

**Profundo B.V.**

Located Amsterdam

ANNUAL REPORT 2015

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Aan de directie van  
Profundo B.V.

Naritaweg 10  
1043 BX Amsterdam

Limmen, 9 June 2016

Geachte directie,

We hereby offer you the report concerning the annual report 2015 for Profundo B.V., Amsterdam.

## **ACCOUNTANT'S COMPILATION REPORT**

The financial statements of Profundo B.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2015 and the profit and loss account for the year 2015 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.

## RESULT

### Analysis of the result

	2015		2014	
	€	%	€	%
<b>Net Turnover</b>	881.901	100,0	654.772	100,0
Personnel costs	558.096	63,3	489.648	74,8
Depreciation of intangible fixed assets	500	0,1	500	0,1
Depreciation of tangible fixed assets	4.027	0,5	3.010	0,5
Other staff costs	26.730	3,0	21.315	3,3
Housing costs	21.834	2,5	19.462	3,0
Selling costs	6.165	0,7	3.427	0,5
Other travelling costs	8.419	1,0	862	0,1
Office costs	19.818	2,2	15.160	2,3
General costs	96.637	11,0	87.246	13,3
<b>Total operating expenses</b>	<u>742.226</u>	<u>84,3</u>	<u>640.630</u>	<u>97,9</u>
<b>Operating result</b>	139.675	15,7	14.142	2,1
Financial income and expense	<u>-1.648</u>	<u>-0,2</u>	<u>-1.870</u>	<u>-0,3</u>
<b>Result from operational activities before taxation</b>	138.027	15,5	12.272	1,8
Corporate income tax	<u>-27.036</u>	<u>-3,1</u>	<u>-2.604</u>	<u>-0,4</u>
<b>Net result after taxation</b>	<u>110.991</u>	<u>12,4</u>	<u>9.668</u>	<u>1,4</u>

**Analysis of the results**

	<u>2015</u>
	€
<b>Increase in result</b>	
Higher gross margin	227.129
Higher financial income and expense	<u>222</u>
	227.351
<b>Decrease in result</b>	
Higher personnel costs	68.448
Higher depreciation of tangible fixed assets	1.017
Higher other staff costs	5.415
Higher housing costs	2.372
Higher selling costs	2.738
Higher other travelling costs	7.557
Higher office costs	4.658
Higher general costs	9.391
Higher corporate income tax	<u>24.432</u>
	<u>126.028</u>
Improvement of the net result	<u><u>101.323</u></u>

## 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 2015 in an abridged form.

### Financial structure

	31-12-2015		31-12-2014	
	€	%	€	%
<b>Assets</b>				
Intangible fixed assets	3.000	0,6	3.500	1,1
Tangible fixed assets	18.802	3,6	8.678	2,8
Receivables	190.947	37,1	88.326	28,3
Cash at bank and in hand	302.786	58,7	212.067	67,8
	<u>515.535</u>	<u>100,0</u>	<u>312.571</u>	<u>100,0</u>
<b>Liabilities</b>				
Shareholders' equity	166.044	32,2	55.053	17,6
Provisions	65.516	12,7	58.166	18,6
Short-term liabilities	283.975	55,1	199.352	63,8
	<u>515.535</u>	<u>100,0</u>	<u>312.571</u>	<u>100,0</u>

**Analysis of the financial position**

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>Available on short term</b>		
Receivables	190.947	88.326
Cash at bank and in hand	<u>302.786</u>	<u>212.067</u>
	493.733	300.393
Short-term liabilities	<u>-283.975</u>	<u>-199.352</u>
<b>Liquidity surplus = working capital</b>	<u>209.758</u>	<u>101.041</u>
<b>Established for the long term</b>		
Intangible fixed assets	3.000	3.500
Tangible fixed assets	<u>18.802</u>	<u>8.678</u>
	<u>21.802</u>	<u>12.178</u>
Financed with on the long term available assets	<u>231.560</u>	<u>113.219</u>
<b>Financing</b>		
Shareholders' equity	166.044	55.053
Provisions	<u>65.516</u>	<u>58.166</u>
	<u>231.560</u>	<u>113.219</u>

## FISCAL POSITION

### Calculation taxable amount

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

				<u>2015</u>
				€
Result from ordinary activities before taxation				138.027
<b>Partially deductible amounts</b>	Base amount	%	€	
Representation expenses	1.502	26,50	398	
Hotel and accommodation costs	2.326	26,50	<u>616</u>	
				<u>1.014</u>
				139.041
<b>Investment agreements</b>				
Small scale investment allowance				<u>-3.858</u>
Taxable amount				135.183
Rounding				<u>3</u>
Rounded taxable amount				<u><u>135.180</u></u>

### Calculation corporate tax

				<u>2015</u>
				€
20,0% of € 135.180				<u><u>27.036</u></u>

### Situation at balance sheet date

The corporate income tax liability / asset as at 31 December 2015 can be specified as follows:

Year	Liability / Receivable at 01-01-2015 €	Liability / (income/expes) in 2015 €	Payments / receipts during 2015 €	Adjustments in 2015 €	Liability / Receivable at 31-12-2015 €
2013	-4.383	-	4.383	-	-
2014	-4.317	-	4.317	-	-
2015	-	27.036	-4.269	-	22.767
	<u>-8.700</u>	<u>27.036</u>	<u>4.431</u>	<u>-</u>	<u>22.767</u>



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

Yours sincerely,

Vanhier B.V.

Huub Tummers  
Accountant-Administratieconsulent

## **Financial statements**

**BALANCE SHEET AS AT 31 DECEMBER 2015***After proposal result appropriation*

		<u>31-12-2015</u>	<u>31-12-2014</u>
		€	€
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>	<i>1</i>		
Goodwill		3.000	3.500
<i>Tangible fixed assets</i>	<i>2</i>		
Furniture, fixtures and fittings		18.802	8.678
<b>Current assets</b>			
<i>Receivables</i>			
Trade debtors	<i>3</i>	80.030	16.408
Taxes and social security premiums	<i>4</i>	-	8.700
Other receivables and accrued assets	<i>5</i>	<u>110.917</u>	<u>63.218</u>
		190.947	88.326
<i>Cash at bank and in hand</i>	<i>6</i>	302.786	212.067
Total assets		<u><u>515.535</u></u>	<u><u>312.571</u></u>

		<u>31-12-2015</u>		<u>31-12-2014</u>	
		€	€	€	€
<b>LIABILITIES</b>					
<b>Shareholders' equity</b>					
	7				
Issued share capital	8	18.000		18.000	
General reserve		<u>148.044</u>		<u>37.053</u>	
			166.044		55.053
<b>Provisions</b>					
Self-administered pension scheme	9	27.453		20.849	
Annuity commitments		<u>38.063</u>		<u>37.317</u>	
			65.516		58.166
<b>Short-term liabilities</b>					
Trade creditors	10	14.286		3.816	
Taxes and social security premiums	11	88.879		58.869	
Other liabilities and accrued expenses	12	<u>180.810</u>		<u>136.667</u>	
			283.975		199.352
Total liabilities			<u><u>515.535</u></u>		<u><u>312.571</u></u>

**PROFIT AND LOSS ACCOUNT FOR THE YEAR 2015**

		2015		2014	
		€	€	€	€
<b>Net Turnover</b>	13		881.901		654.772
Personnel costs	14	558.096		489.648	
Depreciation of intangible fixed assets	15	500		500	
Depreciation of tangible fixed assets	16	4.027		3.010	
Other staff costs	17	26.730		21.315	
Housing costs	18	21.834		19.462	
Selling costs	19	6.165		3.427	
Other travelling costs	20	8.419		862	
Office costs	21	19.818		15.160	
General costs	22	96.637		87.246	
<b>Total operating expenses</b>			742.226		640.630
<b>Operating result</b>			139.675		14.142
Other interest and similar income	23	195		88	
Interest and similar costs	24	-1.843		-1.958	
<b>Financial income and expense</b>			-1.648		-1.870
<b>Result from operational activities before taxation</b>			138.027		12.272
Corporate income tax	25		-27.036		-2.604
<b>Net result after taxation</b>			110.991		9.668

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Accounting policies in respect of the valuation of assets and liabilities**

#### **General**

The financial statements have been prepared in accordance with the general provisions of Chapter 9, Book 2 of the Netherlands Civil Code. As allowed in article 2:396 paragraph 6 of the Netherlands Civil Code, the valuation of the assets and liabilities and the determination of the result is based on the principles for determination of the taxable profit, as meant in chapter II of the Corporate Income Tax Act 1969.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise.

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

#### **Intangible fixed assets**

Goodwill is valued at cost and amortized on a straight-line basis (for 10 years).

#### **Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, impairments. Depreciation is based on the estimated useful life, unless for tax purposes a statutory depreciation percentage capped at 20% is required. Depreciation is provided from the date an asset comes into use. Land is not depreciated. Buildings used by the company for its own operations are depreciated up to 50% of the WOZ value. The other buildings (i.e., held as portfolio investment) are depreciated up to the WOZ value.

Tangible fixed assets are capitalized if the economic ownership held by the company is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

#### **Accounts receivable**

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Trade debtors

Upon initial recognition, the receivables are stated at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Other accounts receivable

Other receivables are stated at face value, after deduction of any provisions deemed necessary.

#### **Cash at bank**

Cash and cash equivalents are valued at face value. If cash is not freely available this is taken into account for the valuation.

#### **Equity**

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

Issued share capital

The issued share capital is completely paid up.

#### General reserve

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

#### Provisions

Provisions are formed in respect of concrete or specific risks and liabilities existing on the balance sheet date, which extent is uncertain, but can reasonably be estimated.

#### Employee benefits / pensions

A provision is formed for the self-administered pension entitlements the director/majority shareholder has accrued as at balance sheet date. This provision is calculated actuarially (GBM-V 2008-2013). Upon calculating the provision, future salary increases and future indexations have not been factored in. The discount rate applied is 4%.

#### Other provisions

The provision 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.

#### Current liabilities

Current liabilities recorded are stated at face value.

#### Accounting policies in respect of result determination

##### General

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

The profit to be allocated to the work in progress on construction contracts is determined on the basis of costs incurred for the work as at balance sheet date, in proportion to the aggregate costs expected to be spent on the work. The net realizable value is based on an expected sales price net of costs to be incurred for completion and sales.

##### Net turnover

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

##### Gross margin

The gross margin consists of the net turnover, change in work in progress on construction contracts, the changes in inventory of finished goods and work in progress, capitalized production on behalf of own business, other operating income, cost of raw materials and consumables and cost of subcontracted work and other external charges.

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

#### Depreciation and amortization

Depreciation of intangible fixed assets

amortization of intangible fixed assets is charged as a fixed percentage of cost.

Depreciation of tangible fixed assets

Depreciation is based on the estimated useful life, unless for tax purposes a statutory depreciation percentage capped at 20% is required. Depreciation is provided from the date an asset comes into use.

Where there is an intention to replace book profits are included in the reinvestment reserve. When the asset is replaced, then these reserved book profits are directly deducted from the replacement investments.

**Other operating expenses**

Costs are taken into account under the historical cost convention and allocated to the period concerned.

**Net financial result**

Interest income and expenses consist of interest received from or paid to third parties.

**Taxation**

Corporate income tax is calculated at the applicable rate on the taxable profit for the financial year, taking into account the applicable tax credits.



## NOTES TO THE BALANCE SHEET

### Fixed assets

#### 1 Intangible fixed assets

	<u>Goodwill</u> €
Book value as at 1 January 2015	3.500
Depreciation	<u>-500</u>
Book value as at 31 December 2015	<u><u>3.000</u></u>

#### 2 Tangible fixed assets

	<u>Furniture, fixtures and fittings</u> €
Balance as at 1 January 2015	
Acquisitions costs	35.108
Accumulated depreciation	<u>-26.430</u>
Book value as at 1 January 2015	<u><u>8.678</u></u>
Movements	
Investments	14.151
Depreciation	<u>-4.027</u>
Balance movements	<u><u>10.124</u></u>
Balance as at 31 December 2015	
Acquisitions costs	49.259
Accumulated depreciation	<u>-30.457</u>
Book value as at 31 December 2015	<u><u>18.802</u></u>

**Current assets****Receivables**

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>3 Trade debtors</b>		
Trade debtors	<u>80.030</u>	<u>16.408</u>
<b>4 Taxes and social security premiums</b>		
Company tax	<u>-</u>	<u>8.700</u>
<b>5 Other receivables and accrued assets</b>		
Work in progress	98.950	59.703
Prepaid costs	<u>11.967</u>	<u>3.515</u>
	<u>110.917</u>	<u>63.218</u>
<b>6 Cash at bank and in hand</b>		
Triodos Bank	<u>302.786</u>	<u>212.067</u>

**7 Shareholders' equity**

	<u>Issued share capital</u>	<u>General reser- ve</u>	<u>Total</u>
	€	€	€
Balance as at 1 January 2015	18.000	37.053	55.053
Appropriated of result	-	<u>110.991</u>	<u>110.991</u>
Balance as at 31 December 2015	<u>18.000</u>	<u>148.044</u>	<u>166.044</u>

**8 Issued 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.

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

**Provisions****9 Self-administered pension scheme**

	<u>2015</u>	<u>2014</u>
	€	€
<b>J. van Gelder</b>		
Balance as at 1 January	20.849	-
Addition pension provision for scheme	<u>6.604</u>	<u>20.849</u>
Balance as at 31 December	<u><u>27.453</u></u>	<u><u>20.849</u></u>

The commercial value of the self-administered pension scheme amounts to € 40.057.

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>Other provisions</b>		
Annuity commitments	<u><u>38.063</u></u>	<u><u>37.317</u></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.

**Short-term liabilities**

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>10 Trade creditors</b>		
Trade creditors	<u><u>14.286</u></u>	<u><u>3.816</u></u>

**11 Taxes and social security premiums**

Value added tax	47.759	45.647
Wage tax	18.353	13.222
Company tax	<u>22.767</u>	<u>-</u>
	<u><u>88.879</u></u>	<u><u>58.869</u></u>

**12 Other liabilities and accrued expenses**

Current account board of directors	37.685	36.587
Amounts received in advance	-	1.316
Holiday allowances	37.900	20.008
Expenses to be paid	5.161	3.475
Prepayments on research projects	100.062	75.280
Other liabilities and accrued expenses	<u>2</u>	<u>1</u>
	<u><u>180.810</u></u>	<u><u>136.667</u></u>

## **Off-balance-sheet rights, obligations and arrangements**

### **Rental obligations**

The annual rental commitment for office space is € 25.708 (ex VAT).

**NOTES TO THE PROFIT AND LOSS ACCOUNT**

	<u>2015</u>	<u>2014</u>
	€	€
<b>13 Net Turnover</b>		
Turnover	<u>881.901</u>	<u>654.772</u>
<b>14 Personnel costs</b>		
Wages and salaries	456.868	390.661
Social security premiums and pensions cost	<u>101.228</u>	<u>98.987</u>
	<u>558.096</u>	<u>489.648</u>
<u>Wages and salaries</u>		
Salaries	405.764	338.456
Received sick funds	-4.431	-
Internship remunerations	18.725	13.788
Holiday allowances	<u>36.810</u>	<u>38.417</u>
	<u>456.868</u>	<u>390.661</u>
Average number of employees		
During the year 2015, the average number of employees calculated on a full-time-equivalent basis was 12,21 (2014: 9,80)		
<u>Social security premiums and pensions cost</u>		
Social security charges	63.612	55.211
Health insurance	6.864	-
Addition pension provision for scheme	6.604	20.849
Other pension charges	<u>24.148</u>	<u>22.927</u>
	<u>101.228</u>	<u>98.987</u>
<b>15 Depreciation of intangible fixed assets</b>		
Depreciation costs goodwill	<u>500</u>	<u>500</u>
<b>16 Depreciation of tangible fixed assets</b>		
Depreciation costs inventory	<u>4.027</u>	<u>3.010</u>

	<u>2015</u>	<u>2014</u>
	€	€
<b>17 Other staff costs</b>		
Study costs staff	3.805	426
Personnel recruitment costs	5.116	2.647
Food, drinks and other accommodation costs	1.827	1.917
Traveling costs commuting	14.520	11.948
Other staff costs	<u>1.462</u>	<u>4.377</u>
	<u>26.730</u>	<u>21.315</u>
<b>18 Housing costs</b>		
Rent costs	<u>21.834</u>	<u>19.462</u>
<b>19 Selling costs</b>		
Cost of fairs, presentations, etc.	-	66
Hotel and accommodation costs	2.779	3.361
Shop window costs	1.176	-
Other gifts	95	-
Maintenance and development websites	<u>2.115</u>	<u>-</u>
	<u>6.165</u>	<u>3.427</u>
<b>20 Other travelling costs</b>		
Limited deductible travelling expenses	<u>8.419</u>	<u>862</u>
<b>21 Office costs</b>		
Office supplies	3.313	1.694
Postage costs	39	50
Telephone and fax costs	3.050	3.479
Printed matters	790	551
Automation costs	<u>12.626</u>	<u>9.386</u>
	<u>19.818</u>	<u>15.160</u>
<b>22 General costs</b>		
Subscriptions	2.703	2.405
Insurance premium	1.512	-
Audit costs, other non-audit services	6.079	3.162
Database	59.340	46.033
Other general costs	-3	-1
Management advice	2.354	1.678
Banking costs	4.371	6.299
Research and information costs	<u>20.281</u>	<u>27.670</u>
	<u>96.637</u>	<u>87.246</u>

	<u>2015</u>	<u>2014</u>
	€	€
<b>23 Other interest and similar income</b>		
Received bank interest	<u>195</u>	<u>88</u>
<b>24 Interest and similar costs</b>		
Interest tax authorities	-	160
Interest current account board of directors	1.097	1.066
Interest annuity commitment	<u>746</u>	<u>732</u>
	<u>1.843</u>	<u>1.958</u>
<b>25 Corporate income tax</b>		
Corporate income tax	<u>-27.036</u>	<u>-2.604</u>

Amsterdam, 9 June 2016  
 Profundo B.V.

J. van Gelder  
 Director

## **Other information**



**Statement regarding the absence of the Auditor's report**

No audit has been performed in accordance with the statutory size exemption under article 2:396, chapter 9 of the Netherlands Civil Code.

**Statutory provision regarding appropriation of result**

According to the articles of Association the profit for the year is at the free disposal of the Annual General Meeting of Shareholders.

**Proposal appropriation of result**

The appropriation of profit for the year 2015 of € 110.991 is, previous to the decision of the board, added to the reserves.