

bioenergy systems N.V.
Amsterdam

Annual report 2017

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FINANCIAL STATEMENTS

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1 BALANCE SHEET AS AT DECEMBER 31, 2017

(after appropriation of result)

	December 31, 2017		December 31, 2016	
	€	€	€	€
ASSETS				
FIXED ASSETS				
Financial fixed assets		(1)		
Participations in group companies		-		1
TOTAL OF ASSETS		<u>-</u>		<u>1</u>

	December 31, 2017		December 31, 2016	
	€	€	€	€
EQUITY AND LIABILITIES				
EQUITY	(2)			
Issued share capital	500,000		500,000	
Share premium reserve	3,883,937		3,883,937	
Other reserves	<u>-4,444,041</u>		<u>-4,469,801</u>	
		-60,104		-85,864
NON-CURRENT LIABILITIES	(3)			
Payables to other related parties		15,000		15,000
CURRENT LIABILITIES	(4)			
Trade creditors	20,917		13,699	
Loans from participations in group companies	-		32,979	
Other liabilities and Accruals and deferred income	<u>24,187</u>		<u>24,187</u>	
		45,104		70,865
TOTAL OF EQUITY AND LIABILITIES		<u><u>-</u></u>		<u><u>1</u></u>

2 PROFIT AND LOSS ACCOUNT OVER 2017

		2017		2016	
		€	€	€	€
Other operating expenses	(5)		-25,761		12,948
Operating result			25,761		-12,948
Financial income and expenses	(6)		-		-2,396
Result before tax			25,761		-15,344
Taxation on result of ordinary activities			-		-
			25,761		-15,344
Result participating interests	(7)		-1		-1
Result after tax			25,760		-15,345

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3 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

3.1 GENERAL NOTES

Activities

The activities of bioenergy systems N.V., with registered office in Amsterdam, and its group holdings mainly consist of working in bioenergy production. The business focuses on the realisation of energy production projects and the regeneration of renewable raw material from biomass's into energy.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of bioenergy systems N.V. (CoC file 17193326) is Beechavenue 54 in Amsterdam.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of the Company make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under art. 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

Consolidation

In accordance with article 2:407 part 2A of the Dutch Civil Code no consolidated annual accounts have been prepared.

LIST OF PARTICIPATING INTERESTS

The company participates (in)directly in the capital of the following companies.

Name, statutory registered office	Share in issued capital
	%
BES Forschungs GmbH Merseburg, Germany	100.00

BES Forschungs GmbH has been liquidated on October 18, 2017.

3.2 GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code. 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.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

3.3 ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Participations

Participations, 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 a participation based on the net asset value is negative, it will be stated at nil. If and insofar as the company can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations 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 participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the profit and loss account.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

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

Current liabilities

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

3.4 ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and interest expenses

Financial income and expenses comprise interest income and expenses of loans for the current reporting period. Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Currency translation differences

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied.

Taxes

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

Result participating interests

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 bioenergy systems N.V.

3.5 NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2017

Fixed assets

1. Financial fixed assets

	<u>12/31/2017</u>	<u>12/31/2016</u>
	€	€
<i>Participations in group companies</i>		
ENERLOG GmbH	-	-
BES Forschungs GmbH	-	1
	<u>-</u>	<u>1</u>

	<u>2017</u>	<u>2016</u>
	€	€
<i>ENERLOG GmbH</i>		
Carrying amount as of January 1	-	1
Disposals	-	-1
Carrying amount as of December 31	<u>-</u>	<u>-</u>

ENERLOG GmbH has been liquidated on August 22, 2016.

<i>BES Forschungs GmbH</i>		
Carrying amount as of January 1	1	1
Disposals	-1	-
Carrying amount as of December 31	<u>-</u>	<u>1</u>

BES Forschungs GmbH has been liquidated on October 18, 2017.

Equity and liabilities

2. Equity

	<u>12/31/2017</u>	<u>12/31/2016</u>
	€	€
<i>Issued share capital</i>		
Subscribed and paid up 500,000 ordinary shares at par value € 1.00	<u>500,000</u>	<u>500,000</u>

The issued capital of the company amounts to 550,000 shares, with a par value of € 1 each (€ 550,000), of which 500,000 shares, with a par value of € 1 each (€ 500,000) are fully paid-up.

	<u>2017</u>	<u>2016</u>
	€	€
<i>Share premium reserve</i>		
Carrying amount as of January 1	<u>3,883,937</u>	<u>3,883,937</u>
Carrying amount as of December 31	<u>3,883,937</u>	<u>3,883,937</u>
<i>Other reserves</i>		
Carrying amount as of January 1	-4,469,801	-4,454,456
Allocation of financial year nett result	25,760	-15,345
Carrying amount as of December 31	<u>-4,444,041</u>	<u>-4,469,801</u>

3. Non-current liabilities

	<u>12/31/2017</u>	<u>12/31/2016</u>
	€	€
<i>Payables to other related parties</i>		
RB UE GmbH	<u>15,000</u>	<u>15,000</u>

4. Current liabilities

	<u>12/31/2017</u>	<u>12/31/2016</u>
	€	€
<i>Trade creditors</i>		
Creditors	<u>20,917</u>	<u>13,699</u>
<i>Loans from participations in group companies</i>		
BES Forschungs GmbH	<u>-</u>	<u>32,979</u>
 Following the liquidation of BES Forschungs GmbH, the full loan was released		
<i>Other liabilities and Accruals and deferred income</i>		
<i>Accruals and deferred income</i>		
Accountant costs	2,500	2,500
RB Grundbesitz GmbH & Co. KG	19,656	19,656
Interest loan RB UE GmbH	<u>2,031</u>	<u>2,031</u>
	<u>24,187</u>	<u>24,187</u>

3.6 NOTES TO THE PROFIT AND LOSS ACCOUNT 2017

Staff

During the 2017 financial year the company had no employees (2016: 0).

	<u>2017</u>	<u>2016</u>
	€	€
5. Other operating expenses		
Selling and distribution expenses	-	2,314
General expenses	-25,761	10,634
	<u>-25,761</u>	<u>12,948</u>
6. Financial income and expenses		
Interest and similar expenses	-	-2,396
	<u>-</u>	<u>-2,396</u>
7. Result participating interests		
Share in result of Enerlog GmbH	-	-1
Share in result of BES Forschungs GmbH	-1	-
	<u>-1</u>	<u>-1</u>

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3.7 OTHER DISCLOSURE

Appropriation of the profit for 2017

The board of directors proposes to add the profit for 2017 of € 25,760 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Meeting.

Schiphol-Rijk,

R. Brendler