Holding B.V. entered into an agreement with crowd funding platform NPEX. This result in an 8.5% loan (bond loan) which can be repaid upon request. It is a subordinated loan, via NPEX the loan parts (each € 1,000) can be traded. Loan can be repaid after 2 years, the loan must be fully repaid before 28 July, 2021.

Loans from shareholders

Loan H.R. Hoogenberg	194,879	189,031
Loan G.H. Mensink	194,909	189,060
	<u>389,788</u>	<u>378,091</u>

The debts carry an interest rate of 2.75%. All loans can only be repaid by borrower when certain conditions are met. They cannot be repaid on request of the lender. All loans are subordinated.

After the dismissal of Hoogenberg Beheer B.V. as statutory director of Be Informed Holding B.V. an addendum was signed on April 25, 2018, with amendments to the terms of the loan agreement with H.R. Hoogenberg. A repayment schedule has been agreed upon. The repayment obligation within one year amounts to € 100,000. The repayment obligation between one and five years amounts to € 94,879.

	3/31/2018	3/31/2017
	€	€
8. CURRENT LIABILITIES		
Bank overdrafts	5,610	213,700
Projects in progress	770	-
Trade creditors	219,897	99,307
Taxes and social securities	128,221	416,090
Accruals and deferred income	1,279,006	1,658,086
	<u>1,633,504</u>	<u>2,387,183</u>

Bank overdrafts

Rabobank	5,610	1
ING Bank N.V.	-	213,699
	<u>5,610</u>	<u>213,700</u>

Projects in progress

Projects in progress	770	-
	<u>770</u>	<u>-</u>

The projects in progress where the project costs realised and profit attributed exceed the instalments already invoiced and recognised losses amounts to nil (April 2016 - March 2017: € 93k).

The projects in progress where the balance of instalments already invoiced and recognised losses exceed the project costs realised and profit attributed amounts to € 1k (April 2016 - March 2017: € 6k).

Trade creditors

Creditors	<u>219,897</u>	<u>99,307</u>
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Taxes and social securities

Turnover tax	73,100	85,729
Pay-roll tax	55,121	330,179
Pension premiums	-	182
	<u>128,221</u>	<u>416,090</u>

At March 31, 2017 the taxes and social securities includes overdue payables for an amount of € 252,000. The Company has settled these balances during the financial year April 2017 - March 2018.

Other liabilities and Accruals and deferred income

Accruals and deferred income	<u>1,279,006</u>	<u>1,658,086</u>
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	3/31/2018	3/31/2017
	€	€
Accruals and deferred income		
Holiday bonus	101,874	119,338
Holiday accruals	66,930	91,916
Audit fees	26,203	26,250
Deferred license and maintenance income	994,248	1,127,700
Other liabilities	89,751	292,882
	<u>1,279,006</u>	<u>1,658,086</u>

Included in the Other liabilities are payment agreements with trade creditors / suppliers for an amount of € 215,489 as at March 31, 2017. The Company has settled these balances during the financial year April 2017 - March 2018.

Contingent liabilities

Tax entity

The Dutch entities in the Group form a fiscal unity for Dutch corporate income tax and VAT returns, except for Be Informed B.V. which is not part of the VAT fiscal unity. Be Informed Holding B.V. is the parent of both fiscal unities. Each entity in the fiscal unity is jointly and severally liable for the tax liabilities of the fiscal unity.

Off-balance sheet commitments

Arbitration request

A former client has submitted a request for arbitration during the financial year. The amount of the obligation cannot be measured with sufficient reliability.

Contingent liability

The official receivers have closed the files of the bankruptcy at February 13, 2018.

Long-term financial obligations

Lease

The Company and its group companies has liabilities arising from rental and operational lease, which expire within one year amounting to € 164,000. Rental and operational lease commitments which expire between one and five years amounts to € 292,000. Commitments with a residual term longer than five years amounts to nil.

Rental commitments buildings

The Company and its group companies has rental commitments, which expire within one year amounting to € 190,000. Rental commitments which expire between one and five years amounts to € 480,000. Commitments with a residual term longer than five years amounts to € 190,000.

5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR APRIL 2017 - MARCH 2018

Staff

During April 2017 - March 2018 on average 28 persons were employed, calculated in full time equivalents (April 2016 - March 2017: 32).

	April 2017 - March 2018	April 2016 - March 2017
	€	€
9. Amortization and depreciation		
Intangible fixed assets	564,299	564,300
Tangible fixed assets	18,723	16,811
	<u>583,022</u>	<u>581,111</u>
<i>Amortization of intangible fixed assets</i>		
Developed intellectual property	544,299	544,300
Paid intellectual property	20,000	20,000
	<u>564,299</u>	<u>564,300</u>
<i>Depreciation of tangible fixed assets</i>		
Building improvements	600	600
Equipment	18,123	16,211
	<u>18,723</u>	<u>16,811</u>
10. Other operating expenses		
Accommodation expenses	231,812	175,994
Office expenses	138,663	189,394
Selling and distribution expenses	113,260	36,998
General expenses	35,133	207,845
	<u>518,868</u>	<u>610,231</u>
Financial income and expenses		
11. Interest and similar income		
Exchange differences	-	8,395

12. Interest and similar expenses

	April 2017 - March 2018	April 2016 - March 2017
	€	€
Interest tax authorities	13,764	-
Interest and bank costs	29,869	86,712
Interest loan NPEX	51,473	34,315
Interest loan G.H. Mensink	5,199	11,433
Interest loan H.R. Hoogenberg	5,198	11,433
Exchange differences	122,590	-
	<u>228,093</u>	<u>143,893</u>

6 COMPANY BALANCE SHEET AS AT MARCH 31, 2018
(after appropriation of results)

		March 31, 2018		March 31, 2017	
		€	€	€	€
ASSETS					
Fixed assets					
Financial fixed assets	(13)		545,782		1,390,580
Current assets					
Receivables, prepayments and accrued income	(14)	490,952		206,697	
Cash and cash equivalents	(15)	3,781		1,750,000	
			494,733		1,956,697
TOTAL OF ASSETS			<u>1,040,515</u>		<u>3,347,277</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	(16)	1,062,500		7,083,330	
Share premium reserve		17,163,639		10,642,809	
Legal reserves		886,158		1,323,700	
Other reserves		-15,806,072		-16,001,002	
Retained earnings		-2,930,912		-349,369	
			375,313		2,699,468
Non-current liabilities	(17)		605,000		605,000
Current liabilities	(18)		60,202		42,809
TOTAL OF EQUITY AND LIABILITIES			<u>1,040,515</u>		<u>3,347,277</u>

7 COMPANY PROFIT AND LOSS ACCOUNT APRIL 2017 - MARCH 2018

		April 2017 - March 2018		April 2016 - March 2017	
		€	€	€	€
Expenses					
Wages, salaries and social security charges	(19)	203,336		21,020	
Other operating expenses	(20)	42,850		92,907	
			246,186		113,927
Operating result			-246,186		-113,927
Interest and similar income	(21)	100,112		49,926	
Changes in value of financial assets and of securities	(22)	-1,505,484		890,363	
Interest and similar expenses	(23)	-51,916		-118,197	
Financial income and expenses			-1,457,288		822,092
Result before tax			-1,703,474		708,165
Taxation			-		-
			-1,703,474		708,165
Share in result of participating interests	(24)		-1,227,438		-1,057,534
Result after tax			-2,930,912		-349,369

8 NOTES TO THE COMPANY FINANCIAL STATEMENTS

The company annual account have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

For the general principles for the preparation of the annual account, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual account, if there is no further explanation provided.

Financial fixed assets

Participating interests in group companies where extensive influence is exerted on business and financial policies are valued based on the nett capital value that is, however, not lower than zero. This nett capital value is calculated based on the principles of Be Informed Holding B.V.

Participating interests with a negative nett capital value are valued at zero. When the company guarantees (wholly or partially) debts of the participating interest concerned, a provision is created primarily at the expense of claims against this participating interest and for the remainder under the provisions of the remaining part in the losses of the participating interest or the expected payments by the company on behalf of these participating interests.

Share in result from participations

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

9 NOTES TO THE COMPANY BALANCE SHEET AS AT MARCH 31, 2018

ASSETS

FIXED ASSETS

	3/31/2018	3/31/2017
	€	€
13. Financial fixed assets		
Participations in group companies	545,782	1,390,580
Participations in group companies		
Be Informed IP B.V. in Apeldoorn (100%)	545,782	1,390,580
Be Informed B.V. in Apeldoorn (100%)	-	-
	545,782	1,390,580
	April 2017 - March 2018	April 2016 - March 2017
	€	€
<i>Be Informed IP B.V.</i>		
Carrying amount as of April 1	1,390,580	1,479,870
Adjustments related to intercompany receivables	-	792,879
Share in result	-844,798	-882,169
Carrying amount as of March 31	545,782	1,390,580
<i>Be Informed B.V.</i>		
Carrying amount as of April 1	-3,475,555	-3,321,541
Exchange difference	106,757	-45,978
Adjustments related to intercompany receivables	-	97,485
Share in result	-412,782	-205,521
	-3,781,580	-3,475,555
Provision	3,781,580	3,475,555
Carrying amount as of March 31	-	-

CURRENT ASSETS

	3/31/2018	3/31/2017
	€	€
14. Receivables, prepayments and accrued income		
Trade receivables	-	350
Receivables from group companies	478,486	197,858
Taxes and social securities	12,466	8,489
	<u>490,952</u>	<u>206,697</u>
Trade receivables		
Trade receivables	<u>-</u>	<u>350</u>
Receivables from group companies		
Be Informed IP B.V.	<u>478,486</u>	<u>197,858</u>
An interest rate of 5% has been calculated.		
Taxes and social securities		
Turnover tax	<u>12,466</u>	<u>8,489</u>
15. Cash and cash equivalents		
ING Bank N.V. (Savings)	-	1,750,000
ING Bank N.V.	<u>3,781</u>	<u>-</u>
	<u>3,781</u>	<u>1,750,000</u>

EQUITY AND LIABILITIES

16. EQUITY

Share capital

Carrying amount as of April 1, 500,000 shares with a nominal value of € 10

Issued per February 2017, 208,333 shares with a nominale value of € 10

Reduction of the nominal value of shares per December 2017 to € 1

Issued per December 2017, 354,167 shares with a nominale value of € 1

3/31/2018	3/31/2017
€	€
5,000,000	5,000,000
2,083,330	2,083,330
-6,374,997	-
354,167	-
<u>1,062,500</u>	<u>7,083,330</u>

The Company can issue an unlimited number of new shares and certificates.
The share capital is divided in A en B shares.

Share premium reserve

Carrying amount as of April 1

Issued per February 2017

Issued per December 2017

Reduction of the nominal value of shares per December 2017

Carrying amount as of March 31

April 2017 - March 2018	April 2016 - March 2017
€	€
10,642,809	10,226,139
-	416,670
145,833	-
6,374,997	-
<u>17,163,639</u>	<u>10,642,809</u>

Legal reserves

Reserve for research and development

Reserve for exchange differences

3/31/2018	3/31/2017
€	€
1,006,769	1,551,068
-120,611	-227,368
<u>886,158</u>	<u>1,323,700</u>

	April 2017 - March 2018	April 2016 - March 2017
	€	€
<i>Reserve for research and development</i>		
Carrying amount as of April 1	1,551,068	2,095,366
Withdrawal	-544,299	-544,298
Carrying amount as of March 31	<u>1,006,769</u>	<u>1,551,068</u>
<i>Reserve for exchange differences</i>		
Carrying amount as of April 1	-227,368	-181,983
Movement	106,757	-45,385
Carrying amount as of March 31	<u>-120,611</u>	<u>-227,368</u>
Other reserves		
Carrying amount as of April 1	-16,001,002	-16,462,757
Allocation of financial year net result	-349,369	-82,543
Allocation legal and statutory reserves	544,299	544,298
Carrying amount as of March 31	<u>-15,806,072</u>	<u>-16,001,002</u>
Retained earnings		
Carrying amount as of April 1	-349,369	-82,543
Allocation retained earnings	349,369	82,543
Undistributed result current year	-2,930,912	-349,369
Carrying amount as of March 31	<u>-2,930,912</u>	<u>-349,369</u>

The participating interest Be Informed B.V. has, after the elimination of intercompany liabilities, a negative net asset value. The participating interest is valued at nil as the Company does not have an obligation to fund these losses. Be Informed B.V. and Be Informed IP B.V. are fully consolidated. This leads to a difference between the consolidated and company equity and result.

The consolidated equity amounting to € 844,275 negative (at March 31, 2017 amounting to € 14,950) is € 1,219,588 lower (at March 31, 2017 amounting to € 2,684,518 lower) than the company equity amounting to € 375,313 (at March 31, 2017 amounting to € 2,699,468).

The consolidated result amounting to € 1,465,983 negative (in April 2016 - March 2017 amounting to € 1,269,887 negative) is € 1,464,929 higher (in April 2016 - March 2017 amounting to € 920,518 lower) than the company result amounting to € 2,930,912 negative (in April 2016 - March 2017 amounting to € 349,369 negative).

	3/31/2018	3/31/2017
	€	€
17. NON-CURRENT LIABILITIES		
Loans from financial institutions	605,000	605,000

Loans from financial institutions

Loan NPEX	605,000	605,000
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Be Informed Holding B.V. entered into an agreement with crowd funding platform NPEX. This result in an 8.5% loan (bond loan) which can be repaid upon request. It is a subordinated loan, via NPEX the loan parts (each € 1,000) can be traded. Loan can be repaid after 2 years, the loan must be fully repaid before 28 July, 2021.

18. CURRENT LIABILITIES

Trade creditors	33,423	15,789
Taxes and social securities	576	770
Other liabilities and Accruals and deferred income	26,203	26,250
	60,202	42,809

Trade creditors

Creditors	33,423	15,789
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Taxes and social securities

Pay-roll tax	576	770
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Accruals and deferred income

Audit fees	26,203	26,250
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10 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT APRIL 2017 - MARCH 2018

	April 2017 - March 2018	April 2016 - March 2017
	€	€
19. Wages, salaries and social security charges		
Management fees	170,208	21,020
Other personnel costs	33,128	-
	<u>203,336</u>	<u>21,020</u>

Staff

During April 2017 - March 2018 on average - persons were employed, calculated in full time equivalents (April 2016 - March 2017: -).

20. Other operating expenses

Accommodation expenses	154	-
Office expenses	8,347	4,658
General expenses	34,349	88,249
	<u>42,850</u>	<u>92,907</u>

Financial income and expenses

21. Interest and similar income

Interest bank	101	-
Interest receivable Be Informed IP B.V.	16,505	6,827
Interest receivable Be Informed B.V.	83,506	43,099
	<u>100,112</u>	<u>49,926</u>

22. Changes in value of financial assets and of securities

Value adjustment of receivables from group companies	<u>-1,505,484</u>	<u>890,363</u>
<u>Value adjustment of receivables from group companies</u>		
Value adjustment of receivable Be Informed IP B.V.	-	792,878
Value adjustment of receivable Be Informed B.V.	-1,505,484	-
Value adjustment of receivable Be Informed USA Inc.	-	97,485
	<u>-1,505,484</u>	<u>890,363</u>

	April 2017 - March 2018	April 2016 - March 2017
	€	€
23. Interest and similar expenses		
Interest tax authorities	294	-
Interest and bank costs	149	68,831
Interest loan NPEX	51,473	34,315
Exchange differences	-	7,656
Interest payable Be Informed USA Inc.	-	7,395
	<u>51,916</u>	<u>118,197</u>
24. Share in result of participating interests		
Share in result of Be Informed IP B.V.	-844,798	-882,169
Share in result of Be Informed B.V.	-382,640	-175,365
	<u>-1,227,438</u>	<u>-1,057,534</u>

Signature management

The annual accounts have been set up under our responsibility.

Apeldoorn, March 5, 2019

R.G.P. Louter

OTHER INFORMATION

1 INDEPENDENT AUDITOR'S REPORT

To: the shareholders and Board of directors of Be Informed Holding B.V. registered in Apeldoorn

A. Report on the audit of the financial statements 2017/2018 included in the annual report

Our opinion

We have audited the financial statements 2017/2018 of Be Informed Holding B.V., based in Apeldoorn.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Be Informed Holding B.V. as at March 31, 2018 and of its result for 2017/2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at March 31, 2018;
2. the consolidated and company profit and loss account for 2017/2018;
3. the notes comprising a summary of the significant 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 Be Informed Holding B.V. in accordance with 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 assignment 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 e.g.:

- 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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.