

## **Financial statements 2018/2019**

JSW Steel (Netherlands) B.V.  
Hoogoorddreef 15  
1101 BA Amsterdam

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JSW Steel (Netherlands) B.V.  
Amsterdam

## **Financial statements 2018/2019**

**Balance sheet as at 31 March 2019**

(Before appropriation of result)

	31-Mar-19		31-Mar-18	
	USD	USD	USD	USD
<b>ASSETS</b>				
<b>Fixed assets</b>				
Financial fixed assets	137,122,092		57,158,768	
		<b>137,122,092</b>		<b>57,158,768</b>
<b>Current assets</b>				
Receivables and prepayments	4,004		17,092	
Cash and cash equivalents	150,875		12,224	
		<b>154,879</b>		<b>29,316</b>
		<b>137,276,971</b>		<b>57,188,084</b>
<b>LIABILITIES</b>				
<b>Equity</b>				
Share capital	45,622,930		50,032,989	
Other legal reserves	181,014		(4,229,045)	
Other reserves	(174,339,093)		(162,227,969)	
Result for the year	(19,938,045)		(12,111,123)	
		<b>(148,473,194)</b>		<b>(128,535,148)</b>
<b>Long term liabilities</b>	275,866,400		164,063,429	
<b>Current liabilities</b>	9,883,765		21,659,803	
		<b>285,750,165</b>		<b>185,723,232</b>
		<b>137,276,971</b>		<b>57,188,084</b>

**Profit and loss account for the year 2018/2019**

	2018/2019		2017/2018	
	USD	USD	USD	USD
<b>Financial income/ (expense)</b>		<b>(12,055,451)</b>		<b>(5,636,511)</b>
Impairment of assets	7,660,000		6,297,472	
General and administrative expenses	222,594		177,140	
<b>Total general expenses</b>		<b>7,882,594</b>		<b>6,474,612</b>
		<b>(19,938,045)</b>		<b>(12,111,123)</b>
<b>Result before taxation</b>		<b>(19,938,045)</b>		<b>(12,111,123)</b>
Corporate income tax		-		-
<b>Result after taxation</b>		<b>(19,938,045)</b>		<b>(12,111,123)</b>

## General notes

### 1. General

#### General

JSW Steel (Netherlands) B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of JSW Steel Ltd), incorporated under the laws of The Netherlands on 17 August 2007, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

The Company is registered at the Chamber of Commerce under number 34280787.

#### Activities

The principal business activities of JSW Steel (Netherlands) B.V., and its group companies are: to acquire and make investments in all steel related and steel allied business, to trade in steel products in mining assets relating to steel.

#### Group structure

The Company is part of the JSW Group group. The head of this group is JSW Steel Limited in Mumbai, India. The financial statements of the Company are included in the consolidated financial statements of JSW Steel Limited.

#### Consolidation exemption

Consolidated accounts are not presented as the Company has availed itself of the exemption provisions of Article 408 section 1, Title 9 Book 2 of the Dutch Civil Code. Accordingly, the consolidated annual report of JSW Steel Limited for the year ending 31 March 2019 which include the financial statements of the Company and its subsidiaries, will be filed with the Chamber of Commerce.

#### Going concern

The equity of the Company amounts to USD 148,473,194 negative as at 31 March 2019.

As shown in the accompanying financial statements the Company has incurred recurring losses from operations. At balance sheet date liabilities exceed assets. Despite the unfavorable solvency and liquidity, the financial statements have been prepared in accordance with the accounting principles on the going concern assumption. The going concern assumption is based on the intention of the parent company to continue to support the operations of the Company.

Based on the conversations held with the banks in respect of the measures and plans, it is expected that the financing facilities will be continued.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Company.

#### Directors' report

The Company has taken advantage of Article 395a section 6, Title 9, Book 2 of the Dutch Civil Code and has not presented a directors' report.

#### **Estimates**

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

#### **Comparison with previous year**

The principles of valuation and determination of the result remained unchanged in comparison to previous year.

#### **Related parties**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

## **2. General accounting principles**

#### **Accounting policies**

The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable for small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Based on Title 9, Book 2 of the Dutch Civil Code, the Company can be qualified as a so-called 'small-sized company', but voluntarily discloses more information to meet the legal requirement to provide a true and fair view.

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

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

#### **Financial instruments**

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial instruments.

#### **Foreign currency**

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the Company carries out most of its activities (the functional currency).

The financial statements are denominated in USD, this is both the functional currency and presentation currency of the Company.

**Transactions, receivables and liabilities**

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

### **3. Principles of valuation of assets and liabilities**

#### **FIXED ASSETS**

##### **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 a participation based on the net asset value is negative, it will be stated at EUR 1. If and insofar 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 recognized for this.

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 recognized in the profit and loss account.

In the light of the aforementioned application of Article 408 section 1, Title 9 Book 2 of the Dutch Civil code and in management's opinion disclosure of net asset value would not enhance the insight into the Company's financial position and results, the participations are valued at historical cost.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the realizable value (see also section "Impairment of non-current assets"); an impairment is recognized and charged to the profit and loss account.



**Receivables**

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

**Impairment of non-current 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 realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable 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 realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

**CURRENT ASSETS**

**Receivables**

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

**Cash at banks and in hand**

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 recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

**LIABILITIES**

**Non-current liabilities**

On initial recognition non-current liabilities are recognized at fair value. Transaction costs which can be directly attributed to the acquisition of the non-current liabilities are included in the initial recognition. After initial recognition non-current liabilities are recognized at the amortized 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 non-current liabilities.

**Current liabilities**

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

#### **4. Principles for the determination of the result**

##### **General**

The result is the difference between the net financial income / (expense) and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

##### **Costs**

Costs are determined on a historical basis and allocated to the financial year to which they relate.

##### **Financial income and expenses**

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. When accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

##### **Income tax**

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. Also changes are taken into account which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

## Notes to the balance sheet as at 31 March 2019

### ASSETS

#### Financial fixed assets

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
A summary of the financial fixed assets is included below:		
<b>Subsidiaries</b>		
JSW Panama Holding Corporation	7,570,000	11,720,000
JSW Steel UK Ltd	7,742,461	11,000,761
Inversiones Eroush Limitadas	40	40
Geosteel LLC	6,860,000	6,860,000
JSW Steel Italy Srl	22,368	22,368
Periama Holding LLC	1	1
	<u>22,194,870</u>	<u>29,603,170</u>

	<u>Place, Country</u>	<u>Valuation method</u>	<u>Share in issued capital %</u>
JSW Panama Holding Corporation	Panama, Panama	cost price	100.00
JSW Steel UK Ltd	London, U.K.	cost price	95.00
Inversiones Eroush Limitadas	Santiago, Chile	cost price	0.01
Geosteel LLC	Rustavi, Georgia	cost price	49.00
JSW Steel Italy Srl	Milaan, Italy	cost price	100.00
Periama Holding LLC	Wilmington, U.S.A.	cost price	99.90

During the financial year the investment in JSW Steel (UK) Ltd has been increased with an amount of GBP 190,000 (equivalent to USD 251,699).

During the financial year a provision was formed for an amount of USD 4,150,000 for the subsidiary JSW Panama Holding Corporation, Panama and a provision for an amount of USD 3,510,000 for the subsidiary JSW Steel UK Ltd, UK.

No other movements occurred during the financial year.

## Notes to the balance sheet as at 31 March 2019

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
<b>Long term loans investments</b>		
JSW Steel USA Inc	12,557,596	12,557,596
JSW Steel Italy Srl	82,314,680	-
JSW Steel UK	11,146,018	12,024,133
Interest due from subsidiaries	8,908,928	2,973,869
	<u>114,927,222</u>	<u>27,555,598</u>
<b>Total financial fixed assets</b>	<u>137,122,092</u>	<u>57,158,768</u>

The long term facility with JSW Steel USA Inc is for a principal amount of USD 15,000,000. The loan bears interest of 6 months Libor plus 5% per annum and matures at 31 August 2020. The outstanding loan balance as of 31 March 2019 amounts to USD 12,557,596 and the outstanding interest balance amounts to USD 1,594,132. This loan can be converted to capital if required.

The long term facility with JSW Steel Italy Srl is for a principal amount of EUR 80,000,000. The loan bears interest of 6 months Euribor plus 8.15% per annum and matures at 18 July 2021. The outstanding loan balance as of 31 March 2019 amounts to EUR 73,400,000 (equivalent to USD 82,314,680) and the outstanding interest balance amounts to EUR 4,052,692 (equivalent to USD 4,544,905). This loan can be converted to capital if required.

The long term facility with JSW Steel UK is for a principal amount of GBP 16,000,000. The loan bears interest of 6 months Libor plus 5% per annum and matures at 31 August 2020. The outstanding loan balance as of 31 March 2019 amounts to GBP 8,550,000 (equivalent to USD 11,146,018) and the outstanding interest balance amounts to GBP 2,124,756 (equivalent to USD 2,769,891). This loan can be converted to capital if required.

### Receivables and prepayments

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
VAT receivable	4,004	17,092
	<u>4,004</u>	<u>17,092</u>

As of 31 March 2019 an amount of EUR 3,570 (equivalent to USD 4,004) is reclaimable from the Dutch Tax Authorities for the period Q1-2019.

## Notes to the balance sheet as at 31 March 2019

### EQUITY AND LIABILITIES

#### Equity

##### Share capital

The Issued share capital of the Company amounts to 40,607,875, divided into 707,625 ordinary shares of 1 and 39,900,250 redeemable non-cumulative preference shares of 1.

##### Other legal reserves

The other legal reserves consist of the capital revaluation reserve that relates to the share capital, which has been issued in EUR, whereas the financial statements are stated in US dollars, exchange rate used is 1 USD = 0.890076 Euro (previous year rate 0.811622).

##### Other reserves

The only movement for the year relates to the appropriation of the result for the financial year 2017/2018. In accordance with the proposal made by the directors the result for financial year 2017/2018 amounting to a loss of USD 12,111,123 has been transferred to the other reserves.

##### Proposed appropriation of result for the financial year 2018/2019

The board of directors proposes that the result for the financial year 2019 amounting to a loss of USD 19,938,045 should be transferred to the other reserves.

#### Long term liabilities

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	<b>Remaining maturity 1- 5 years</b>	<b>Remaining maturity 1- 5 years</b>
	<b>USD</b>	<b>USD</b>
Bank loans	66,664,863	77,448,945
Amounts payable to shareholder	193,386,760	80,574,760
Payable to subsidiary	-	1,062,380
Interest payable shareholder	15,814,777	4,330,005
Interest payable subsidiary	-	647,339
	<b><u>275,866,400</u></b>	<b><u>164,063,429</u></b>

Repayment obligations falling due within 12 months from the end of the financial year, as set out above, are not included in the above figures but in current liabilities.

## Notes to the balance sheet as at 31 March 2019

### Export Import Bank

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
Balance as at 1 April	64,000,000	72,000,000
Repayments	(64,000,000)	(8,000,000)
Capitalized transaction cost	-	(331,109)
Short term portion	-	(16,000,000)
Balance as at 31 March	<u>-</u>	<u>47,668,891</u>

### Australia and New Zealand Banking Group Limited

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
Balance as at 1 April	30,000,000	35,000,000
Short term portion	(5,000,000)	(5,000,000)
Capitalized transaction cost	(144,988)	(219,946)
Balance as at 31 March	<u>24,855,012</u>	<u>29,780,054</u>

This item represent a loan facility agreement with Australia and New Zealand Banking Group Limited, Singapore for a maximum of USD 35,000,000 and the outstanding loan balance is USD 30,000,000 as per 31 March 2019. The facility bears interest at a 6 months LIBOR plus 2% with a repayment date of 9 March 2021.

### ING Bank N.V.

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
Balance as at 1 April	-	-
Long term loan	44,858,136	-
Short term portion	(2,808,749)	-
Capitalized transaction cost	(239,536)	-
Balance as at 31 March	<u>41,809,851</u>	<u>-</u>

This item represent a loan facility agreement with ING Bank N.V. Hong Kong Branch for a maximum of EUR 40,000,000 and the outstanding loan balance is EUR 40,000,000 (equivalent to USD 44,858,136) as per 31 March 2019. The facility bears interest at a 6 months Euribor plus 2.25% with a repayment date of 11 January 2021.

### Total bank loans

<u>66,664,863</u>	<u>77,448,945</u>
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### Loans due to shareholder

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
Loans due to shareholder	<u>193,386,760</u>	<u>80,574,760</u>

## Notes to the balance sheet as at 31 March 2019

This item represent a loan facility agreement with our shareholder for a maximum of USD 15,000,000 and the outstanding loan balance is USD 14,118,000 as per 31 March 2019. The facility bears interest at a 6 months LIBOR plus 5% with a repayment date of 31 August 2020.

This item represent a loan facility agreement with our shareholder for a maximum of USD 15,000,000 and the outstanding loan balance is USD 9,477,600 as per 31 March 2019. The facility bears interest at a 6 months LIBOR plus 5% with a repayment date of 31 August 2020.

This item represent a loan facility agreement with our shareholder for a maximum of USD 150,000,000 and the outstanding loan balance is USD 76,591,160 as per 31 March 2019. The facility bears interest at a 6 months LIBOR plus 5% with a repayment date of 31 August 2020.

This item represent a loan facility agreement with our shareholder for a maximum of USD 100,000,000 and the outstanding loan balance is USD 93,200,000 as per 31 March 2019. The facility bears interest at a 6 months LIBOR plus 5.30% with a repayment date of 18 July 2021.

### Current liabilities

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	USD	USD
Repayment loans bank	7,808,749	21,000,000
Trade payables and trade credit	39,617	44,838
Short term loan and interest JSW Panama	1,769,847	-
Interest payable banks	265,552	614,965
	<u>9,883,765</u>	<u>21,659,803</u>

### Contingent assets and liabilities

The Company has no contingent assets and liabilities that are not already included in the financial statements.

## Notes to the profit and loss account for the year 2018/2019

	<u>2018/2019</u>	<u>2017/2018</u>
	USD	USD
<b>Financial income (expenses)</b>		
Finance income	6,192,877	1,471,607
Finance expenses	(15,179,723)	(8,727,548)
Exchange difference	(3,068,605)	1,619,430
	<u>(12,055,451)</u>	<u>(5,636,511)</u>
The Finance income consists of:		
<u>Interest income and similar income</u>		
Interest on associates receivable	6,186,582	1,471,607
Interest on credit institutions	6,295	-
	<u>6,192,877</u>	<u>1,471,607</u>
The Finance expenses consists of:		
<u>Interest expenses and similar expenses</u>		
Interest on shareholders	11,484,771	3,438,516
Interest on credit institutions	3,604,011	5,226,057
Interest on subsidiaries	60,129	60,129
Foreign exchange result	30,812	2,846
	<u>15,179,723</u>	<u>8,727,548</u>
<b>Impairment of assets</b>		
Provision for loan and Interest	-	1,427,472
Provision for impairment of investments	7,660,000	4,870,000
	<u>7,660,000</u>	<u>6,297,472</u>



## Notes to the profit and loss account for the year 2018/2019

	<u>2018/2019</u>	<u>2017/2018</u>
	USD	USD
<b>General expenses</b>		
Management fee	2,814	7,120
Audit fees	14,610	28,211
Tax advisory fees	8,582	17,827
Administrative fees	142,604	105,575
Legal fees	47,228	10,694
Bank charges	6,737	7,659
General expenses	19	54
	<u>222,594</u>	<u>177,140</u>


### Average number of employees


The Company had no employees during the year under review (2017/2018: none).

### Events after balance sheet date

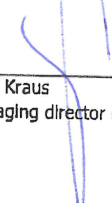
No major activities have occurred after balance sheet date that could have a material effect on the annual accounts.

Amsterdam, 22 May 2019

  
K.N. Patel  
Managing director A

  
R.M. Pai  
Managing director A

  
IQEQ Management (Netherlands) B.V.  
Managing director B

  
W.F. Kraus  
Managing director B

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The Shareholder and Directors of  
JSW Steel (Netherlands) B.V.  
AMSTERDAM

## INDEPENDENT AUDITOR'S REPORT

### Report on the financial statements

#### Our opinion

We have audited the financial statements for the year ended 31 March 2019 of JSW Steel (Netherlands) B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of JSW Steel (Netherlands) B.V. at 31 March 2019, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 March 2019;
- 2 the profit and loss account for the year 2018/2019; and
- 3 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 JSW Steel (Netherlands) B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of management for the financial statements**

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

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

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

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

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

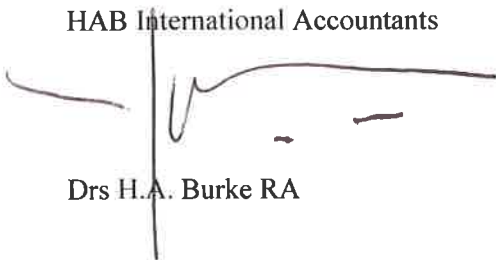
- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 22 May 2019

HAB International Accountants

A handwritten signature in black ink, appearing to read 'H.A. Burke', is written over a vertical line that extends from the text 'HAB International Accountants' above to the name 'Drs H.A. Burke RA' below.

Drs H.A. Burke RA