

**NAVSTONE SE**  
**Amsterdam**

**Annual report 2020**

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## **FINANCIAL REPORT**

## **1 DIRECTOR'S REPORT**

### **To our Shareholders**

We are delighted to present NAVSTONE 's Annual Report.

First of all, we would like to talk about the future strategic realignment of the company. On March 17, 2021 the Annual General Meeting of the company resolved a strategic repositioning and renaming of the company to NAVSTONE SE. The new name represents the company's focus on continuously increasing its Net Asset Value (NAV) with its new focus on real estate. In a first step, NAVSTONE aims to grow its real estate portfolio to EUR 30mn with existing resources. Also, the Annual General Meeting (AGM) appointed Dr. Michael Hasenstab to the Management Board.

As a result of the realignment, NAVSTONE SE will be managed with a strong cash flow orientation in addition to its net asset value orientation. The Management Board and Supervisory Board of the Company are convinced that this refocus on real estate investments will result in a long-term increase in value for shareholders.

The financial result of the full year 2020 of NAVSTONE SE was mainly characterized by the final sale of the remaining 22% shares in audius AG.

In May 2020, NAVSTONE SE was informed about the exercise of the call option for the remaining shares in audius AG (former IT Competence Group SE) amounting to approximately 22%. The transaction was successfully completed in June 2020. In addition to a positive contribution to earnings, NAVSTONE SE generated a cash inflow of EUR 3.6 million.

In November, Black Pearl Digital AG announced that it would propose the acquisition of net digital AG to the Annual General Meeting by way of a capital increase against contribution in kind. This transaction was resolved at the Annual General Meeting on December 28, 2020. net digital AG is positioned in the growth market "mobile and online payment" with a focus on digital content. The company is a valuable strategic business partner for content producers, network operators, publishers and payment service providers. The management of net digital AG has many years of successful experience in the field of digital transformation from classic content to new platform technologies. An important element in the corporate strategy is the integration of "mobile and online payment" solutions on these platforms. The subsidiaries, which now belong to the Group, generated consolidated revenues of EUR 8.8 million with an EBITDA of EUR 0.4 million in 2020. The company is pursuing a strategy of profitable growth. Further information on net digital AG can be found at [www.net-digital.com](http://www.net-digital.com).

NAVSTONE SE holds around 12% of the company and thus participates in the long-term success of net digital AG.

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The residential property acquired in Dublin in 2018 developed reasonably in 2020. However, new leases were delayed due to the Covid pandemic. The current environment for properties in the Greater Dublin area continues to develop positively. NAVSTONE SE expects a significant double-digit annual return on investment and is currently evaluating further investment properties in Dublin. For two properties an agreement on the key data of a transaction has already been achieved and a down payment has been made. NAVSTONE SE closed the transactions in April and May the year 2021.

As a Board we continuously scrutinize our progress against our strategy and evaluate all aspects of our business to ensure we have the right organization and structure in place to achieve our vision. We now report on progress during 2020 against those goals. By focusing on the delivery of consistent and dependable performance from year to year we aim to deliver returns for shareholders which will reach over the longer term. We have strong foundations in place upon which we are building businesses that will consistently compete with the best in their sector. We remain committed to improving the processes we use across the business to drive enhancements to the shareholder, both by increasing revenue and reducing costs.

NAVSTONE SE is listed on the Munich stock exchange in the quality segment m:access. In future NAVSTONE SE will be managed with a focus on the Net Asset Value (NAV). The current net value of the assets held by the company is approximately EUR 15.1m. With currently 4,579,341 shares outstanding, the company's NAV is accordingly approximately EUR 3.30 per share. The current discount to the share price is more than 40%. As the current assets of the company consist mainly of cash, securities (EUR 13.4 million) and property in Dublin, management of NAVSTONE SE believes that this discrepancy between the share price and the net asset value of the company should be closed. At the Annual General Meeting in March 2021, the Board of Management was authorized to acquire the Company's own shares for a period of 18 months. In particular, shareholders who did not wish to support the strategic realignment of the Company should be given the opportunity to exit their investment. As the share price has been consistently above the initial share buyback price of EUR 1.70 in recent weeks, the company decided also to acquire shares above this price level via the stock exchange.

In the first months of the fiscal year 2021 NAVSTONE SE has executed various strategic measures. The most important one was strategic realignment of the company including the renaming with its new focus on real estate. Although the real estate portfolio is still in the process of being built, the company currently expects a pre-tax profit of more than EUR 1 million and increasing NAV to be achieved in 2021 mainly due to a stable capital markets environment.

With the strength of the group's balance sheet and strong cash generation, we have every reason to be confident of further progress for the group thereafter.

Before closing, and on behalf of the Board, we want to thank the employees of the group including audius AG and net digital AG. We and our fellow Supervisory Board remain strongly convinced of the potential for your company. Looking back, it has been a year of steady progress and achievement. We now look to 2021 with confidence based on the existing programs in which we are engaged.

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### **Fiscal year 2020 at a glance**

Total Revenues

2020 € 0.2m

2019 € 5.8m

EBIT

2020 € -0.8m

2019 € -0.2m

Result after Tax

2020 € 2.6m

2019 € 4.2m

TOTAL assets

2020 € 17.4m

2019 € 15.9m

### **The Company**

NAVSTONE SE is committing funds to both majority and minority investments of different size and at different stages of the company life cycle - including start-ups, real estates and special situation businesses.

Through its operating subsidiaries NAVSTONE SE is currently active in several different industries, including Financial Services, IT Services and Real Estate. Additionally, NAVSTONE SE holds a number of minority investments in both publicly listed and privately held companies.

Currently, NAVSTONE SE has operating activities in two industries.

The Financial Services business is comprised in The ACON Group SE and its subsidiary ACON Research and Services GmbH.

Investments in the real estate sector are made by the subsidiary Elgin Road Property Holdings Ltd, Dublin.

Several Investments are made by NAVSTONE SE.

## **Management**

Navigator Equity Solutions SE is organised as a Dutch limited liability company with a two-tier board structure. The company's management consists of a Management Board ("Raad van Bestuur") and a Supervisory Board ("Raad van Commissarissen").

- Board of Directors

Robert Käß

Robert Kaess joined the Management Board of NAVSTONE SE in November 2008. As a member of the Executive Board he was responsible for conducting numerous M&A transactions and managing the portfolio companies. He was board member of several listed portfolio companies where he was responsible for restructuring topics, process optimization as well as business development projects. Robert Kaess studied Business Administration in Munich, Germany.

Dr. Michael Hasenstab

Dr. Hasenstab has extensive experience as a Board Member of publicly listed companies in a wide variety of sectors. During his 10 year term as a CEO of a regulated bank in Germany he was involved in numerous real estate transactions such as IPOs and debt and equity financings. Mr. Hasenstab holds a PHD in International Management from the University of Jena and a Master of Economics from the Ludwig-Maximilians University (LMU) of Munich.

- Supervisory Board

Dr. Jens Bodenkamp

Dr. Bodenkamp is currently active as a Business Angel. Previously he was Managing Director of the ETF Group Deutschland GmbH, a wholly-owned subsidiary of the globally active venture capital firm ETF Group based in Lugano, Switzerland, responsible for the German language market segment. Previously Dr. Bodenkamp directed Intel Corporation's broadband programme in Europe, responsible for strategy, strategic alliances, marketing and targeted investments in the broadband space.

Erich Hoffmann

Mr. Erich Richard Hoffmann is the Founder of ContTect GmbH. He currently serves as a Consulting Engineer and has also successfully supported a number of start-up companies since 2000. In the past Mr. Hoffmann designed test equipment for several applications and introduced inspection systems for CD, CD-R, MO, LD, LCD and MD formats plus physical optical disc checkers.

## **Shareholder structure**

By the end of the fiscal year 2020, the number of own shares held by NAVSTONE SE amounted to 1,976,104. The number of shares outstanding was 4,579,341.

## **Annual Shareholders' Meeting**

The Annual General Meeting of NAVSTONE SE for fiscal year 2019 took place in Waalre, The Netherlands, on March 17, 2021. In total 37.98 % of the share capital was represented at the meeting. All items of the agenda were approved unanimously.

## **Development of Earnings, Asset and Financial Situation**

The consolidated financial statement have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

### **Earnings situation**

#### - Revenue Development

In fiscal year 2020, NAVSTONE's Group generated total (net) revenues of EUR 0.2m (2019: EUR 5.8m). The decline is due to the sale and deconsolidation of audius AG (formerly IT Competence Group SE).

#### - Earnings Development

In fiscal year 2020, NAVSTONE's Group generated an operating profit (EBIT) of EUR -0.8m (2019: EUR -0.2m).

Result after tax amounted to EUR 2.6m (2019: EUR 4.2).

### **Asset Situation**

#### Balance Sheet

As of December 31, 2020, the NAVSTONE Group balance sheet total amounted to EUR 17.4m (December 31, 2019: EUR 15.9m).

The group's total fixed assets were decreasing to EUR 3.1m (2019: EUR 6.4m). Current assets increased from EUR 9.5m at the end of 2019 to EUR 14.2m.

Total equity increased from EUR 14.1m to EUR 15.1m. Non-Current liabilities amount to EUR 1.5m (2019: EUR 1.5).

Current liabilities increased from EUR 0.22m to EUR 0.72m, consisting of trade payables amounting to EUR 0.05m (2019: EUR 0.05m), other liabilities of EUR 0.66m (2019: EUR 0.17m) and current tax liability of EUR 0.01m (2019: EUR 0.01m).

The equity ratio decreased from 88.6% in 2019 to 87.2% in 2020. The equity-to-fixed-assets ratio amounted to 482% (2019 219%), indicating a proper long-term financing of the fixed assets. Therefore, long-term assets are still more than sufficiently financed through long-term capital.

#### *1.1 Research and development*

NAVSTONE SE is an investment firm with investments in primarily IT, Financial Services and Real Estate. NAVSTONE SE does not have Research & Development activities.

#### **1.2 Employees**

Our workforce is our greatest asset - our aim is to be an employer of choice. Our values of respect, honesty and courage, customer focus, results and execution underpin the way in which we do business. As of December 31, 2020, the number of employees at NAVSTONE's Group amounted to 1 (2019: 1).



**1.3 Board Remuneration**

The Board of Directors and management of the operating companies received a competitive remuneration in 2020. Total remuneration amounted to EUR 0.3m(2019: EUR 0.2m).

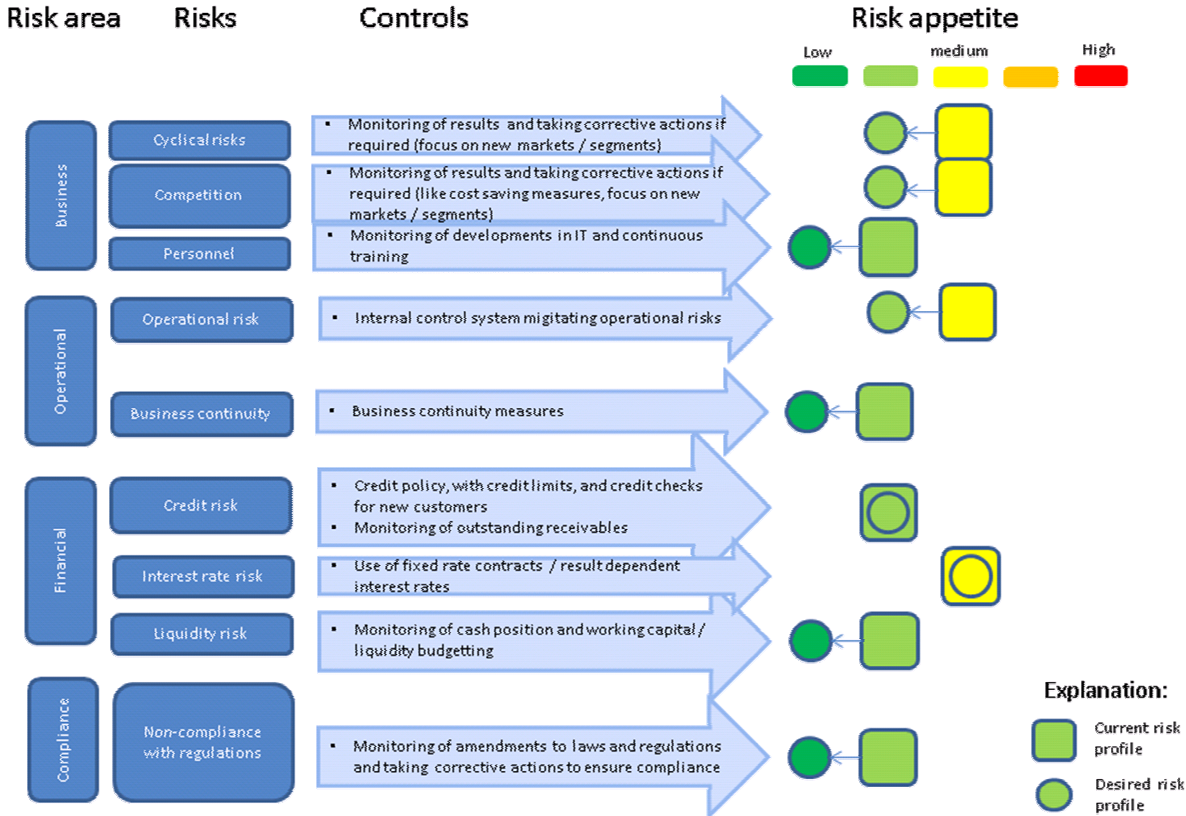
**1.4 Risk management system**

NAVSTONE SE future business development will always be influenced by both elements of chance and risk. Our risk management system serves to recognise, observe and communicate both chance and risk. This ensures the punctual delivery of information to the relevant decision makers so that the development of suitable measures to both utilise chance and contain risk can be implemented.

NAVSTONE SE strives for a balance between returns and risks, and continuously assesses where the identified risks also offer opportunities. Managing business risks is a continuous process that is conducted by the Board of Directors and local management. Risks are considered against the backdrop of the adopted strategy. The risk management process is designed to identify potential events that impact the business and the business results and to control risks to ensure that they remain within pre-defined margins. The internal control system offers a reasonable degree of certainty that the business objectives will be realized, is deemed to be in line with the size of the business and is regularly reviewed for improvement and corrective actions.

Risk appetite for significant risks identified

The Board of Directors determines the Company's current risk profile in periodical risk assessments, which is evaluated and compared to its desired risk profile. If the current risk profile exceeds the desired risk profile, action plans are prepared to reduce risk exposure. The table below shows the Company's risk appetite for the significant risks identified.



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#### Cyclical Risks

The economic development of participations is linked to the general development of the economic situation in Germany, the EU and worldwide as well as the market development of individual industries which may also have an adverse effect on the state of investments.

#### Risks of Selling and Pricing

The ability to sell participations depends on numerous factors including the development of the economic situation in general and the industry in particular.

#### Legal Risks

Amendments to laws and/or regulations may have a positive or a negative effect on a company's market activities.

#### Pre-investment Analysis Risks

NAVSTONE SE focuses on enterprises with above average growth and profit potential as well as undervalued companies. Therefore, prior to making an investment decision, NAVSTONE SE is carrying out a detailed analysis of the potential Investee to determine whether it meets these investment criteria or not. Despite of all analyses, the business development of the acquired companies is hardly predictable.

#### Reorganisation Risks

As soon as we have acquired interests in a company, we directly and actively support the operational business until a sustained turnaround can be achieved. However, a reorganization may also fail due to a variety of factors.

#### Management Risks

NAVSTONE SE usually acquires participations in enterprises in special situations which can in many cases be acquired at favourable prices and often show attractive appreciation potential. The selection, reorganisation and management of the Investees are carried out by a Best Practice Team, a team that is equipped with its own staff either employed or permanently associated with NAVSTONE SE. Therefore, the company depends to a large extent on the expertise and skills of these people.

#### Operational risks

All internal processes and systems are covered by our internal procedures. Business continuity measures are in place. We expect no financial loss due to failing of these processes.

#### Financial risks and the use of financial instruments

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, interest rate risk and liquidity risk. The Company's risk management focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Exposure to credit, interest rate and liquidity risk arises in the normal course of the Company's business:

- Credit risk: The Company has strict policies and procedures in place regarding collecting receivables from debtors.
- Interest rate risk: Interest risk represents the risk of fluctuations in the amounts of interest-bearing loans resulting from changes in the market interest rates. The Company reduces its interest rate risk by entering into fixed rate contracts and contracts with result dependent interest rates.
- Liquidity risk: Looking at the current liquidity position, cash flows, 2021 budget, and business plans for the coming years, management believes that the cash generated will be adequate to secure the continuity of the company's operations. Following the financial statements, the Company's financing structure is healthy. Liquidity and cash flow risks are low.

#### Compliance risks

Amendments to laws and/or regulations may have a positive or a negative effect on the Company's market activities. The Company monitors amendments to laws and regulations and takes corrective actions to ensure continuous compliance.

#### Quantification of risks on result and financial position

As the risks identified are difficult to quantify, we were not able to determine the impact of these risks on result and financial position, were the risks to materialize.

#### Risks and uncertainties which materialized the financial year 2020

There were no significant risks or uncertainties that materialized during 2020.

#### Improvements to the risk management system

The risk management methodology meets the requirements of the Board of Directors. During the financial year 2020 no changes were made to the risk management system.

### **1.5 Corporate social responsibility**

The Company complies to all labor laws and regulations. To ensure the health and safety of employees is, continuous training in work safety is given to all employees.

### **1.6 Outlook 2021**

In the first months of fiscal year 2021 NAVSTONE SE has executed various strategic measures. The most important one was strategic realignment of the company including the renaming with its new focus on real estate. Although the real estate portfolio is still in the process of being built, the company currently expects a pre-tax profit of more than EUR 1 million and increasing NAV to be achieved in 2021 mainly due to a stable capital markets environment.

The current situation due to the Covid pandemic also has an impact on NAVSTONE's performance in 2020 and 2021. This concerns both the current development on the capital markets and the impact on the real estate market in Dublin. Management is currently monitoring the developments very closely in order to minimize the impact of the Covid pandemic.

### **1.7 Internal Control and Management Statement**

With due observance of the limitations that are inevitably inherent in any risk management and internal control system, our internal risk management and control systems provide reasonable assurance that our financial reports are free of material misstatement.

The phrase "reasonable assurance" is taken to mean the level of assurance that would be provided by a director acting with due care under the given circumstances. The set of procedures involving the internal risk management and control systems, and the related findings, recommendations and measures have been discussed with the Supervisory Board and the independent external auditor.

In addition, we declare, based on Article 5.25c Wet op het financieel toezicht (Wft), that to the best of our knowledge and in accordance with the applicable reporting principles

- the consolidated financial statements of 2020 give a true and fair view of the assets, liabilities, the financial position and the profit and loss of Navigator Equity Solutions SE and its consolidated operations; and
- the management report includes a true and fair review of the position as per 31 December 2020 and of the development and performance during 2020 of Navigator Equity Solutions SE and its related participations of which the data have been included in the financial statements, together with a description of the relevant risks of which the Navigator Equity Solutions SE is being confronted.

Waalre, July 2, 2021

R. Käß

M. Hasenstab

## **FINANCIAL STATEMENTS**





## 2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2020

		2020		2019	
		€	€	€	€
<b>Net turnover</b>	(9)	157,479		5,626,265	
Movement of work in progress		-		145,511	
<b>Operating income</b>			157,479		5,771,776
Cost of subcontracted work and other external charges			-		1,368,823
Employee expenses	(10)	324,619		3,109,658	
Amortisation and depreciation	(11)	666		21,682	
Other operating expenses		583,205		1,428,479	
			908,490		4,559,819
<b>Operating result</b>			-751,011		-156,866
Movement of non-current receivables and securities		229,771		-921,274	
Interest and similar income		61,682		85,379	
Result on sale of shares of participating interests	(12)	3,123,961		5,467,715	
Interest and similar expenses		-102,204		-83,852	
<b>Financial income and expenses</b>			3,313,210		4,547,968
<b>Result from normal operations before tax</b>			2,562,199		4,391,102
Taxation on result of ordinary activities	(13)		1		-64,998
<b>Result from normal operations after tax</b>			2,562,200		4,326,104
Share of minority interest in result	(14)		11		-94,161
<b>Result after tax</b>			2,562,211		4,231,943



### 3 CONSOLIDATED CASH FLOW STATEMENT 2020

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

	2020		2019	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Operating result	-751,011		-156,866	
Adjustments for:				
Amortisation and depreciation	666		21,682	
Movement of working capital:				
Movement of accounts receivable	130,954		-385,027	
Movement of short-term liabilities (excluding short-term part of long-term debts)	440,787		-1,320,610	
Cash flow from operating activities		-178,604		-1,840,821
Interest received	61,682		85,379	
Interest paid	-59,812		-83,852	
Corporate income tax	477		-64,998	
Movement of non-current receivables and securities	-138,669		411,903	
Result on sale of shares of participating interests	-		5,477,589	
Deconsolidation group companies	-		-1,124,988	
		-136,322		4,701,033
<b>Cash flow from operating activities</b>		-314,926		2,860,212
<b>Cash flow from investing activities</b>				
Investments in intangible fixed assets	-		-147	
Investments in tangible fixed assets	-		-25,654	
Investments in other financial fixed assets and securities	-2,144,767		-6,243,257	
Divestments of other financial fixed assets and securities	3,686,069		977,339	
<b>Cash flow from investing activities</b>		1,541,302		-5,291,719

	2020		2019	
	€	€	€	€
<b>Cash flow from financing activities</b>				
Decrease in deferred tax assets		-	19,200	
Decrease other receivables	771,931		257,608	
Repayment of finance company debt	-41,142		-37,608	
Decrease in taxes and social securities		-	-31,789	
<b>Cash flow from financing activities</b>		730,789		207,411
		<u>1,957,165</u>		<u>-2,224,096</u>

## 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL

#### Activities

NAVSTONE SE (CoC file 17170160) is a société européenne domiciled in The Netherlands. On 23rd of March 2021 the name of the company was changed from Navigator Equity Solutions SE to NAVSTONE SE. The address of the company's registered office is Laan van Diepenvoorde 3, 5582 LA Waalre. The company is a publicly listed investment company with an investment focus on majority and minority participations in European service companies. Through its subsidiaries, the group is active in the financial services, IT services industries (until March 2020) and real estate in Ireland.

#### Group structure

NAVSTONE SE in Amsterdam is the head of a group of legal entities.

In the financial statements of NAVSTONE SE the financial information is consolidated of NAVSTONE SE and the following group companies:

#### LIST OF PARTICIPATING INTERESTS

Name, statutory registered office	Share in issued capital	Included in consolidation
	%	
The Acon Group SE München	99.99	Yes
Acon Research und Services GmbH München	99.99	Yes
ACON KVG & Trust GmbH München	99.99	Yes *1
Elgin Road Property Holdings Ltd. Dublin	100.00	Yes

Notes:

\*1 On May 28, 2020 NAVSTONE SE divested its participation ACON KVG & Trust GmbH. As of this date ACON KVG & Trust GmbH is no longer included in the consolidation.

#### Estimates

In applying the principles and policies for drawing up the financial statements, the directors of NAVSTONE SE make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. Estimates have been made in the valuation of the investment properties and impairment of assets. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

## **Consolidation**

The consolidation includes the financial information of NAVSTONE SE, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which NAVSTONE SE exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly as per balance sheet date are also taken into account.

Group companies and other entities in which NAVSTONE SE exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

## **GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS**

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

## **Functional currency**

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of NAVSTONE SE.

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

## **Financial instruments**

Securities included in fixed and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

## **ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES**

### **Intangible fixed assets**

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its recoverable amount. With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to the relevant section.

### **Tangible fixed assets**

Tangible fixed assets are capitalised if the economic ownership held by the company, and its group companies, 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.

### **Investment properties**

Investment properties are properties held to generate rental income, to achieve capital appreciation or both. Investment properties, including investment properties under construction, are valued initially at historical cost and subsequently at fair value. The details of this are, amongst others, based on the available market data and compiled by external appraisers.

Changes in value of investment properties are included in the income statement. In addition, a revaluation reserve is recognised and charged against Other reserves. The revaluation reserve is recognised for the positive difference between the fair value and initial historical or production cost (excluding any depreciation or impairment costs) and after deduction of relevant (deferred) tax liabilities. Investment properties are not depreciated.

### **Financial fixed assets**

#### **Participations**

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at € 1. If and insofar as NAVSTONE SE can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this. Newly acquired associates are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the associate has changed since the previous financial statements as a result of the net result achieved by the associate is recognised in the income statement.

Participations (associates), over which no significant influence can be exercised, are valued at fair value, with unrealized gains recognized in a revaluation reserve. The revaluation reserve is released to profit or loss upon realization.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are taken into account.

Deferred income tax assets relate to unutilised tax losses are valued ad nominal value if deemed realisable.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

### **Impairment of fixed assets**

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted, based on a market-based discount rate.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

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

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

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

#### **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

#### **Securities**

Securities are recognised initially at fair value. Securities which are held for trading are carried at fair value after initial recognition. Changes in the fair value are recognised directly in the income statement.

The equity instruments included under securities (not listed), which are not held for trading, are carried at cost. If the fair value of an individual security should drop below its cost price, the impairment is recognised in the income statement.

#### **Cash and cash equivalents**

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

#### **Legal reserve**

If revaluations have been recognised in the revaluation reserve after the deduction of relevant (deferred) tax liabilities, the gross result of the realised revaluations is recognised in the income statement. The corresponding release of the (deferred) tax liabilities is charged to the operating result as tax.

#### **Current liabilities**

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

## **ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **Revenue recognition**

#### **Determination of the result**

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

#### **Net turnover**

Revenues from services are recognised 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 in the same period.

### **Employee benefits**

#### **General**

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively. The company applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result.

### **Amortisation and depreciation**

Intangible fixed assets and tangible fixed assets are amortised and depreciated from the date of when they are available for use, based on the estimated economic life / expected future useful life of the asset.

### **Financial income and expenses**

#### **Interest income and interest expenses**

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. Changes in the value of financial instruments recognised at fair value (securities) are recorded in the profit and loss account.

### **Taxes**

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

### **Result from participations**

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to NAVSTONE SE.



**5 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2020**

**Fixed assets**

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>1. Intangible fixed assets</i>		
Client lists and other intangible fixed assets	<u>502</u>	<u>1,168</u>
		Client lists and other intangible fixed assets
		€
<i>Carrying amount as of January 1, 2020</i>		
Purchase price		1,981
Cumulative amortisation		<u>-813</u>
		<u>1,168</u>
<i>Movement</i>		
Amortization		<u>-666</u>
<i>Carrying amount as of December 31, 2020</i>		
Purchase price		1,981
Cumulative amortisation		<u>-1,479</u>
		<u>502</u>
<i>Amortisation rates</i>		%
Client lists and other intangible fixed assets		25

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	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>2. Investment properties</i>		
Investment properties	<u>2,860,200</u>	<u>2,860,200</u>
		<u>Investment properties</u>
		€
Carrying amount as of January 1, 2020		2,860,200
Movement		-
Carrying amount as of December 31, 2020		<u>2,860,200</u>

All investment property is owned by the Group and held to realise rental income or for capital appreciation. This property is not used for the production process or for the delivery of goods and services or in any other own use.

The fair value of investment property is determined by independent, professionally skilled external surveyors. The value at year-end is determined based on open-market value assessments, while taking account of the size, nature and use of the property. The most recent value assessments is dated December 14th, 2017. The fair value of the investment property amounts to € 2,820,000.

The following amounts relating to investment properties are accounted for in the income statement:

	<u>2020</u>	<u>2019</u>
	€	€
Rental income	103,683	141,100
Operating expenses for assets generating rental income	-25,923	-23,035
	<u>77,760</u>	<u>118,065</u>

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>3. Financial fixed assets</i>		
Receivables from group companies and other investments	-	1,366,894
Investments in equity instruments	-	2,145,474
Other receivables	-	42,392
	<u>-</u>	<u>3,554,760</u>
 <i>Receivables from group companies and other investments</i>		
Audius SE	-	1,366,894
Elgin Road Property Holdings Ltd.	-	-
	<u>-</u>	<u>1,366,894</u>
 <i>Investments in equity instruments</i>		
Audius SE	-	2,145,474
	<u>-</u>	<u>2,145,474</u>
	<u>2020</u>	<u>2019</u>
	€	€
<i>Investments in equity instruments</i>		
Carrying amount as of January 1	2,145,474	-
Recognition following divestment of majority share	-	2,299,621
Investments	196,129	560,645
Divestments	-1,996,964	-674,924
Fair value changes	-65,969	-39,868
Reclassification to other listed securities	-278,670	-
Carrying amount as of December 31	<u>-</u>	<u>2,145,474</u>
	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Other receivables</i>		
Other loans	-	42,392
	<u>-</u>	<u>42,392</u>

The interest charge on the other loans is 5% (2019: 5%). Repayment is due December 15, 2021. Due to the uncertainty of the collectability a provision has been accounted for the full amount.

**Current assets**

4. *Receivables, prepayments and accrued income*

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Trade receivables</i>		
Trade receivables	-	130,954
	<u>-</u>	<u>130,954</u>

Trade receivables all have a remaining term of less than 1 year, unless stated otherwise.

*Other receivables, deferred assets and prepayments*

Loan Audius SE	594,963	-
Other receivables	210,905	72,236
	<u>805,868</u>	<u>72,236</u>

5. *Securities*

Black Pearl Digital AG	1,973,035	695,928
Other listed securities	7,053,845	5,873,873
Put option shares Audius SE	-	30,541
Total securities	<u>9,026,880</u>	<u>6,600,342</u>

Black Pearl Digital AG is considered a related party.

All securities are held for trading and are recognised at fair value (listed value).

## 6. Group capital

### Group equity

Please refer to the notes to the non-consolidated balance sheet on page 41 of this report for an explanation of the equity.

	2020	2019
	€	€
<i>Minority share in group equity</i>		
Carrying amount as of January 1	122	528,141
Share in result	-11	37,542
Acquisition of a minority share in The Acon Group SE	-	-413,674
Deconsolidation Audius SE	-	-151,887
Carrying amount as of December 31	<u>111</u>	<u>122</u>

## 7. Non-current liabilities

	12/31/2020	12/31/2019
	€	€
<i>Finance company debt</i>		
Mortgage loan	<u>-</u>	<u>1,593,642</u>

A mortgage loan was facilitated for an amount of € 1.710.000 with a term of 5 years.  
An amount of € 45.000 is due within one year, and € 1.502.500 within 1 to 5 years.  
The interest rate amounts to EURIBOR + 3.1%.

The following securities were provided for the loan:

- A debenture over Elgin Road property Holdings Limited;
- First legal charge over the Property;
- An assignment from of all of its rights, title, and interest in the lease in relation to the Property and all rental income payable to the Borrower pursuant to the Lease;
- Lien/charge to be taken over deposits totaling € 50,000 which represents capital and interest repayments for six months;

The following loan covenants are applicable:

- Loan to value to be no greater than 70% for the duration of the facility;
- Interest Cover Ratio to be not less than 2.0 times.

Due to the Covid-19, the Bank agreed via a Waiver to reduce the Interest Cover Ratio to 1.5 times for the remainder of 2021. Because of de forfeiture of the waiver agreement at 30 June 2021 the mortgage loan is classified as short term.

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	Mortgage loan
	€
Carrying amount as of January 1, 2020	1,676,250
Repayment	<u>-78,750</u>
Carrying amount as of December 31, 2020	1,597,500
Reclassification to short term	<u>-1,597,500</u>
Long-term part as of December 31, 2020	<u><u>-</u></u>

#### 8. Current liabilities

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Finance company debt</i>		
Mortgage loans	<u>1,597,500</u>	<u>45,000</u>
<i>Trade creditors</i>		
Creditors	<u>102,122</u>	<u>47,919</u>
<i>Accruals and deferred income</i>		
Other accruals and deferred income	<u>509,401</u>	<u>119,959</u>

## 6 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2020

### 9. Net turnover

The revenues decreased in 2020 compared to 2019 with 97.2 %.

The majority of the decrease of revenues is caused by the deconsolidation of Audius SE in 2019.

2020	2019
€	€

### 10. Employee expenses

Wages and salaries	316,475	2,651,636
Social security charges	8,144	458,022
	<u>324,619</u>	<u>3,109,658</u>

### Staff

During the 2020 financial year, the average number of employees in the Group, converted into full-time equivalents, amounted to 1 (2019: 73). All employees are employed outside of the Netherlands.

Management's total remuneration approximated € 278,000 in 2020 (2019: € 277,000). Of this amount € 265,000 relates to remuneration of the board of directors and €13,000 for the supervisory board.

### 11. Amortisation and depreciation

Intangible fixed assets	666	11,055
Tangible fixed assets	-	10,627
	<u>666</u>	<u>21,682</u>

### Financial income and expenses

#### 12. Result on sale of shares of participating interests

Result on sale of shares Acon Actienbank GmbH	-	526,036
Result on acquisition of shares The Acon Group SE	-	421,339
Result on sale of shares Audius SE	3,089,297	4,520,340
Result on sale of shares Acon KVG & Trust GmbH	34,664	-
	<u>3,123,961</u>	<u>5,467,715</u>

#### 13. Taxation on result of ordinary activities

Corporate income tax	1	2
Movement of deferred tax assets	-	-65,000
	<u>1</u>	<u>-64,998</u>

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	<u>2020</u>	<u>2019</u>
	€	€
<b>14. Share of minority interest in result</b>		
Minority interests Audius SE	-	-56,618
Minority interests The Acon Group SE	11	-32
Minority interest proMX GmbH	-	-37,511
	<u>11</u>	<u>-94,161</u>



## **OTHER DISCLOSURE**

### **Post balance sheet events**

The COVID-19 outbreak has developed rapidly in 2020 and 2021, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. The COVID-19 outbreak has disrupted business as usual in our investments. A relative slowdown in activity for our investments is expected.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the company may experience impairments on our investments. The exact impact of COVID-19 for the remainder of 2021 can therefore not be predicted. Whilst uncertain, we do not believe, however, that the impact of the COVID-19 virus would have a material adverse effect on our financial condition or liquidity.

The subsidiary Elgin Road Property Holdings Ltd. has acquired two investments in the property market in Dublin with an total investment amount of around € 1.7 million. The investments are closed in 2021.

The Group has no further contractual investment obligations with regard to investment property at the balance sheet date.



	December 31, 2020		December 31, 2019	
	€	€	€	€
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>	(18)			
Issued share capital	1,311,089		1,311,089	
Share premium reserve	20,198,673		20,198,673	
Legal reserve	53,463		1,584,829	
Other reserves	-6,020,663		-8,601,283	
		15,542,562		14,493,308
<b>NON-CURRENT LIABILITIES</b>	(19)			
Debt to group companies		1,000,000		1,000,000
<b>CURRENT LIABILITIES</b>	(20)			
Trade creditors	101,848		-	
Amounts due to participants and to companies in which participation takes place	60,230		23,630	
Accruals and deferred income	385,750		30,777	
		547,828		54,407
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<u>17,090,390</u>		<u>15,547,715</u>

**9 COMPANY PROFIT AND LOSS ACCOUNT OVER 2020**

		2020		2019	
		€	€	€	€
<b>Net turnover</b>	(21)		-		50,000
Employee expenses		278,675		116,000	
Other operating expenses		375,928		378,456	
			654,603		494,456
<b>Operating result</b>			-654,603		-444,456
Financial income and expenses	(23)		3,415,559		4,152,918
<b>Result before tax</b>			2,760,956		3,708,462
Taxation on result of ordinary activities			-		-
Result from participations	(24)		-180,336		542,165
<b>Result after tax</b>			2,580,620		4,250,627

## 10 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2020

### Fixed assets

	12/31/2020	12/31/2019
	€	€
<i>15. Financial fixed assets</i>		
Participations in group companies	1,503,438	1,587,921
Receivables from group companies and other investments	2,869,435	2,332,183
Investments in equity instruments	-	2,145,473
Other receivables	-	35,000
	<u>4,372,873</u>	<u>6,100,577</u>
<i>Participations in group companies</i>		
Audius SE	-	-
The Acon Group SE	1,503,437	1,587,920
Elgin Road Property Holdings Ltd.	1	1
	<u>1,503,438</u>	<u>1,587,921</u>
	<u>2020</u>	<u>2019</u>
	€	€
<i>Audius SE</i>		
Carrying amount as of January 1	-	-1,425,743
Conversion loan to share premium	-	1,032,075
Change in ownership	-	132,725
Transfer to investments in equity instruments	-	49,423
Share in result	-	211,520
Carrying amount as of December 31	<u>-</u>	<u>-</u>
<i>The Acon Group SE</i>		
Carrying amount as of January 1	1,587,920	596,218
Investments	-	175,000
Valuation increase investment	-	421,339
Share in result	-84,483	395,363
Carrying amount as of December 31	<u>1,503,437</u>	<u>1,587,920</u>

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	2020	2019
	€	€
<i>Elgin Road Property Holdings Ltd.</i>		
Carrying amount as of January 1	-184,911	-168,425
Share in result	-95,853	-16,485
	<u>-280,764</u>	<u>-184,910</u>
Provision loan	280,765	184,911
Carrying amount as of December 31	<u>1</u>	<u>1</u>

For the negative equity of Elgin Road property Holdings Ltd, amounting to € 280,764 (2019: € 184,910), an amount of € 280,765 is deducted from the outstanding loan to the subsidiary. The subsidiary is not valued less than € 1. The share in the result of Elgin Road Property Holdings Ltd. amounts to € -95,853.

	12/31/2020	12/31/2019
	€	€
<i>Receivables from group companies and other investments</i>		
Audius SE	-	1,366,894
Elgin Road Property Holdings Ltd.	2,869,435	965,289
	<u>2,869,435</u>	<u>2,332,183</u>

	2020	2019
	€	€
<i>Audius SE</i>		
Carrying amount as of January 1	1,366,894	3,486,376
New loan	-	1,000,000
Conversion loan to share premium Audius SE	-	-1,390,000
Conversion to new loan	-	-1,000,000
Repayments	-804,999	-783,003
Interest	33,068	53,521
	<u>594,963</u>	<u>1,366,894</u>
Short-term receivable	-594,963	-
Carrying amount as of December 31	<u>-</u>	<u>1,366,894</u>

The interest charge on the receivables from Audius SE is 3%. Repayment is due between December 31, 2021 and December 31, 2022. As the full amount will be received in 2021 the full amount is reclassified as short-term.

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	2020	2019
	€	€
<i>Elgin Road Property Holdings Ltd.</i>		
Carrying amount as of January 1	1,150,199	1,150,199
Movement 1	2,000,000	-
	<u>3,150,199</u>	<u>1,150,199</u>
Provision loan due to negative equity	-280,764	-184,910
Carrying amount as of December 31	<u>2,869,435</u>	<u>965,289</u>

The interest charge on the receivables from Elgin Road Property Holdings Ltd is 6%. Repayment is due December 31, 2025.

	12/31/2020	12/31/2019
	€	€
<i>Investments in equity instruments</i>		
Audius SE	-	2,145,473
	<u>-</u>	<u>2,145,473</u>

	2020	2019
	€	€
<i>Investments in equity instruments</i>		
Carrying amount as of January 1	2,145,474	-
Transfer from Participations in group companies	-	-49,423
Investments	196,129	-
Recognition following divestment of majority share	-	2,194,896
Divestments	-1,996,964	-
Fair value changes	-65,969	-
Reclassification to other listed securities	-278,670	-
Carrying amount as of December 31	<u>-</u>	<u>2,145,473</u>

	12/31/2020	12/31/2019
	€	€
<i>Other receivables</i>		
Other loans	-	35,000
	<u>-</u>	<u>35,000</u>

Other loans

The interest charge on the other loans is 5% (2019: 5%). Repayment is due December 15, 2021. Due to the uncertainty of the collectability a provision has been accounted for the full amount.

Deferred tax assets

Tax losses carry forward amount to approximately € 2,383,000 and have not been recognized as a result of uncertainty with regards to taxable income in The Netherlands.

**Current assets**

16. *Receivables, prepayments and accrued income*

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Receivables from group companies and other investments</i>		
Elgin Road Property Holdings Ltd	<u>417,415</u>	<u>293,451</u>
 <i>Other receivables, deferred assets and prepayments</i>		
Loan Audius SE	594,963	-
Other receivables	<u>10,002</u>	<u>4,011</u>
	<u>604,965</u>	<u>4,011</u>

17. *Securities*

Black Pearl Digital AG	1,973,035	695,928
Other listed securities	7,034,668	5,848,415
Put option shares Audius SE	-	30,541
Total securities	<u>9,007,703</u>	<u>6,574,884</u>

Black Pearl Digital AG is considered a related party.

All securities are held for trading and are recognised at fair value (listed value).



18. **Equity**

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Issued share capital</i>		
Subscribed and paid up 6,555,445 ordinary shares at par value € 0.20	<u>1,311,089</u>	<u>1,311,089</u>
	<u>2020</u>	<u>2019</u>
	€	€
<i>Share premium reserve</i>		
Carrying amount as of January 1	<u>20,198,673</u>	<u>20,198,673</u>
Carrying amount as of December 31	<u>20,198,673</u>	<u>20,198,673</u>
<i>Legal reserve</i>		
Carrying amount as of January 1	1,584,829	-
Recognition following divestment of majority share Audius SE Movement	<u>-1,438,966</u>	<u>2,299,621</u>
	<u>-92,400</u>	<u>-714,792</u>
Carrying amount as of December 31	<u>53,463</u>	<u>1,584,829</u>
The legal reserve consists for 100% of a revaluation reserve.		
<i>Other reserves</i>		
Carrying amount as of January 1	-8,601,283	-12,851,910
Allocation of financial year net result	<u>2,580,620</u>	<u>4,250,627</u>
Carrying amount as of December 31	<u>-6,020,663</u>	<u>-8,601,283</u>

At December 31, 2020 the number of own shares held by NAVSTONE SE amounted to 1,976,104 which have a value of € 3,655,792 (listed share value).

The difference between the 2020 consolidated equity and the company only equity amounts to € 402,371.

The difference is caused by the negative equity of Acon Research und Services GmbH of € 402,371 which is valued in the company only financial statements at € 1.

The difference between the 2020 consolidated result and the company only result amounts to € 18.408.

The difference is caused by the negative result of Acon Research und Services GmbH of € 18,408, which due to the negative equity is not included in the company only result as the participation is valued at € 1.

19. **Non-current liabilities**

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Debt to group companies</i>		
Loan The Acon Group SE	<u>1,000,000</u>	<u>1,000,000</u>

An interest rate of 3,6% has been calculated. The loan matures December 31, 2025.

	<u>2020</u>	<u>2019</u>
	€	€
<i>Loan The Acon Group SE</i>		
Carrying amount as of January 1	1,000,000	-
New loans	-	1,200,000
Repayment	-	-200,000
Long-term part as at December 31	<u>1,000,000</u>	<u>1,000,000</u>

20. **Current liabilities**

	<u>12/31/2020</u>	<u>12/31/2019</u>
	€	€
<i>Accruals and deferred income</i>		
Other accruals and deferred income	<u>385,750</u>	<u>30,777</u>

## 11 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2020

### 21. Net turnover

The revenues decreased in 2020 compared to 2019 with 100.0%.

### Staff

During the 2020 financial year the company had no employees.

The total remuneration for the statutory directors and supervisory board amounts to approximately € 278,000 (€ 2019: 116.000). Of this amount € 265,000 relates to remuneration of the board of directors and € 13,000 for the supervisory board.

### Other operating expenses

	2020	2019
	€	€
<b>22. General expenses</b>		
Other general expenses	<u>375,928</u>	<u>378,456</u>
<b>23. Financial income and expenses</b>		
Movement of non-current receivables and securities	229,771	-921,274
Interest and similar income	185,646	176,633
Result on sale of shares of participating interests	3,089,297	4,941,685
Interest and similar expenses	-89,155	-44,126
	<u>3,415,559</u>	<u>4,152,918</u>
<b>24. Result from participations</b>		
Share in result of participating interests	<u>-180,336</u>	<u>542,165</u>

## **OTHER DISCLOSURE**

### **Post balance sheet events**

Reference is made to the other disclosures section in the consolidated financial statements.

### **Appropriation of the result for the 2019 financial year**

The Annual General Meeting of NAVSTONE SE for the fiscal year 2019 took place in Waalre, the Netherlands, on March 17, 2021. In total 37.98 % of the share capital was represented at the meeting. All items of the agenda were approved unanimously.

### **Appropriation of the profit for 2020**

The board of directors proposes to add the company only profit for 2020 of € 2.580.620 to the other reserves and proposes to add the consolidated result of € 2,562,211 to the other reserves. This proposal has been processed in the annual accounts in advance of the adoption by the General Meeting.

### **Signing of the financial statements**

Waalre, July 2, 2021

#### **Management board**

R. Käß

M. Hasenstab

#### **Supervisory Board**

E.R. Hoffman

J. Bodenkamp

## **OTHER INFORMATION**

### **1 STATUTORY APPROPRIATION OF PROFIT**

Based on article 17 of the statutes the result is at disposal of the General Shareholders Meeting which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Article 17 of the company's Articles of Association:

1. Following the prior approval of the supervisory board, the management board is authorised to reserve such a portion of the profit as it deems necessary, with due observance of the obligation to retain statutory reserves, or any reserves prescribed by these articles.
2. Any profit remaining following the reserves retained to in the foregoing paragraph is placed at the disposal of the general meeting. A resolution to distribute profits in cash shall be adopted by the general meeting of shareholders by more than half of the votes cast. A resolution to distribute profits in kind shall be adopted by the general meeting of shareholders with a majority of at least ninety-five percent (95%) of the votes cast, provided that at least fifty percent (50%) of the issued share capital is represented at the general meeting of shareholders.
3. Other than by adoption of the annual accounts, the general meeting is authorised to cancel the reserves, either wholly or in part, at the proposal of the management board, which proposal is approved by the supervisory board. A deficit may only be offset against the reserves prescribed by law to the extent that this is allowed by law.
4. The company may only pay out to shareholders and other entitled parties any profit subject to distribution to the extent that its equity capital exceeds the amount of the paid and called-up portion of the capital plus the reserves that must be retained by law or in accordance with the articles of association.
5. In calculation the profit distribution, shares that the company holds in its own capital do not count and no profit is distributed in respect of them except if and to the extent that the shares in question are encumbered with a right of usufruct established by the company at the time they were acquired. These shares do not confer any right to a share in the balance left after winding-up either.

NAVSTONE SE  
Amsterdam

## **2 INDEPENDENT AUDITOR'S REPORT**



## **INDEPENDENT AUDITOR'S REPORT**

To: The shareholders and supervisory board of NAVSTONE SE

### **A. Report on the audit of the financial statements 2020 included in the annual report**

#### **Our disclaimer of opinion**

We were engaged to audit the financial statements 2020 of NAVSTONE SE based in Amsterdam.

We do not express an opinion on the accompanying financial statements of the company. Due to the significance of the matters described in the 'Basis for our disclaimer of opinion' section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying financial statements as a whole.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2020;
2. the consolidated and company profit and loss account for 2020;
3. the consolidated cash flow statement 2020; and
4. the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our disclaimer of opinion**

As a result of the sale of IT Competence Group SE per 15 March 2019, the previous auditor was unable to perform adequate audit procedures and determine the appropriateness of cut off procedures and therefore recognition of revenue and expenses between 1 January 2019 and 15 March 2019 as the company had been sold on that date. For this reason they were unable to obtain reasonable assurance on the profit and loss account for the in 2019 significant component IT Competence Group SE for the period from 1 January 2019 until 15 March 2019. Due to the sale of shares in IT Competence Group SE the above circumstances would not impact the net result or equity of NAVSTONE SE. This circumstance does neither affect net result 2019 and 2020 nor equity as at 31 December 2019 and 2020.

We were not able to obtain reasonable assurance on the valuation of the investment property of € 2,860,200 in component Elgin Road Property Holdings Ltd. The available valuation report was dated 14 December 2017. The engagement letter for the audit 2020 was signed 11 May 2021. The fair value of the investment property should reflect the current market situation and conditions on the balance sheet date 31 December 2020.

No disclosure has been made in the notes to the company financial statements of the remuneration of executive and supervisory directors, which is a departure from article 2:383c paragraph 1 of the Dutch Civil Code. The amounts of remuneration, including pension charges, and of other benefits of the board of directors has been disclosed. The board of directors is not willing to disclose the amounts of remuneration per each individual director.



### **Emphasis on tax losses**

No deferred tax asset has been recognized for tax losses amounting to € 2,383,000.

It is uncertain whether these losses can be utilized in the future, because the profitability for the upcoming years is unpredictable at the level of parent company NAVSTONE SE.

### **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 management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Due to the significance of the matters described in the 'Basis for our disclaimer of opinion' section, we have not been able to consider in accordance with Part 9 of Book 2 of the Civil Code whether or not 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 were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

Management is responsible for the preparation of the other information, including the management 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 and the supervisory board for the financial statements**

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

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

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

The supervisory board is responsible for overseeing the company's financial reporting process.

#### **Our responsibilities for the audit of the financial statements**

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, due to the matters described in the 'Basis for our disclaimer of opinion' section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.





We are independent of NAVSTONE SE 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).

Was signed,

Tilburg, 2 July 2021

Van Boekel accountants en adviseurs

Drs. Paul P.J. Mouwen RA