

Annual Report

Nxchange Holding B.V.

2021

Director's report

GENERAL

Since the incorporation of Nxchange BV in February 2015 and obtaining our licenses in 2016 (Regulated Market License) and 2018 (Multilateral Trading Facility and Investment Firm License) global challenges, technological changes, market innovation and an increasing demand for radical decentralization significantly contributed to a rapidly changing environment in the world of Finance.

The initial coin offerings (ICO's), subsequent security token offerings (STO's) and mass adoption of NFT's and crypto currencies attracted a whole new group of investors. An investor community that demands better user interfaces, instant transaction settlement and more transparency.

The COVID-19 situation impacted the landscape of alternative asset financing even more. Increased regulatory scrutiny combined with the COVID-19 situation made banks even more reluctant to finance SME's. Meanwhile investors were faced with record low interest rates resulting in an increased demand for high quality alternative investments.

The implementation of MiFID II demanded harmonization of the laws for Investment Firms in Europe and new European Crowdfunding regulation (ECSP regulation) was implemented. As a result, a consolidation battle between the alternative asset trading platforms is taking place.

Nxchange Holding BV was incorporated as a holding company for Nxchange in 2019. In this Director's Report, we would like to share with you the relevant developments in 2021, Nxchange Holding's and Nxchange's future strategy, the main targets for 2022, the financial implications and the key risks.

WHAT'S NEXT

2020 is the year that COVID-19 hit the world with immense force. Restrictive measures continued for the whole of 2021. Most of our revenues came to a halt. We decided that the best approach was to minimize our costs and continue with our product development activities so we could continue full force when things start returning back to normal. As a result Nxchange shifted its focus to Impact investing, re-branded its website and developed more generic product offerings (Green energy, SME loan portfolio and Startup investing). Nxchange Holding also acquired Bondex in April 2021 allowing Nxchange BV to offer its proposition in a SaaS Solution. By use of the Bondex platform issuers could raise capital within their own community

Nxchange Holding still has a head start on other competitors in Europe. Nxchange Holding is still the only fully licensed security token trading platform, however, we expect that it won't take long before other alternative asset platforms will follow. Soon other platforms will be operational and get licenses to operate. It is time to expand faster and therefore we have shifted our strategy towards a buy and build strategy in order to claim our position in the market by increasing our assets under management.

This means that our Investment Services Platform (IT platform including all services and permits) has been further optimized and made ready for growth to become a scalable solution available for multiple labels.

NXCHANGE

Next to scaling up our Investment Services Platform, we decided to also position Nxchange as a brand in the market in order to be more in control of building revenue towards the future. For this, Nxchange went through an extensive rebranding process in 2021. We have decided to focus on specific investment themes in the areas of Impact Investing.

Developing the label Nxchange as an Impact Investment platform is progressing steadily. The three focus products of Nxchange - Startup investing, Green bonds and SME funding - have been launched in 2021 or will be launched in 2022. Meanwhile we are also developing and optimizing the (online) marketing funnels for these products.

BONDEX

On 30 April 2021 we acquired Bondex. The acquisition was completed with a share swap for which 68,750 shares were issued and 20 former Bondex shareholders were on-boarded to the Nxchange Shareholder base.

Bondex is the Private label of Nxchange Holding that allows issuers to raise capital within their own community and run an electronic captable. Since its acquisition Bondex substantially grew. Accounts and assets under administration grew from 336 accounts and 3,754,751 administered assets to 7,807 accounts and Eur 33,264,164 administrated assets in November 2022.

Adding Bondex to the Nxchange Holding group allows Bondex to use the licenses of Nxchange which makes it possible to offer a private secondary market to the issuers on Bondex on top of the services already provided. This makes Bondex the first SaaS solution that can offer a full-fledged platform for private capital raising including a fully integrated, regulated private secondary market.

THE DIGITAL NOTARY

Both Bondex and Nxchange have a need for further standardization in on-boarding issuers to the platform. For that matter the Digital Notary has been developed in 2021 for it to be launched in 2022.

The Digital Notary allows a user to establish a standardized BV and digitize its shareholders register. The shares issued in the Digital Notary will be administered in the collective depot of Nxchange. As a result, shares of a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) can be issued and transferred without the intervention of a civil law notary.

Users of the Digital Notary can subsequently choose to raise capital on Bondex and/or offer a secondary private market on Nxchange to its investors.

The Digital Notary will be set up as a separate label that can be integrated by any entity offering notary services, crowdfunding services or employee benefits administrations.

SHAREHOLDER EVENTS

Capital raise

On 31 dec 2021, Nxchange raised Eur 2 million in new capital at an issue price of Eur 8.00 per share, including 167,375 shares to be issued to GoldRepublic after it obtained its Declaration of No Objection to hold >10% in Nxchange Holding, which is still pending.

Converting NXPRs back to shares

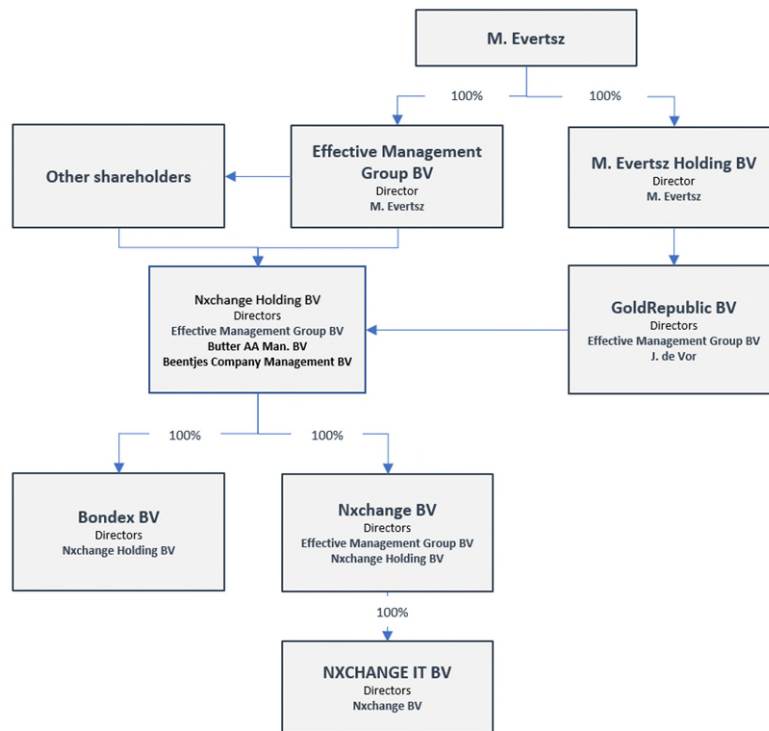
In order to keep sufficient growth capital and maintain our capital requirements, we prepared Nxchange Holding for its next capital raise in 2022.

In order to facilitate the entry of new investors and to raise new capital for the company we further simplified the structure of Nxchange Holding in 2022.

First of all we converted the Nxchange Participation Rights (depository receipts) back to shares, introducing voting and meeting rights to this group of Nxchange Holding investors. We strongly support this step and believe it is a great opportunity to give back power to our strongest supporters.

Legal structure

As a result our legal structure significantly simplified. All shareholder directly hold ordinary shares in Nxchange Holding BV and Nxchange Holding BV holds 100% of the Bondex BV shares and the Nxchange BV shares.



Adding Nxchange Holding to the Digital Notary

In order to clear the path for a secondary market (public or private) in our shares we have added Nxchange Holding to our Digital Notary in 2022 as one of the launching customers. This means that there will no longer be blocking limits in transferring shares to other shareholders within the Nxchange community and that the shares of Nxchange Holding will be administered in the Nxchange Collective Depot, so we will no longer need the intervention of a civil law notary for the issuance and transfer of shares in the future.

Issuance and repurchase of shares by Nxchange Holding

By adding Nxchange Holding to the Digital Notary we have issued 97,542,750 shares in 2022 bringing the capital base of Nxchange Holding to 100 million shares. Also the nominal value of the shares has been reduced by a factor 1,000 to 1/1,000 of a cent (previously one cent or Eur 0.01). This does not impact the number of shares of the shareholders or the value of their shares. The difference between Eur 0.01 and Eur 0.00001 was recorded as share premium in 2022.

After issuance the 97,542,750 shares were immediately repurchased by the company so they can be re-issued at future capital raises. From here on Nxchange Holding shall be able to expand its capital base to a maximum of 100 million shares. The shareholders will of course have to approve any further reissue of those shares, with a 76% majority (article 8.5 under f of the articles of association).

From 25 August 2022, all former NXPR holders are entitled as shareholders to attend and vote at the general meetings.

Re-issue shares for upcoming funding round

And finally, the general meeting of shareholders authorized the board of Nxchange Holding on 22 June 2022 to re-issue up to 500,000 shares for a new investment round, at a value of Eur 10.00 per share. These new shares come on top of the 167,375 that have already been authorized to be issued to GoldRepublic in the previous investment round, which GoldRepublic already paid for.

Airdrop

In order to expand the Nxchange community, creating a future liquidity pool and promote the upcoming capital raise we have subsequently organized as far as we know the first and largest shares airdrop ever dropping 4,168 shares to supporters of Nxchange bringing our shareholder base to 4,168 shareholders.

Public offering

In preparation for our planned public offering in December 2022 an initial pre-sales has taken place in 2022. In total Nxchange raised Eur 1.265,410 issuing 36,541 shares at Eur 10 per share including 90,000 shares to be issued to GoldRepublic making GoldRepublic lead investor. Nxchange also issued 1,760 as additional shares in order to promote the campaign.

We believe this next round will significantly add to the liquidity of the Nxchange Holding shares before we eventually publicly list the shares. Until the public listing of the Nxchange Holding shares, a private market in the shares will become available once the capital raise is closed. The public investment round will be open at these conditions from 1 Jan 2023 until 31 Dec 2023, and will close along the way as soon as the 500,000 shares have been subscribed for.

CAPTABLE

If the full tranche of 500,000 shares are re-issued the captable will be as following.

Effective Management Group (M. Evertsz)	35.40%
GoldRepublic	15.61 %
Other shareholders	48.99%

This captable does not take into account the options granted under the employee participation plan. If all options are exercised in full, this will mean a dilution of appr. 5.2%. All options have been issued at an exercise price of Eur 8 per share.

ORGANISATIONAL STRUCTURE

In 2021 Koen Beentjes left as the CFO of Nxchange Holding BV. Jos van Alphen was added to the management team. The Management team of Nxchange consists of Marleen Evertsz (CEO), Alex Butter (CTO) and Jos van Alphen (CCO).

Nxchange employs 13.3 FTE distributed over the following positions:

Management Team	3 FTE
Support	3 FTE
IT	2.2 FTE
Marketing	3.6 FTE
Finance	1.5 FTE

IP TRANSFER

On 31 December 2021 Nxchange BV and Nxchange IT BV transferred their IP to Nxchange Holding. Nxchange mainly worked on replacing its website with a new website using a new technology stack. Furthermore Nxchange kept its costs (and therefore its IT development) low in 2021 as a result on the global situation.

FINANCIALS

Consolidated Key Figures

	31.12.2021	31.12.2020
Revenue	384,554	37,174
Capital raised on group level	2,000,000	940,000
Total assets / Liabilities	3,124,914	2,606,161
Results over the year - loss	-1,501,687	-1,240,860
Net cash (e/o year)	1,472,438	1,155,997
Liquidity ratio	302%	127%
Solvency ratio	75%	50%

Despite the economic circumstances in 2021, new listings were added to the client base of Nxchange and Bondex resulting in a revenue for Bondex of Eur 85,397 and for Nxchange of Eur 299,157, resulting in a total revenue of Eur 384,554 in 2021. Which is a 934% increase compared to the revenue of 2020.

The net result of Nxchange holding increased from Eur -1,240,860 (2020) to Eur -1,501,687 (2021). Both years with a negative result but due to a lower NOW compensation in 2021 (Eur 461,374 less NOW than 2020), Nxchange's 2021 net result is lower than 2020.

Our liquidity ratio improved from 127% in 2020 to 302% in 2021 due to deferred payroll taxes and our Solvency ratio improved from 50% in 2020 to 75% in 2021.

NOW

Due to our substantial loss in revenues in 2020 and 2021 as a result of COVID-19, Nxchange qualified for the Dutch NOW grant; a governmental subsidy for companies that suffered loss of turnover due to the COVID-19 event. As a result, a substantial part of the employee costs was covered by the NOW in 2020 and 2021. In total Nxchange has received Eur 619,059 NOW subsidy in 2020 and Eur 171,546 NOW subsidy 2021.

EFFRO Subsidy

In 2021 Nxchange was granted an EFRO subsidy. It concerns a joint subsidy of Stichting 2Tokens, Blocklab and Nxchange granted by Kansen voor West II REACT EU. Nxchange has been granted a subsidy of Eur 408,000 for the development of Next Generation Capital's Startup Vertical®. Next Generation Capital's Startup Vertical® will be focussing on financing baskets of startups in the sectors Horticulture, Port and Maritime and Life science. Next Generation Capital's Startup Vertical® will be set up with Program managers YES!Delft and PortXL, part of Innovation quarter Edih (subsidy program) for startups in the western region. The subsidy will be paid over the years 2021 - 2023. In 2021 an advanced payment of Eur 20,000 Eur was received.

Continuity

Nxchange Holding's BV current cash position per 30 November 2022 is Eur 889,703, our current receivables are Eur 464,460 and current liabilities of Eur 475,136 Our equity per 30 November 2022 is Eur 1,757,191 and our regulatory capital Eur 889,703. With our minimum required regulatory capital of Eur 845,375 Nxchange Holding BV complies with its capital requirements.

Management is constantly monitoring the current and future cash and cash flow position and will take proper action in time, if needed, to safeguard the continuity of its existing businesses. We are confident that we will be able to safeguard this. We have applied all accounting principles consistently on a going concern basis.

Credit Risk

Nxchange and Bondex have limited credit risk. Issuance fees from issuers which are listed on Nxchange and Bondex will be deducted from the capital raised in the primary market issue.

Nxchange and Bondex credit risk is further mitigated by the obligation for investors to deposit funds before entering into a transaction and the delivery versus payment settlement system. Transaction fees are automatically deducted and paid to Nxchange as part of each transaction. Inherent to its business model, Nxchange and Bondex collect setup fees from partners. Partnerships will only be started when the required setup fees are committed.

Concentration Risk

During 2021, the continuity of the Nxchange and Bondex platforms is no longer dependent on only a few clients and/or projects.

Strategic Risk

The Investment Services Platform with its exchange licenses and its scalable partner model makes Nxchange and Bondex uniquely positioned in the market. As Nxchange and Bondex are currently not profitable yet, the main strategic risk is to find the appropriate investors in Nxchange Holding on a timely basis.

Operational risks

As Nxchange is highly automated, we consider system risks to be substantial. However, many precautions have been taken to mitigate this risk, including daily backups, business continuity and recovery plans and regular IT audits.

The risk of conflicts of interest is considered an important risk. The process of hiring employees, a strong code of conduct and regular compliance awareness training facilitates employees in maintaining their independence from the listed entities.

With respect to reputational risk, we are very much aware of the importance of Nxchange's reputation, so we take steps to maintain it and the investors' trust. The most important step is carefully evaluating companies which intend to list their securities and have a very extensive AML/KYC procedure for on-boarding both issuers and investors.

Legal and Regulatory

Nxchange and Bondex are subject to a number of complex regulatory and reporting laws, for which we have compliance procedures in place, supported by external legal counsel. We face the risk that the laws regarding investment entities, (foreign) investors or taxation might change, but we do not expect any significant impact from this risk at present.

Risk Management, Quality Control and Investor Reporting

Nxchange is an early stage and growing company. As such our internal processes and procedures have room for optimization. In order to mitigate our key risks, we use external legal counsel and employ a full time compliance officer. The Risk committee is composed of three key team members, heading compliance, finance, operations and management. The Risk committee evaluates each listing and is supported by input from legal counsel.

TARGETS 2022 AND 2023

The capital markets are accelerating and transforming fast. From a business standpoint the market will continuously search for capital and investors will be even more demanding when it comes to the products they are willing to invest in. What does this mean for Nxchange? Our future success depends on deeply understanding these trends and integrating them across our products and business.

While continuing building our infrastructure we need to lead these trends in 2023! We have not changed our strategy. We have learned significantly from the past. In 2023 we plan to acquire or merge with at least one other platform. We are focused on further growing the assets and products listed on Nxchange by expanding our marketing activities and expect that Bondex can hit the break-even level in 2023.

There is a lot to be done. The market circumstances are challenging. Yet we feel very positive about the future and the opportunities that are occurring.

Amsterdam, 30 November 2022

Nxchange Holding BV

Marleen Evertsz on behalf of Effective Management Group BV
Alex Butter on behalf of Butter AA Management BV

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss
for the year ended on December 31, 2021

<i>amounts x € 1,00</i>	Notes	01.01.2021 31.12.2021	01.01.2020 31.12.2020
		EUR	EUR
Continuing operations			
Revenue	5]	384.554	37.174
Cost of providing services		0	0
Gross profit		<u>384.554</u>	<u>37.174</u>
Personnel expenses	6]	1.049.349	290.194
Other expenses	7]	830.364	982.085
		<u>1.879.713</u>	<u>1.272.278</u>
Operating Result		-1.495.159	-1.235.104
Finance income		0	0
Finance costs	8]	6.886	5.755
Finance costs - net		<u>6.886</u>	<u>5.755</u>
Result before income tax		-1.502.045	-1.240.860
Income tax expense	9]	-358	0
Result from continuing operations		<u>-1.501.687</u>	<u>-1.240.860</u>
Result from discontinued operation (attributable to owners of the Company)		0	0
Loss for the year		<u>-1.501.687</u>	<u>-1.240.860</u>
Result is attributable to:			
Owners of the Company		<u>-1.501.687</u>	<u>-1.240.860</u>
		<u>-1.501.687</u>	<u>-1.240.860</u>

Consolidated statement of comprehensive income
for the year ended on December 31, 2021

amounts x € 1,00

	Notes	01.01.2021 31.12.2021	01.01.2020 31.12.2020
		EUR	EUR
Loss for the period		-1.501.687	-1.240.860
Other comprehensive income		<u>0</u>	<u>0</u>
Other comprehensive income for the period, net of tax		0	0
Total comprehensive income for the period		<u><u>-1.501.687</u></u>	<u><u>-1.240.860</u></u>
Total comprehensive income for the period is attributable to owners of the company:			
		<u>-1.501.687</u>	<u>-1.240.860</u>
		<u><u>-1.501.687</u></u>	<u><u>-1.240.860</u></u>
Total comprehensive income for the period is attributable to owners arises from:			
Continuing operations		-1.501.687	-1.240.860
Discontinued operations		<u>0</u>	<u>0</u>
		<u><u>-1.501.687</u></u>	<u><u>-1.240.860</u></u>

Consolidated Statement of the Financial Position
as per December 31, 2021

<i>amounts x € 1,00</i>	Notes	31.12.2021	31.12.2020
		EUR	EUR
Assets			
Non-current assets			
Intangible fixed assets	10]	1.254.734	871.098
Tangible fixed assets	11]	31.041	18.633
Financial fixed assets	12]	<u>50.000</u>	<u>50.000</u>
		1.335.774	939.731
Current assets			
Receivables and prepayments	14]	316.702	510.433
Cash & Cash equivalents	15]	1.472.438	1.155.997
		1.789.140	1.666.430
Total assets		3.124.914	2.606.161
Equity			
Issued capital	16]	24.573	23.059
Share premium		7.863.490	5.315.004
Other reserves	17]	853.068	455.627
Retained Earnings	18]	<u>-6.394.724</u>	<u>-4.499.451</u>
		2.346.406	1.294.238
Non-current Liabilities			
Social security premiums (Covid)	19]	<u>186.534</u>	<u>0</u>
		186.534	0
Current Liabilities			
Trade and other payables	20]	89.356	49.538
Provisions		173.129	73.590
Financial liabilities		329.489	862.596
Current tax liabilities and current tax assets		0	326.200
Deferred tax liabilities and deferred tax assets		<u>0</u>	<u>0</u>
Total liabilities		591.974	1.311.923
Total Equity and Liabilities		3.124.914	2.606.161

Consolidated Statement of changes in equity
for the year ended on December 31, 2021

Share capital	Share premium	Retained earnings	Legal reserves	Total
EUR	EUR	EUR	EUR	EUR
1	0	-100	0	-99
0	0	-1.240.859	0	-1.240.859
0	0	-455.627	455.627	0
0	0	-2.802.866	0	-2.802.866
1	0	-4.499.450	455.627	-4.043.823

2020

Balance at 01 January 2020

Result for the year	0	0	-1.240.859	0	-1.240.859
Changes in legal reserves	0	0	-455.627	455.627	0
Other comprehensive income	0	0	-2.802.866	0	-2.802.866
	1	0	-4.499.450	455.627	-4.043.823

Transactions with owners in their capacity as owners:

Issued share capital	23.058	5.315.004	0	0	5.338.061
Contributions of equity net of transaction costs	0	0	0	0	0
Issued NXPRs	0	0	0	0	0
Cancellation of NXPR's	0	0	0	0	0
	0	0	0	0	0

Balance at 31 December 2020

	23.059	5.315.004	-4.499.450	455.627	1.294.238
--	---------------	------------------	-------------------	----------------	------------------

Share capital	Share premium	Retained earnings	Legal reserves	Total
EUR	EUR	EUR	EUR	EUR

2021

Balance at 01 January 2021

Result for the year	0	0	-1.501.687	0	-1.501.687
Changes in legal reserves	0	0	-393.585	393.585	0
Other comprehensive income	0	0	0	3.853	3.853
	23.059	5.315.004	-6.394.722	853.065	-203.594

Transactions with owners in their capacity as owners:

Issued share capital	1.514	2.548.486	0	0	2.550.000
Contributions of equity net of transaction costs	0	0	0	0	0
Issued NXPRs	0	0	0	0	0
Cancellation of NXPR's	0	0	0	0	0
	0	0	0	0	0

Balance at 31 December 2021

	24.573	7.863.490	-6.394.722	853.065	2.346.406
--	---------------	------------------	-------------------	----------------	------------------

Consolidated Statement of cash flows

for the year ended on December 31, 2021

Notes	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
Cash flows from operating activities		
Operating result for the year	-1.495.159	-1.235.104
<i>Adjustments for</i>		
Depreciations	11.256	16.150
Amortizations	208.796	122.997
Interest paid	-6.886	-5.755
Changes in working capital	<u>-533.639</u>	<u>625.016</u>
Net cash outflow to operating activities	<u>-1.815.632</u>	<u>-476.697</u>
Cash flows from investing activities		
Payment of investments in office equipment	-23.664	0
Payment of investment in Intellectual Property	-38.576	-176.721
Payment of website development	<u>0</u>	<u>-45.905</u>
Net cash outflow from investing activities	<u>-62.240</u>	<u>-222.626</u>
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	2.000.000	939.999
Repayment subordinated loans	-50.000	0
Proceeds from borrowings	50.000	0
Long term debt - social security premiums (COVID)	<u>186.534</u>	<u>0</u>
Net cash inflow from financing activities	<u>2.186.534</u>	<u>939.999</u>
Net increase (decrease) in cash and cash equivalents	<u>308.662</u>	<u>240.676</u>
Cash and cash equivalents at the beginning of the financial year	1.155.997	915.321
Cash Nxchange Holding per acquisition date	0	0
Cash Bondex per acquisition date	7.779	0
Effects of exchange rate changes on cash and cash equivalents	<u>0</u>	<u>0</u>
Cash and cash equivalents at end of year	<u>1.472.438</u>	<u>1.155.997</u>

Notes to the Consolidated Financial Statements

Note 1 General Information

Nxchange Holding B.V. is a limited liability Company (Besloten Vennootschap) incorporated and existing under Dutch law. Nxchange Holding B.V. is registered with the chamber of commerce under number 72801034, having its official seat (statutaire zetel) at the Herengracht 454 in Amsterdam, the Netherlands (the Company). The Company commenced operations on the 6th of August 2019.

The Company's registered office is Herengracht 454, 1017 CA Amsterdam, the Netherlands.

The objectives of the Company are to facilitate trade of financial instruments through its trading platform to account holders in both the primary and secondary market. The financial objectives are to be demonstrated by generating dividends and significant medium- to long-term capital growth. The Company aims to deliver these objectives by providing a trading platform to Pan European companies wishing to attract capital.

The shares of Nxchange Holding B.V. are not traded in the public market.

The financial statements were authorized for issue by the Board of Directors on November 30th, 2022.

Note 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

First year adoption of IFRS:

2021 is the first year that IFRS is applied in the consolidated financial statements. Change in policy does not result in any adjustments to the profit and loss or balance sheet account in financial year or in the comparative figures.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Since 27 November 2018, Nxchange B.V. has one subsidiary Nxchange IT B.V. As per June 9th 2020 Nxchange Holding B.V. holds 100% of the shares of Nxchange B.V.. As at 31 December 2020, Nxchange IT B.V. employs the staff members that work for Nxchange B.V. Since 30 April 2021 Bondex B.V. is a new (100%) subsidiary of Nxchange Holding B.V. The accounts of Nxchange Holding B.V. are prepared on a consolidated basis and for the stand-alone legal entity.

Business combinations.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below)
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Going Concern Basis of Accounting

The company is in scale up phase, where it is essential that enough capital and liquidity is available to safeguard the company's operations in the coming year. The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Given the current cash position (approximately € 889,703 at end-November 2022) we will be able to cover our costs for the next six months.

The company is applying all accounting principles on a going concern basis.

New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 (including the June 2020 Amendments to IFRS 17: Insurance contracts).
- Amendments to IFRS 10 and IAS 28: Sale and contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3: References to the conceptual framework
- Amendments to IAS 16: Property, Plant and Equipment – Proceeds before intended Use.
- Amendments to IAS 37: Onerous contracts – Cost of fulfilling a contract.
- Annual Improvements to IFRS 1: Amendments to IFRS 1 First year adoption of international financial reporting.
- Standards 2018-2020 Cycle: Standards, IFRS 9 Financial instruments, IFRS 16 Leases, IAS 41 Agriculture.
- Amendments to IAS 1 and IFRS: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates.
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities Arising from a Single Transaction.

- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use
- Annual Improvements to IFRS Standards 2018-2020 Cycle: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated;

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. We also refer to the going concern paragraph as this may impact a potential impairment.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The Company currently does not own any assets at FVTPL.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity. The Company currently holds no assets designated into this category. HTM investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the

financial asset is measured at the present value of estimated future cash flows. Any changes in the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Receivables

Receivables are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganization, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

At year-end the carrying amount of the receivables approximate their fair value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. As at year-end the carrying amount of cash and cash equivalents approximate their fair value.

The company's cash flow statement is reported using the indirect method.

Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Legal reserves

Investments in internally generated intangible asset require the company to form a legal reserve for development cost at the net value of the asset. The legal reserve is formed through the retained earnings.

Payables and accrued expenses

Payables and accrued expenses are recognized initially at fair value and subsequently stated at amortized cost. The difference between the proceeds and the amount payable is recognized over the period of the payable using the effective interest method. As at year-end the carrying amount of payables and accrued expenses approximate their fair value. Retained earnings includes all current and prior period retained profits and share-based employee remuneration. All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Revenue

The majority of revenue consists of set-up fees from partners, transaction fees, and license fees. Set-up fees from partners and license fees are recognized in the period when the performance obligation has been satisfied and payment from the client is probable. Transaction fees are recognized upon settlement of the transaction on Nxchange's platform.

Legal and professional expenses

Legal and professional expenses are costs incurred on a regular basis for fees paid for regulatory bodies and fees paid to agents for carrying out the duties on behalf of the entity for regulatory and compliance purpose. These costs are immediately recognized in profit or loss as an expense.

Taxation

The entity is domiciled in the Netherlands and is therefore subject to the Dutch Tax Law.

Note 3 Financial risk management

Financial risk factors

Nxchange has made a solid risk analysis on several areas. The following areas can be distinguished:

Market risks

The Company is exposed to the risk of concentration in certain activities or markets. This risk is mitigated by a low overhead and a minimum reserve requirement as set by the regulatory authorities.

- Price risk

The Company is exposed to price risk with respect to general price increases (consumer price index).

- Interest rate risk

The Company only runs minimal interest rate risk on cash in the bank. The risk is that the minimal interest rate decreases even further.

Credit risk

The Company has limited exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. This risk is mitigated by the obligation for clients to deposit funds before entering a transaction and the delivery versus payment settlement system. Within the credit risk we can distinguish three individual external risks.

- Counterparty risk and bankruptcy risk.

This risk relates to the undertaking concerned, both debtors and creditors:

- Debtors (partners). Nxchange enters into partnership agreements with established companies in the financial services sector. These partnership agreements are usually the result of extensive and lengthy negotiations. The partnership agreement requires the payment of a set-up fee and revenue guarantee. If, after various reminders, the partner fails to pay its set-up fee or revenue guarantee, the partnership agreement cannot continue and will be terminated.

Nxchange's counterparty risk to issuers and investors is limited. Nxchange deducts the issuers fee from the raised capital, hence there is no risk that this fee will not be collected. The issuers pay a license fee which is collected every annum. This a relatively small fee as percentage of its raised capital. As investors on Nxchange's platform only trade with real-time settlement, there is no risk that investors cannot meet their fees. This system is automated; hence investors cannot place a trade without sufficient balance on their account.

- Concentration risk.

The risk that too large proportion of sales is concentrated with one debtor:

- Partners. Currently there is still a risk of having too few partners given that the current partners are either in start-up mode and have not produced any operational income or are reconsidering the business proposition. It is essential that new partners are attracted or that existing partners are getting operational.

Financial and liquidity risk.

As a result of Nxchange's three licenses: the Investment Firm license, the Regulated Market permit and the extension of the RM-permit with the Multilateral Trading Facilities permit, the Company is required to meet certain capital requirements.

The current regulatory capital requirements, as per October 31, 2022, require a regulatory capital that is the higher of the Fixed Cost Requirement (Vaste Kosten Eis), currently € 393.854 or the forecasted fixed operational cost for the coming six months, currently €588.793. The Fixed Cost Requirement is related to the previous year actual cost level; the forecasted fixed operational cost to the current year. It also requires Nxchange to hold a liquidity level which needs to be higher than the regulatory capital level. There is a risk that Nxchange is not able to meet such regulatory liquidity and capital levels. In order to manage this risk, the Board of Directors is constantly monitoring these levels and has processes in place to attract new funding on a timely basis.

Liquidity risk is the risk that the Company may be unable to meet short term financial demands. The table below analyses Nxchange's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances.

Financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2021				
Non-current liabilities	7,685	37,307	111,920	29,622
Current liabilities	591.974			
2020				
Current liabilities	1.311.923			

Financial instruments

Accounting classification and fair values of financial instruments

The following table presents the fair values of financial instruments, based on Nxchange's categories of financial instruments, including current portions, compared to the carrying amounts at which these instruments are included on the balance sheet:

Financial assets per category

2021	Carrying amount	Fair value
Financial fixed assets	50.000	50.000
Current account Stichting Escrow	142.736	142.736
Trade and other receivables	173.967	173.967
Cash and cash equivalents	1.472.438	1.472.438
	<u>1.839.141</u>	<u>1.839.141</u>
2020		
Financial fixed assets	50.000	50.000
Current account Stichting Escrow	394.964	394.964
Trade and other receivables	115.469	115.469
Cash and cash equivalents	1.155.997	1.155.997
	<u>1.716.430</u>	<u>1.716.430</u>

Financial liabilities per category

2021	Carrying amount	Fair value
Current account GoldRepublic B.V.	329.489	329.489
Taxes	186.534	186.534
Other liabilities/payables	262.485	262.485
	778.508	778.508

2020	Carrying amount	Fair value
Current account GoldRepublic B.V.	862.596	862.596
Taxes	132.752	132.752
Other liabilities/payables	316.575	316.575
	1.311.923	1.311.923

Operational risks

- Outsourcing risk.
Nxchange uses Triple IT B.V. as hosting party, for storage and backup of all client related information. Euroclear Nederland is the depository party.
- Market abuse risk:
Nxchange employees and stakeholders are not allowed to trade on Nxchange's platform. A comprehensive compliance module for issuers is developed. This module indicates restrictions and sets strict rules. Insiders may temporarily be blocked, so they cannot make trades while having sensitive information. Nxchange monitors and reports all transactions and indicates suspicious transactions or unusual behaviour from trading clients. The AFM monitors closely whether we adhere to the standards.
- Legal risk
The compliance officer is responsible for reporting non-compliance with laws and regulations to the Board of Directors and regulators. He also performs risk assessments. If needed an external lawyer is used when more background information is needed. All employees are obliged to join a Compliance Awareness Training and test. A Rule Book is developed with an explanation of all processes and rules for trading clients. The Compliance Module is developed for issuing companies. Both documents are living documents, maintained when necessary because of changing legislation.

The loss of a Key Person (one of the Board Members) is a risk faced by the Company. A new Board Member should be approved by the appropriate Dutch authorities (AFM) first. This process includes background checks and a certificate of good conduct from the Dutch Government of the individual employee and can take a lot of time.

Fair value estimation

The entity is required to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

As at 31 December 2021, the Company has no financial assets and liabilities measured at fair value.

Fair values, including valuation methods and assumptions

As at 31 December 2021, the carrying amounts of cash and cash equivalents, other receivables and prepayments, and short-term liabilities approximated their fair values due to the short-term maturities of these assets and liabilities.

Note 4 Critical accounting estimates and judgements

Critical accounting estimates and judgements

The Board of Directors makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the next financial year, for example capitalization of intangible assets. Estimates and judgements are continually evaluated and are based on factors including expectations of future events that are believed to be reasonable under the circumstances.

Functional and presentation currency

The financial performance of the Company is measured and reported to investors in euros. The consolidated and company financial statements are presented in euros, which is the Company's functional currency.

Note 5 Revenue

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
Setup Fee	131.467	15.000
License Fee	55.706	2.784
Transaction Fee	65.446	5.463
Success Fee	132.622	4.792
Other	-686	9.135
Total fees	384.554	37.174

Note 6 Personnel expenses

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
Short-term employee benefits		
Salaries including bonuses	1.086.204	964.301
Social security costs	110.919	113.860
Allocated personnel expenses to group companies	-29.398	0
Allocated salaries to IP	0	-220.641
NOW subsidy	-171.546	-619.059
WBSO subsidy	-85.921	-29.232
Other personnel expenses	139.090	80.965
Total remuneration	1.049.349	290.194

The average number of employees on the payroll of Nxchange was 13,3 FTE (2020: 12,2 FTE); Management 3 FTE, IT 2.2 FTE, Support 3 FTE, Finance 1,5 FTE, Marketing 3.6 FTE. Staff members were employed by the subsidiary Nxchange IT B.V.

Nxchange B.V. received a WBSO-subsidy of € 85.921 for 2021.

Note 7 Other expenses by nature

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
Other expenses by nature		
Professional services	236.731	314.012
Amortization costs	79.950	0
Depreciation costs	137.482	139.147
IT expenses	142.908	98.915
Sales and marketing expenses	47.830	185.906
Regulatory costs	91.270	91.590
Other operating	94.193	152.515
Total other expenses	<u>830.364</u>	<u>982.085</u>

Specification of external auditor's fees

The fees for the audit of the Company are included in the professional services.

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
External auditor's fees		
Audit of the consolidated financial statements Nxchange Holding B.V.	38.250	30.000
External auditor's fees	<u>38.250</u>	<u>30.000</u>

For 2021, Confinant Audit & Assurance B.V. is appointed as the external auditor of the Company.

Note 8 Finance costs

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
Finance costs		
Paid interest subordinated loans	0	-1.805
Interest paid	-1.500	0
Bank charges	-5.386	-3.951
Total finance costs	-6.886	-5.755

Note 9 Income tax expense

The reconciliation of the tax expense based on the domestic effective tax rate at 15,0% (2020: 16,5%).

Income tax

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Loss for tax	-1.502.045	-1.240.869
Domestic tax rate	15,0%	16,5%
Actual tax asset	225.307	204.743
<i>Tax expense comprises</i>		
Tax expense previous years		
Tax expense this year	225.307	204.743
Release deferred tax asset previous years	0	0
Tax expense not recognised	-225.307	-204.743
Deferred tax expense	0	0
Balance at 31 December	0	0

The tax rate for the years is tiered

Up to Euro 245.000 taxable profit	15,0%	16,5%
Over Euro 245.000 taxable profit	25,0%	25,0%

From 2022 onwards the first tier will be taxed at 15% up to an amount of Euro 395.000.

As of January 1, 2022, fiscal losses can be carried forward indefinitely. Fiscal losses may be offset in full against fiscal profits up to € 1 million where the set-of will be limited to 50% for fiscal profits in excess of the € 1 million threshold. Due to uncertainty about the likely hood of future fiscal profits no deferred tax asset has been recognized.

Note 10 Intangible fixed assets

The depreciation term of concessions & permits is 20 years. A summary of the movements in 2021 and 2020 is given below:

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Concessions & permits		
Gross carrying amount		
Opening balance	436.080	436.080
Addition	0	0
Adjustment	0	0
Closing balance	<u>436.080</u>	<u>436.080</u>
Depreciation and impairment		
Opening balance	-78.565	-56.744
Amortization	-21.821	-21.821
Closing balance	<u>-100.386</u>	<u>-78.565</u>
Carrying amount at closing balance	<u>335.693</u>	<u>357.514</u>

Concessions & permits costs includes the cost for applying for the extension of the Regulated Market license with a license to operate the Multilateral Trading Facility (MTF). The license was granted to Nxchange on 30 August 2018.

The depreciation term of the Intellectual Property is 5 years. A summary of the movements in 2021 and 2020 is given below:

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Intellectual Property Nxchange		
Gross carrying amount		
Opening balance	578.193	401.472
Addition	0	176.721
Closing balance	<u>578.193</u>	<u>578.193</u>
Depreciation and impairment		
Opening balance	-107.848	-18.228
Amortization	-93.446	-89.620
Closing balance	<u>-201.295</u>	<u>-107.848</u>
Carrying amount at closing balance	<u>376.898</u>	<u>470.345</u>

The depreciation term of the Website is 5 years. A summary of the movements in 2021 and 2020 is given below:

Website	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Gross carrying amount		
Opening balance	80.240	34.335
Addition	0	45.905
Closing balance	<u><u>80.240</u></u>	<u><u>80.240</u></u>
Depreciation and impairment		
Opening balance	-37.003	-25.447
Amortization	-10.959	-11.555
Closing balance	<u><u>-47.961</u></u>	<u><u>-37.003</u></u>
Carrying amount at closing balance	<u><u>32.279</u></u>	<u><u>43.238</u></u>

The depreciation term of the Intellectual Property Bondex is 5 years. A summary of the movements in 2021 and 2020 is given below:

Intellectual Property Bondex	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Gross carrying amount		
Opening balance	0	0
Addition	592.432	0
Closing balance	<u><u>592.432</u></u>	<u><u>0</u></u>
Depreciation and impairment		
Opening balance	0	0
Amortization	-82.570	0
Closing balance	<u><u>-82.570</u></u>	<u><u>0</u></u>
Carrying amount at closing balance	<u><u>509.862</u></u>	<u><u>0</u></u>

Note 11 Tangible Fixed Assets

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Office equipment		
Gross carrying amount		
Opening balance	61.196	61.196
Addition	23.664	0
Closing balance	<u>84.861</u>	<u>61.196</u>
Depreciation and impairment		
Opening balance	-42.563	-26.413
Depreciation	-11.256	-16.150
Closing balance	<u>-53.819</u>	<u>-42.563</u>
Carrying amount at closing balance	<u>31.041</u>	<u>18.633</u>

Note 12 Financial fixed assets

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Opening balance	50.000	50.000
Movements	0	0
Closing balance	<u>50.000</u>	<u>50.000</u>

Note 13 Loss carry forward

According to the latest Corporate Income Tax Return (2020), Nxchange Holding B.V. has € 4.537.362 (up to and including fiscal year 2020) of accumulated tax losses which are available for offsetting against future taxable profits.

As of January 1, 2022, fiscal losses can be carried forward indefinitely. Fiscal losses may be offset in full against fiscal profits up to € 1 million where the set-off will be limited to 50% for fiscal profits in excess of the € 1 million threshold. Due to uncertainty about the likely hood of future fiscal profits no deferred tax asset has been recognized.

<u>Tax year</u>	<u>Tax loss</u>
2015	84.031
2016	411.631
2017	412.319
2018	525.298
2019	1.765.415
2020	1.338.668
	<u><u>4.537.362</u></u>

Due to uncertainty about the timing of future profits in the period 2022-2027, Nxchange Holding B.V. has determined that it cannot recognize deferred tax assets on the tax losses carried forward. See also note 9.

Fiscal unity

Nxchange Holding B.V. is included in the fiscal unity for corporate income tax and value added tax purposes together with Nxchange B.V. and Nxchange IT B.V.

Start dates fiscal unities:

VAT	01-06-2019 Nxchange B.V. and Nxchange IT B.V.
	01-08-2021 Nxchange Holding B.V., Nxchange B.V. and Nxchange IT B.V.
Corporate Income Tax	01-01-2021 Nxchange Holding B.V., Nxchange B.V. and Nxchange IT B.V.

Pursuant to the Collection of State Taxes Act ('Invorderingswet'), the company and its consolidated subsidiary and shareholder are each severally and jointly liable for taxes payable in this respect by the combination.

Note 14 Receivables and prepayments

	<u>31.12.2021</u>	<u>31.12.2020</u>
Prepaid expenses	26.102	9.776
Receivables from related parties	142.736	394.964
Other receivables	109.225	5.055
Accounts receivables	30.005	103.764
Allowance doubtful debtors	-8.000	-3.125
NOW 3.1 subsidy	9.500	0
Taxes receivable (VAT)	7.134	0
Balance at 31 December	<u><u>316.702</u></u>	<u><u>510.433</u></u>

The carrying values of other receivables approximate their fair values. All other receivables and prepayments have a maturity of less than 1 year.

Receivables from related parties

	31.12.2021	31.12.2020
Stichting Escrow Nxchange	142.736	394.964
	<u>142.736</u>	<u>394.964</u>

Note 15 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity of less than 90 days. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown below.

	31.12.2021	31.12.2020
	EUR	EUR
Cash at ABN AMRO Bank	1.443.399	1.153.667
Cash at Deutsche Bank	1.118	2.330
Cash at ING Bank	27.921	0
	<u>1.472.438</u>	<u>1.155.997</u>

Note 16 Share capital and premium and shareholders distribution

<u>Share capital and premium</u>	Number of shares	Share capital	Share premium	Total
Balance at 1 January 2020	100	1	0	1
NXPR's issued - March	117.500	1.175	938.825	940.000
NXPR's issued - June	151.712	1.517	843.593	845.110
NXPR's exchanged for ordinary shares	2.036.563	20.366	3.532.586	3.552.951
Balance at 31 December 2020	2.305.875	23.059	5.315.004	5.338.062
Balance at 1 January 2021	2.305.875	23.059	5.315.004	5.338.062
NXPR's issued	82.625	826	660.174	661.000
Ordinary shares issued	68.750	688	549.313	550.000
Share Premium GoldRepublic B.V.	0	0	1.339.000	1.339.000
Balance at 31 December 2021	2.457.250	24.573	7.863.490	7.888.062

Shareholders distribution

	31.12.2021		31.12.2020	
	Number of shares	%	Number of shares	%
Effective Management Group B.V.	1.106.200	45,0178%	1.106.200	47,9731%
A.A. Butter	80.000	3,2557%	80.000	3,4694%
P.C. Klaver	99.900	4,0655%	99.900	4,3324%
B.K. Klaver	126.800	5,1602%	126.800	5,4990%
M.K. Klaver	63.400	2,5801%	63.400	2,7495%
M.H. Verkoren	63.400	2,5801%	63.400	2,7495%
Yellitech B.V.	62.915	2,5604%	62.915	2,7285%
Leendertse Investment B.V.	203.463	8,2801%	203.463	8,8237%
GoldRepublic B.V.	230.585	9,3839%	230.585	9,9999%
STAK Nxchange	420.587	17,1162%	269.212	11,6750%
NXPR Holders				
Total	2.457.250	100%	2.305.875	100%

NXPR holders 420.587 269.212

A NXPR Holder has the same economic right as an ordinary shareholder, but no voting rights.

Due to the investment round held in 2021, there has been new NXPR holders who have joined the STAK.

Note 17 Other reserves

Legal reserves

Balance at 01 January 2021	455.627
Addition from Retained earnings	<u>393.585</u>
Balance at 31 December 2021	<u>849.212</u>

The legal reserve relates to the capitalised IP for Nxchange and Bondex.

Note 18 Retained earnings

Proposed appropriation of the results of the year

The Board of Directors proposes to appropriate the loss of the year of € 1.501.687 to the accumulated losses. This proposed appropriation is reflected in the accompanying financial report.

The Board of Directors allocates out of the retained earnings an amount of € 393.585 to the legal reserves for the internally generated intangible asset.

Retained earnings

Balance at 01 January 2021	-4.499.451
Result in 2021	-1.501.687
Addition to the legal reserves	<u>-393.585</u>
Balance at 31 December 2021	<u>-6.394.724</u>

Note 19 Non-current Liabilities

	<u>31.12.2021</u>	<u>31.12.2020</u>
	<u>EUR</u>	<u>EUR</u>
Social security premiums (Covid)	<u>186.534</u>	<u>0</u>
	<u>186.534</u>	<u>0</u>

Long term liabilities relate to the social security premiums that should had been paid in the period February to June 2020. Due to the Covid situations the Dutch Tax Authority has approved an extraordinary deferment of payment of these premiums. These premiums should be paid within 60 months starting on October 1st, 2022.

The interest percentage amounts to 0,01% and is expected to increase to 1% as of July 1st, 2022 and up to 4% as of January 1st, 2024.

This amount includes € 7.685 which should be considered as short term debt as this amount will be paid in October to December 2022.

Note 20 Current liabilities

Current liabilities

	<u>31.12.2021</u>	<u>31.12.2020</u>
	EUR	EUR
Creditors	89.356	49.538
Taxes payable (Payroll)	0	193.448
Taxes payable (VAT)	0	132.752
Liability to related parties	329.489	862.596
Holiday allowance	42.879	37.586
Reservation vacation days	85.787	25.104
Other short term debt	44.463	10.899
	<u>591.974</u>	<u>1.311.923</u>

Liability to related parties

	<u>31.12.2021</u>	<u>31.12.2020</u>
	EUR	EUR
GoldRepublic B.V.	329.489	862.596
	<u>329.489</u>	<u>862.596</u>

Note 21 Notes to the cash flow statement

Non-cash transactions

Due to the acquisition of Bondex there has been non-cash transactions. The IP has been acquired for €550.000 (split into assets and liabilities ad. € 203.750 and contracts ad. € 346.250). Extra shares have been issued in order to settle this acquisition.

Note 22 Related party transactions

GoldRepublic B.V., an entity headed by the same Managing Director (M.L. Evertsz) and with similar shareholders as Nxchange Holding B.V, except for Leendertse Investments B.V., is considered a related party. GoldRepublic B.V. is the party renting the office space and invoices on a pro rata part basis the usage of the office space. Nxchange IT B.V. invoiced in total € 110.408 for staff cost. GoldRepublic invoiced in total € 49.758 for the office space.

Bondex B.V., a 100% subsidiary of Nxchange Holding B.V. is also considered a related party.

The Management of Nxchange was partly direct on the payroll of Nxchange IT. However, the CCO invoiced in total € 48.533 to Nxchange IT B.V., which invoiced this amount to Nxchange B.V. and Bondex B.V.

Note 23 Remuneration of key management personnel

The remuneration of management, who are the key management personnel of the group, is set out below in aggregate for each of the categories specified in IAS 24.

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
	EUR	EUR
Short-term employee benefits	518.006	455.975
Total remuneration of key management personnel	518.006	455.975

Note 24 Contingent Liabilities

There are no contingent liabilities.

Note 25 Capital management policy

Nxchange's capital management objectives are:

- To comply with the ongoing requirements stipulated by the regulators
- To ensure the ability as a going concern
- To provide an adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage.

The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

Capital management policy

	31.12.2021	31.12.2020
Share capital	24.573	23.059
Share premium	7.863.490	5.315.004
Retained earnings	-6.394.724	-4.499.451
Legal reserves	849.212	455.627
Intangible fixed assets	-537.432	0
Capital contribution Stichting Escrow Nxchange	50.000	50.000
Tier 1 Capital = regulatory capital	1.855.119	1.344.238

Note 26 Subsequent events

There are no subsequent events.

COMPANY STATEMENTS

Company Statement of Profit or Loss
for the year ended on December 31, 2021

	Notes	01.01.2021 31.12.2021	01.01.2020 31.12.2020
		EUR	EUR
Continuing operations			
Revenue		0	0
Cost of providing services		0	0
Gross profit		<u>0</u>	<u>0</u>
Personnel expenses	6]	-1	0
Other expenses		0	1.486
		<u>1</u>	<u>-1.486</u>
Finance income		0	0
Finance costs		1.500	0
Finance costs - net		<u>1.500</u>	<u>0</u>
Result before income tax		-1.499	-1.486
Income tax expense	7]	0	0
Result from continuing operations		<u>-1.499</u>	<u>-1.486</u>
Result from participations		<u>-1.500.188</u>	<u>-1.239.373</u>
Loss for the year		<u>-1.501.687</u>	<u>-1.240.860</u>
Result is attributable to:			
Owners of the Company		<u>-1.501.687</u>	<u>-1.240.860</u>
		<u>-1.501.687</u>	<u>-1.240.860</u>

**Company Statement of the Financial
Position**

As per December 31, 2021

	Notes	31.12.2021	31.12.2020
		EUR	EUR
Assets			
Non-current assets			
Intangible fixed assets	2)	376.898	0
Tangible fixed assets		0	0
Financial fixed assets	3)	1.297.710	1.295.824
		1.674.607	1.295.824
Current assets			
Receivables and prepayments		667.944	10.514
Cash & Cash equivalents		0	0
		667.944	10.514
Total assets		2.342.551	1.306.338
Equity			
Issued capital	4)	24.573	23.059
Share premium		7.863.490	5.315.004
Other reserves		849.212	455.627
Retained Earnings		-6.394.724	-4.499.451
		2.342.551	1.294.238
Current Liabilities			
Trade and other payables		0	12.100
Total liabilities		0	12.100
Total Equity and Liabilities		2.342.551	1.306.338

Company Statement of changes in equity
for the year ended on December 31, 2021

2020

Balance at 01 January 2020

	Share capital	Share premium	Retained earnings	Legal reserves	Total
	EUR	EUR	EUR	EUR	EUR
Balance at 01 January 2020	1	0	-100	0	-99
Result for the year			-1.240.859		-1.240.859
Changes in legal reserves			-455.627	455.627	0
Other comprehensive income			-2.802.866		-2.802.866
	1	0	-4.499.450	455.627	-4.043.823

Transactions with owners in their capacity as owners:

Issued share capital	23.058	5.315.004	0	0	5.338.061
Contributions of equity net of transaction costs					0
Issued NXPRs					0
Cancellation of NXPR's					0

Balance at 31 December 2020

	23.059	5.315.004	-4.499.450	455.627	1.294.238
--	---------------	------------------	-------------------	----------------	------------------

2021

Balance at 01 January 2021

	Share capital	Share premium	Retained earnings	Legal reserves	Total
	EUR	EUR	EUR	EUR	EUR
Balance at 01 January 2021	23.059	5.315.004	-4.499.450	455.627	1.294.238
Result for the year			-1.501.687		-1.501.687
Changes in legal reserves			-393.585	393.585	0
Other comprehensive income					0
	23.059	5.315.004	-6.394.722	849.212	-207.449

Transactions with owners in their capacity as owners:

Issued share capital	1.514	2.548.486	0	0	2.550.000
Contributions of equity net of transaction costs					0
Issued NXPRs					0
Cancellation of NXPR's					0

Balance at 31 December 2021

	24.573	7.863.490	-6.394.722	849.212	2.342.551
--	---------------	------------------	-------------------	----------------	------------------

Notes to the Company Statements

Note 1.

Nxchange Holding B.V. is a limited liability Company (Besloten Vennootschap) incorporated and existing under Dutch law. Nxchange Holding B.V. is registered with the chamber of commerce under number 755277882, having its official seat (statutaire zetel) at the Herengracht 454 in Amsterdam, the Netherlands (the Company). The Company commenced operations on the 06th of August 2019.

The Company's registered office is Herengracht 454, 1017 CA Amsterdam, the Netherlands and its main activities mainly consists of holding activities.

The financial statements were authorized for issue by the Board of Directors on 30 November 2022.

All amounts are in EUR, unless stated otherwise.

Accounting policies The Company financial statements have been drawn up in accordance with Dutch law (Part 9 of Book 2 of the Dutch Civil Code). In doing so, the company made use of the possibility to apply the accounting policies (including the policies for the presentation of financial instruments as equity or loan capital) used in the Consolidated financial statements to the Company financial statements, as provided for in Section 362 (8) of Book 2 of the Dutch Civil Code.

The accounting policies applied in the Company financial statements are the same as those applied in the Consolidated financial statements, unless stated otherwise. Interests in Group companies Interests over which Nxchange Holding B.V. exercises control or which it manages are carried at net asset value. The net asset value is determined by measuring the assets, provisions and liabilities and calculating the result according to the accounting policies applied in the Consolidated financial statements.

Note 2. Intangible fixed assets

The depreciation term of the Intellectual Property is 5 years. A summary of the movements in 2021 and 2020 is given below.

	01.01.2021 31.12.2021	01.01.2020 31.12.2020
Intellectual Property Nxchange		
Gross carrying amount		
Opening balance	0	0
Addition	376.898	0
Closing balance	<u>376.898</u>	<u>0</u>
Depreciation and impairment		
Opening balance	0	0
Amortization	0	0
Closing balance	<u>0</u>	<u>0</u>
Carrying amount at closing balance	<u>376.898</u>	<u>0</u>

Note 3. Participating interest in Group Companies

Financial fixed assets

	<u>01.01.2021</u> <u>31.12.2021</u>	<u>01.01.2020</u> <u>31.12.2020</u>
Opening balance	1.295.824	1.295.824
Movements Nxchange B.V.	-55.164	0
Movements Bondex B.V.	57.050	0
Closing balance	<u>1.297.710</u>	<u>1.295.824</u>

Share Holding Nxchange B.V.

	<u>01.01.2021</u> <u>31.12.2021</u>	<u>01.01.2020</u> <u>31.12.2020</u>
Opening balance	1.295.824	1.295.824
Movements	-55.164	0
Closing balance	<u>1.240.659</u>	<u>1.295.824</u>

Share Holding Bondex B.V.

	<u>01.01.2021</u> <u>31.12.2021</u>	<u>01.01.2020</u> <u>31.12.2020</u>
Opening balance	0	0
Movements	57.050	0
Closing balance	<u>57.050</u>	<u>0</u>

At year end Nxchange Holding B.V. had an interest in Nxchange B.V. Nxchange B.V. was incorporated in 2018 and has a share capital of € 23.059. The capital is paid up and is held for 100% by Nxchange Holding B.V.

In 2018, the Nxchange B.V. made a capital contribution of € 50.000 to Stichting Escrow Nxchange. The interest in Stichting Escrow Nxchange is valued at € 50.000.

Note 4. Shareholders' equity

Reference is made to note 15 to the Consolidated Financial Statements for movements in the number of shares, share capital and share premium.

Movements in the remaining components of shareholders' equity for the years presented are shown in the following tables

<u>Share capital and premium</u>	<u>Number of shares</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Total</u>
Balance at 1 January 2020	100	1	0	1
NXPR's issued - March	117.500	1.175	938.825	940.000
NXPR's issued - June	151.712	1.517	843.593	845.110
NXPR's exchanged for ordinary shares	2.036.563	20.366	3.532.586	3.552.951
Balance at 31 December 2020	2.305.875	23.059	5.315.004	5.338.062
Balance at 1 January 2021	2.305.875	23.059	5.315.004	5.338.062
NXPR's issued	82.625	826	660.174	661.000
Ordinary shares issued	68.750	688	549.313	550.000
Share Premium GoldRepublic B.V.			1.339.000	1.339.000
Balance at 31 December 2021	2.457.250	24.573	7.863.490	7.888.062

Retained earnings

Balance at 01 January 2021	-4.499.451
Result in 2021	-1.501.687
Addition to the legal reserves	<u>-393.585</u>
Balance at 31 December 2021	<u>-6.394.724</u>

Note 5: Current liabilities

	<u>31.12.2021</u>	<u>31.12.2020</u>
	EUR	EUR
Creditors	<u>0</u>	<u>12.100</u>
	<u>0</u>	<u>12.100</u>

Note 6: Personnel cost

	<u>01.01.2021</u>	<u>01.01.2020</u>
	<u>31.12.2021</u>	<u>31.12.2020</u>
	EUR	EUR
Short-term employee benefits		
Other personnel expenses	-1	0
Total remuneration	<u>-1</u>	<u>0</u>

Nxchange Holding B.V. employs no staff. Employees were invoiced by Nxchange IT B.V to Nxchange B.V.

Note 7. Income taxes

Nxchange Holding B.V. is the head of a fiscal unity which includes Nxchange B.V. and Nxchange IT B.V. The Company is therefore jointly and severally liable for the tax liabilities of the fiscal unity as a whole. For Corporate Income Taxes Nxchange IT B.V. has a fiscal result of nihil. For the tax position reference is made to Notes 9 and 12 of the Notes to the Consolidated Statements.

Approval of the financial statements

The financial statements were approved by board of Directors and authorised for issue.

Amsterdam, the Netherlands, 30 November 2022

Board of Directors Nxchange B.V.

On behalf of
Nxchange Holding B.V.
(M.L. Evertsz)

Butter AA Management B.V.
(A.A. Butter)

Effective Management Group B.V.
(M.L. Evertsz)

Other Information

Statutory rules concerning appropriation of result

Article 4 of the Company's articles of association stipulates the following about appropriation of the result:
The result is at the free disposal of the general meeting of shareholders.

Independent auditor's report

The independent auditor's report is attached to this report on the next page.

INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Nxchange Holding B.V.

A. Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Nxchange Holding B.V. based in Amsterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Nxchange Holding B.V. as of 31 December 2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of Nxchange Holding B.V. as of 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as of 31 December 2021;
2. the following statements for 2021:
 - o the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company statement of financial position as of 31 December 2021;
2. the following statements for 2021:
 - o the company statement of financial position as of 31 December 2021;
 - o the company statement of profit or loss for 2021; and
 - o 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 Nxchange 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. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the director's report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. 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 EU-IFRS and 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 frameworks 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 scepticism 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.

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.

Amsterdam, 30 November 2022

Confinant Audit & Assurance B.V.

Signed on the original by drs. H. Rijntjes RA