

An aerial photograph of a city highway interchange, likely in Asia, with multiple lanes and overpasses. The image is overlaid with a warm orange color scheme. Several glowing orange light trails, resembling long-exposure car light trails, curve across the highway. Three orange location pin icons are scattered across the image: one near the top right, one in the center, and one near the bottom right. In the top right corner, there is a white diamond-shaped graphic containing the company logo.

AND

ANNUAL REPORT 2019

AND INTERNATIONAL PUBLISHERS N.V.

AND INTERNATIONAL PUBLISHERS N.V.
ANNUAL REPORT 2019

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Profile, mission and strategy

Profile

AND is one of the few digital mapping companies offering seamless, worldwide coverage. Our focus is to create and deliver market leading, relevant, innovative and tailored location-aware content which fosters a safer and more sustainable world. Using smart technology, we constantly enrich and update our global data and offer an end-to-end portfolio of location-aware products and services.

Company

Head Office is in Capelle aan den IJssel in the Netherlands.

Core activities include:

- Acquiring raw geographical data from various sources to ingest into our products
- Researching and developing production tools for creating digital maps and online services
- Monitoring and improving the quality standards of AND's product and services
- Servicing other location-aware data companies to improve their content and user experience
- Publishing content and managing an online marketplace for developers
- Expanding sales and marketing on a global scale

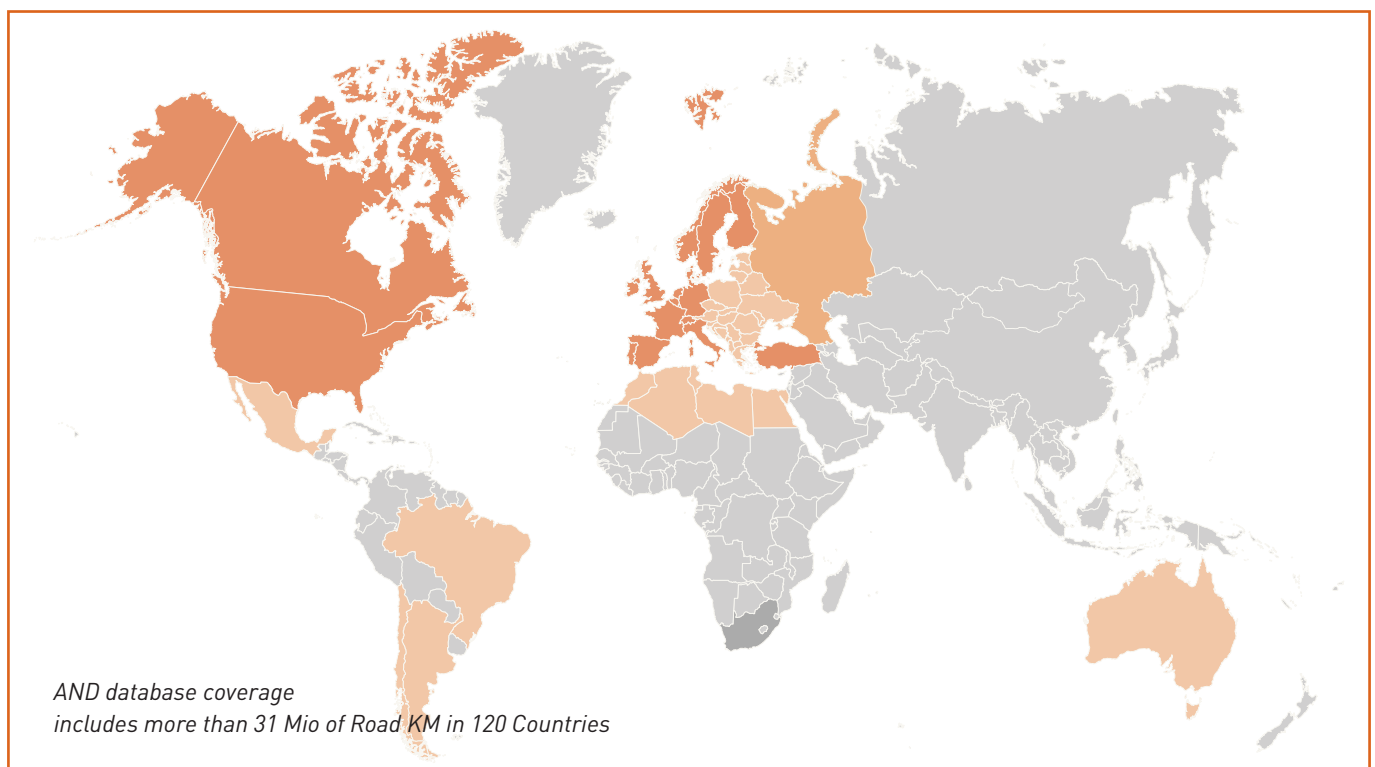
Having built a database with worldwide coverage - including navigation level mapping for Western Europe and North America - AND's digital maps are used in mobile, internet, vehicle and fleet management applications.

Added value is delivered via customised services which have location intelligence at their core, and are designed to improve company processes by leveraging location technologies and big geodata.

Strategy

As an independent player, AND focuses on creating long-term value for its shareholders through the successful provision of digital maps for location-based products and services. Central to this strategy are:

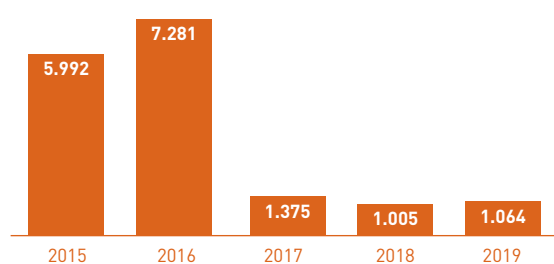
- Cost efficient production and ingestion of geodata
- Flexible licensing models
- Direct content and service sales via APIs targeting developers
- Competitive pricing
- Creating customised solutions and content
- A focus on developing a new geo-location market to help foster a safer and more sustainable world



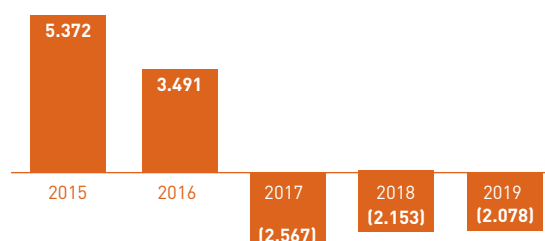
Key figures

In thousands of euros, unless stated otherwise	2019	2018	2017	2016	2015
Results					
Revenue	1,064	1,005	1,375	7,281	5,992
Operating result excl. impairment	(2,078)	(2,153)	(2,567)	3,491	2,872
Impairment (write off) / Reversal	(2,795)	(1,553)	(1,231)	-	2,500
Operating result incl. impairment	(4,873)	(3,706)	(3,798)	3,491	5,372
Net (loss) profit	(3,954)	(3,113)	(2,846)	2,780	5,087
Capital					
Shareholders' equity and liabilities	10,938	14,625	18,012	21,727	20,254
Shareholders' equity	9,692	13,645	16,880	20,339	18,111
Solvency (as % of balance sheet total)	89%	93%	94%	94%	89%
Data per share					
Average number of outstanding shares	3,727,137	3,727,137	3,727,137	3,727,137	3,727,137
Shareholders' equity	2.60	3.66	4.53	5.46	4.86
Lowest share price	1.73	2.31	6.03	7.40	2.85
Highest share price	3.58	7.10	10.49	10.90	8.94
Closing share price	2.18	2.56	6.69	8.79	8.35
Market capitalisation	8,125	9,541	24,935	32,762	31,122
Personnel					
Average number of fulltime employees (FTE's)	15	57	102	95	89

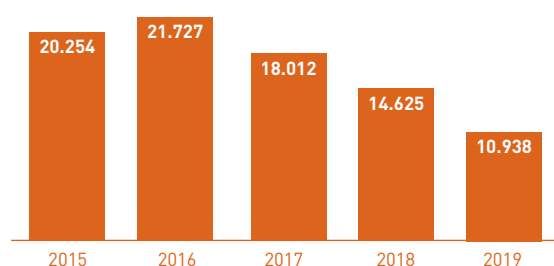
Revenue



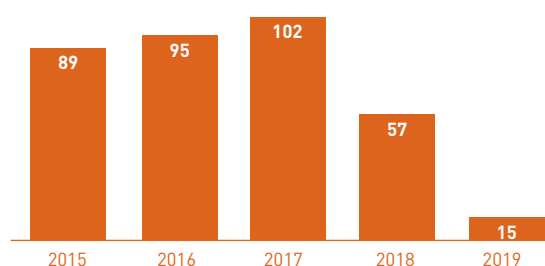
Operating result excl one-off impairment reversal



Shareholders' equity



FTE



AND Shares

Stock exchange listing

AND International Publishers N.V. was established on 18 March 1998 and has been listed on Euronext Amsterdam since 15 May 1998 (symbol: AND, ISIN-code: NL0000430106).

Capital and shares

AND's authorised capital of amounts to a total of €13,875,000 and is divided into 18,500,000 ordinary shares with a nominal value of €0.75 each. As of 31 December 2019, a total of 3,727,173 shares had been issued and paid up (31 December 2018: 3,727,173).

Notification substantial holdings

According to the Financial Supervision Act (Wft) on substantial holdings, shareholders are required to disclose their holdings if they represent 3% or more of the issued shares of the capital of a listed company. The following interests of more than 3% are known (as of 31 December 2019):

Parkland NV (through Roosland Beheer BV)	34,47%	21 December 2011
QuaeroQ cvba	10,73%	15 June 2016
Gijs van Lookeren Campagne	5,00%	20 August 2012

Share price movements

In 2019, the price of AND shares decreased by 18% to €2,18 per share. During the reporting year 2019, a total of 7,112 transactions (2018: 3,872) in AND shares were executed. A total of 3,331,201 shares (2018: 981,767) were traded for a total value of €8.5 million (2018: €3.9 million).

Dividend policy

AND is an active company in a dynamic sector. Since the company tries in principle to finance its growth out of its own resources, it takes into account various factors in setting the dividend, such as growth opportunities, investments,

cash needs, financial position and shareholders' interests in the medium term. Dividend distributions are discussed each year by the Management and Supervisory Boards. Given the (negative) results for 2019, AND will be putting a resolution before the General Meeting of Shareholders proposing not to pay dividend for the 2019 financial year.

Investor relations

AND highly values good communication with investors, which supports a good and realistic estimation of the potential value of the AND share.

Regulation to prevent insider trading

AND has drawn-up regulations for employees and other insiders regarding the ownership of and transactions in financial instruments issued by AND. Employees and advisors who are considered by AND as insiders, are, by signing a statement, bound to comply with the applicable regulations. The Management Board and the Supervisory Board have also complied with the provisions of Market Abuse Regulation and, the rules for the notification of voting rights, capital, control and capital holdings in issuing institutions. The Authority for the Financial Markets (AFM) monitors compliance with these regulations.

Financial Calendar

19 May 2020	Annual General Meeting of Shareholders
11 September 2020	Half-yearly results for 2020

Share price trend January 2019 - April 2020



Management and Supervisory Boards



Mr. T. Jaccoud, (1970), CEO

Swiss nationality.
Appointed as CEO on 1 February 2019.
Current terms ends on 31 January 2023.



Mr. C.S.M. Molenaar, (1947), chairman

Dutch nationality.
Appointed as supervisory director on 7 July 2017.
Current terms ends on 7 July 2021.



Mr. M.S. Douma, (1980)

Dutch nationality.
Appointed as supervisory director on 15 May 2012.
Current term ends on 15 May 2020.



Mr. B.J. Glick, (1953)

American nationality
Appointed as supervisory director on 10 October 2016.
Current terms ends on 10 October 2020.
Ancillary positions:

President, PTV America Inc, Member of the Board of directors, Location Inc., Advisory Board Member Vagabond Vending Inc., Partner Carillon Ventures LLC, GeoCodex LLC, Spatial Justice Resources Inc



Mr. S. Fernback, (1963)

British nationality
Appointed as supervisory director on 7 July 2017.
Current terms ends on 7 July 2021.

Ancillary positions:
President Marine Voyage, EVP Wärsilä Corporation

Management Board Preface

2019 was as projected a major step in the turnaround plan for AND. We reviewed our entire go to market strategy, products roadmap and team structure. We managed to stop the decline of our base revenue from several long-standing clients, by ensuring their customer satisfaction and adding new recurring services, and stabilizing it at 1.1 Million Euro. Newly generated business was predominantly data sales and services, 70% of which delivers recurring revenue for the coming years. We improved our relationship with our large customers and created a good momentum in Q4 to provide a solid basis for coming years. While we managed to launch our new strategy on safety and sustainability along with the announcement of innovative products such as High Alert Zones, we also entered both the ESRI Marketplace and the HERE OLP Marketplace. This lays good foundation for extending our visibility and making our content more broadly available to any customer. We ended the year with a good pipeline of opportunities for the next few years.

The launch of AND's first APIs (Application Programming Interface) along with the developer portal in November, enables us to catch up with the industry and make great AND content accessible to many developers.

During the year, we learned that the timeline for truly autonomous cars using HD Maps was essentially postponed towards 2030. Therefore, we decided to change the focus of our MapFusion technology to support the shorter term business opportunities around SmartCities and Smart Route Maintenance. Accordingly, we intensified our participation in the TalkingMap® Project in order to prove the MapFusion technology is effective.

We also managed by year end to secure our short-term financing requirement, enabling us to continue our transformation and give customers confidence in AND's future viability.

Outlook

With these product development improvements, better processes, adding additional dedicated Marketing personnel along with opening up the world of APIs and marketplaces, we believe we are well set for AND to move forward, grow and increase its share of voice and share in the digital mapping industry.

The adoption of our new value proposition for geo-location APIs will depend greatly upon prospects' willingness to switch from their existing vendors. This willingness could be impacted by the current economic downturn caused by COVID-19 and revised business priorities. The lockdown measures may also affect our own future growth plans.

Lastly, I would like to express my gratitude to everyone at AND for their commitment to the execution of AND's turn around plans in 2019.

Thierry Jaccoud CEO

Supervisory Board Report

We are pleased to present the AND International Publishers NV Annual Report 2019.

2019 was another year of transition for AND. Early in the year, Mr. Thierry Jaccoud was formally appointed as Chief Executive Officer. Under his leadership, the AND team formulated a new strategy and turnaround plan which was presented to the shareholders during last year's AGM. Partly as a result of this new strategy and a much more focused sales effort, the decline in revenues has slowed. We are confident that from this point the company will resume a growth path. For further details on the strategy and progress, we refer to the Management Report.

During the year, the Supervisory Board met six times and also held frequent teleconferences. Recurring topics were strategy, execution, commercial matters, HR and financing.

In December 2019, the company announced it had reached agreement with a group of investors on a convertible secured loan which enables AND to further execute its strategy. The loan was made available to AND in February 2020. Further details can be found in the consolidated financial statements and the associated notes.

As communicated to the markets by press release on 5 March 2020, AND has been unable to find an OOB-licensed auditor for the Annual Report 2019. As a result, the Annual Report was produced by company Management but without the normal audit process. The Supervisory Board has focused on ensuring that the Accounts were drawn up in accordance with all applicable laws and regulations as well as in accordance with past practices, which were audited and approved at the time. Particular attention was given to the impairment test on the company's intangible assets. This test was carried out using the same model as in previous years, using the latest management estimates regarding a.o. future revenues, cost levels and cash flows. In addition, the Supervisory Board has obtained a second opinion by retaining an external register valuator (a valuation expert) to perform an independent valuation of the intangible assets. This second opinion has led to the conclusion that the outcome of the impairment test is a reasonable and acceptable estimate. It should however be made clear that this outcome is a function of estimates which are; by their very nature, subjective and subject to constant uncertainty.

The company regards the whole situation around its inability to find a licensed auditor far from ideal and is in constant communication with the relevant authorities. It is our firm intention to find a licensed auditor for the Annual Report for the year 2020.

Mr. Maarten Douma's mandate as member of this Board will end at the forthcoming Annual General Shareholder's Meeting. As he has served two consecutive terms, he will not be eligible for re-election. The Supervisory Board has decided not to propose the appointment of a replacement member at this time.

At the time of writing this report the world is in the middle of the Corona virus crisis. At this point in time, it is impossible to assess the consequences for AND. The Supervisory Board is monitoring the situation closely.

Rotterdam, 24 April 2020

Supervisory Board
C.S.M. Molenaar
M.S. Douma
S.P. Fernback
B.J. Glick

Management Board Report

General Developments

In February, Thierry Jaccoud (Swiss nationality, born in 1970) became AND's new CEO. He is a seasoned executive in the automotive industry. He joined us from TI Automotive, where he successfully managed the turnaround as Commercial Director Europe and Managing Director of TI Automotive (Heidelberg) GmbH. Notably, Thierry spent nine years of his career at NAVTEQ (currently known as HERE) where he held a variety of commercial and general management positions and substantially increased sales of digital maps in both Europe and emerging markets.

In June, AND completed and delivered another full HD Map to the subsidiary of a large European Automotive OEM, while continuing to improve the maturity of the MapFusion technology.

In July, we launched our new website www.and.com to support the new strategy and promote the new direction the company is taking to a much wider audience.

Providing quick and easy access to the latest information, the new design features an updated AND logo and overall reflects a repositioning of the company towards location-aware content which fosters a safer and more sustainable world.

The clean, uncluttered design, improved functionality and superior content give a comprehensive overview of products and services – For more detail, the site now offers a series of downloadable products and service datasheets.

At the end of August, we announced our first APIs, designed to make industry applications, such as Transportation Management or Geo-Marketing Solutions more efficient by enriching them with additional location-aware content. They give direct access to our unique ZIP+4 USA content.

The Talking Maps project, announced in 2018, which leverages MapFusion technology to automatically improve, update and enrich map and location content, passed its first milestones in summer 2019. It will continue to further support the development of AND's MapFusion technology.

In September, AND launched the innovative: High Alert Zones, the company's first safety focused product. We chose road safety around schools for the initial module of this exciting new dataset, with others to follow in due course.

High Alert Zones targets school boundaries such as schools with smart polygons defining three levels of priority. The top priority zones cover a 200 metres boundary around the school; with medium priority at 300 metres; and finally, low priority at 600 metres. These are all areas where drivers are likely to encounter children crossing the road, walking along footpaths or playing nearby. School bus stops, public transport hubs and key parking areas are also included in the data.

Primarily aimed at developers of in-dash or mobile navigation systems and designed to alert drivers when approaching schools, High Alert Zones can also support other location-aware applications such as re-routing or blocked streets during road works, marches or social events etc. or organised activities within the school zone itself. High Alert Zones is currently available as a dataset in standard formats and will soon also be offered via the new AND API portal.

After a long period of preparation and exchange with ESRI, AND announced in October that its ZIP+4 Boundaries are now available for sale and trial on ESRI's ArcGIS Marketplace. The 5-digit ZIP Code plus a 4-digit add-on number identifies a geographic segment within the 5-digit area, such as a city block, office building, high-volume receiver of mail, or any other distinct mail unit.

In November, AND launched its Developer Portal which includes a first short series of Application Programming Interfaces (APIs). By working more closely with developers, AND wants to accelerate location-aware innovation and further improve its services.

APIs have evolved over the past few years, from internal integration tools to digital building blocks for connecting applications.

AND's Developer Portal offers developers 24/7 self-service access to our great content and APIs effectively and productively. Initially, the site will provide a number of APIs such as Geocoder, ZIP+4 USA and Time Distance Matrix. Developers can request a free trial API key to test the functionality of this service. More and more APIs will be added in due course.

In December, AND joined the HERE Open Location Platform (OLP). It is a key step in the company's mission to develop and expand its portfolio of location-aware content and offer a broad range of delivery options.

HERE OLP is a one-stop ecosystem where location-centric products and services can be created leveraging the exclusive tools and data offered by the OLP Workspace; and also licensed via the OLP Marketplace.

The OLP Workspace adds a unique dimension which supports our developers with excellent tools and premium location-aware content. Overall, we will be able to enrich and pool our data with that from HERE or other third parties to develop attractive and innovative products.

And finally, at the end of December we announced that an agreement had been reached between AND and a group of investors on a convertible loan of €1.15 million to be issued to the company. It was executed on February 4th.

Financially, fiscal year 2019 can be summarized as follows:

- Revenue increased by 6% to € 1.1 million (2018: €1.0 million);
- Operating result including impairment losses is down 32% at -€4.9 million (2018: -3.7 million);
- Net loss for the year 2019 amounts to €4.0 million (2018: -€3.1 million)

Further information on these figures is provided in the Financial Developments section.

Market developments and trends

The demand for location-aware content is increasing in all sectors and applications. According to external market research, the global digital mapping market is estimated at 4,6 Billion USD with a growth rate of 14,2% from 2018. North America with 1,5 Bio USD is the largest single market worldwide. The overall CAGR towards 2025 is estimated at 16,5%.

Largest markets by solution are route optimization and planning followed by tracking and telematics. A very interesting segment with the highest expected CAGR of 18,2% by 2025, is risk assessment and disaster management which requires a strong location-aware component.

In the automotive market, we envisage a strong transformation ahead. Highly automated driving was postponed from 2025 to nearer 2030, mainly due to the unexpected complexity of the task. There is no clear trend for digital mapping in this sector. Some OEMs are equipping future cars with lidars and sensors able to map the necessary drivable space on the fly and others rely on pre-created highly accurate maps. As a result, we decided to continue carefully monitoring the trend and keep our investment to a minimum.

According to research and market feedback, we know that most of the revenue growth and current business is made with APIs. This is where AND needs to focus its energy and investment for the turnaround.

Although the need for digital worldwide mapping and location services continues to grow, AND needs to increase its share of voice in order to benefit from that growth. Hence our focus on marketing and sales activities aimed at developers and maintaining a strong relationship with existing customers.

Financial developments

Revenue and costs

Revenue increased from €1,005,000 to €1,064,000.

Costs for maps and data amounted to €185,000 (2018: €26,000). These costs are related to geographical data for the maintenance of the database. The increase versus 2018 is due to the closure of the Indian subsidiary AND Data India Pvt. Ltd., and the subsequent increase in externally sourced services.

Personnel expenses decreased in 2019 by 23% to €1,668,000 (2018: €2,161,000), primarily because of the aforementioned closure of AND Data India Pvt. Ltd.

Total investments in maps in 2019 amounts to €333,000 (2018: €554,000). Excluding impairment losses, the amortization of

intangible fixed assets decreased from €824,000 in 2018 to €779,000 in 2019.

Per closing of 2019, an impairment test was executed, resulting in an impairment loss of €2,795,000. This is the result of lower forecasted future results / cash-flows to be generated using ANDs current database. These forecasts have been adjusted because of lower short- to mid-term revenue projections versus the assumptions used in the 2018 impairment calculations, and also, the change in the anticipated revenue composition (service versus database) given ANDs revised strategy.

Other operating expenses increased to €719,000 in 2019 (2018: €673,000), mainly due to intensified sales & marketing activities.

Cash flow

The net cash flow from operating activities in 2019 amounted to -€1,191,000 compared to -€1,329,000 in 2018. The cash flow from investing activities amounted to -€731,000 (2018: -€554,000). The cash flow from financing activities amounted to -€250,000 (2018: -€37,000).

Taxation

Taxes for 2019 amounted to €970,000 (2018: €564,000), resulting from accounting for a deferred tax asset on the taxable loss of 2019.

Financial position

Total assets decreased by €3,687,000 in 2019 to €10,938,000. The solvency ratio remains high, amounting to 89% of the balance sheet total at the end of 2019 (2018: 93%). As of 31 December 2019, AND held €522,000 in cash and cash equivalents (2018: €2,194,000).

Investments

The total investment in intangible assets amounts to €333,000 in 2019 (2018: €554,000). Investments in property, plant and equipment in 2019 amounted to €398,000 (2017: €-), which includes €391,000 of investments incurred by the first time IFRS16 adoption in 2019.

Research and development

Research and development play an important role within the business and in 2019, we continued to focus our resources on developing MapFusion technology. At AND, we encourage innovation and want to fulfil a pioneering role within our various markets. Some of these activities qualify as research and development and, in 2019, we received / claimed a subsidy (WBSO) from the government amounting to €98,471 (2018: €122,199). In 2020, we will continue to invest in research and development.

Personnel and organisation

The average number of FTEs for 2019 totals 14.9 (2018: 17.2) for AND Rotterdam. There is no staff at AND Washington anymore (2018: 0.5). Also, at AND India there was no staff in 2019 (2018: 40.7). At year end 2019, the number of FTEs totals 12.9 for AND Rotterdam, 0 FTE for AND Washington and 0 FTE for AND India.

The Management and Supervisory Board periodically evaluate whether prevailing conditions should impact their size and composition. At this time, there are no female members on the Management Board or the Supervisory Board and for future vacancies, AND will (in accordance with recent applicable legislation) change the distribution of seats between men and women.

Risk management

General

The Management Board is responsible for the proper functioning of the internal risk management and control systems including, amongst other things, developing the strategy and budget. The realised results and liquidity positions are discussed each month and compared with those from budget, cash-flow forecast and the previous year(s).

We are aware that this approach cannot provide absolute certainty that corporate goals will be achieved or that inaccuracies of material importance, loss, fraud and violations of laws and regulations will be entirely prevented. Although they can still be further improved, we believe they deliver a reasonable and acceptable degree of certainty and the financial reporting does not contain any such inaccuracies.

The Management Board states:

- The report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- These systems offer reasonable assurance that the financial reporting does not contain any material inaccuracies;
- Based on the current situation, preparing financial reporting as an on-going concern is justified;
- The report notes the material risks and uncertainties relevant to the company's expected continuation for twelve months after the preparation of the report.

Risks and uncertainties

Like all companies, AND is exposed to the commercial, technical and financial risks inherent to entrepreneurship – including the following specific (but not exhaustive) list:

- 28% of revenue in 2019 (2018: 23%) was generated by dollar contracts in and it is expected that sales of the North America navigation map will increase the number of dollar contracts from American players;
- In general, new customers have to adjust their product software in order to integrate map data from a new supplier. This initial extra investment can mean a longer lead time and sales process; it is also a potential barrier to closing the sale;
- For maintenance and further development of the database, AND is dependent on the availability of geographic sources and technology from third parties which if limited, could have a negative impact on AND products;
- AND operates in a very dynamic, competitive and innovative market which demands continuous investment, development and organisational adjustment to keep abreast (and ahead of) industry trends. Any shortcomings in this regard could have a substantially negative effect on the business and financial position of the company;

- Within this market, there are active parties with more financial and technical means, greater map coverage and also a larger workforce than AND – they are therefore better placed to capitalise on potential business opportunities;
- The availability of free or low-cost maps and data may lead to pressure on the earning capacity of AND maps and technologies;
- In our market, it is vital to protect AND intellectual property rights and remain carefully compliant with the provisions of others. Any claims of infringement on the intellectual property rights of others could result in AND paying damages which would have a negative impact on our financial position and potentially lead to a reduction in map coverage;
- AND is working with organisations which generally demand strict secrecy and confidentiality and any violation could mean payment of damages and the loss of significant customers;
- Unforeseen disruptions to business operations and disasters could damage AND, potentially leading to delay and discontinuation of services or the loss of critical assets such as systems, maps and data.

The introduction of the EU General Data Protection Regulation (GDPR) has led to a growing concern and scrutiny on localised content which may influence further product development. MapFusion technology is still at the prototype and first customer feedback stage and we need to prove its capabilities before generating a strong revenue stream.

Risk-management of financial instruments

The use of financial instruments arises from AND operating activities and they include cash, trade and other receivables plus trade and other payables. AND's current policy in the case of material amounts in foreign currencies, is to make use of derivative financial instruments if desirable in order to hedge potential risk relating to these financial instruments. The use of these instruments exposes AND to credit, liquidity, currency and interest rate risks.

Credit risk

The credit risk arises primarily from debtors. AND has a debtor portfolio of creditworthy customers spread over various regions with most sales relating to solid entities. In relation to actual revenue, the write-downs on debtors in recent years have been minimal. We therefore consider the credit risk is adequately managed and controlled.

Liquidity risk

At year-end, AND held total cash balances of €522,000. In order to secure its ability to pay the company's liabilities, AND entered into a convertible loan of € 1,150,000 on 4 February 2020. This convertible loan, provided by a group of investors, bears an interest of 9% p.a. (of which 3% cash and 6% PIK) and is secured by a.o. a pledge on the IP owned by AND as well as a pledge on the shares of AND Products BV. The loan has a duration of two years and is convertible during this period into ordinary AND shares at a conversion price of €1.85 per share. The Company relies on existing and new orders from customers in order to maintain its ability to meet its obligations. Management is monitoring and managing the company's liquidity on an ongoing basis.

Currency risk

Company policy is aimed at concluding sales contracts in euros wherever possible. Some do, however, come from contracts in foreign currency. In 2019, this figure was approximately 28% of total revenue (2018: 23%).

When substantial amounts in foreign currencies are involved, AND is able to make use of hedge contracts and hence mitigate the currency risk.

Interest risk

Company has raised an interest-bearing loan in early 2020. The interest on the loan is fixed for the duration of the loan.

Corporate social responsibility

As a producer and provider of digital maps, AND is making a positive contribution to a more sustainable environment. For example, digital maps enable transport companies to plan routes and use vehicle fleets more efficiently and effectively. The production of digital maps is also a low pollution activity. The MapFusion Technology we are developing leverages machine learning from existing data and thereby avoids utilising a dedicated fleet of survey cars to digitise maps.

AND undertakes research and development in the area of pedestrian safety and environmental improvement, as noted previously, we received a further government grant for this purpose in 2019. Accordingly, the company is expanding innovation and focusing its research and development activities in the Netherlands.

AND offers its employees financial support for commuting to work on public transport rather than driving with individual cars. Approximately 50% of our employees are female at our Head Office in Capelle aan den IJssel.

AND will continue evaluating ways to eliminate waste and improve its carbon footprint.

Dividend proposal

Given the results for 2019, AND proposes not to pay dividends to shareholders.

Outlook

The economic conditions in Europe in the coming years are uncertain but we do see (as mentioned above) an increasing demand for new, highly customised maps for automotive, Smart City, IOT (internet Of Things) and GIS (Geographic Information System) applications via APIs. Due to the nature of these new technologies, the volume of business will depend on market adoption and share of voice. We will keep investing in technology and our map and continue to expand our marketing and sales activities. As such, we expect our change in business model and market approach to show its first positive trends in 2020. We are positive there will be new opportunities within the current, fast changing, technology and market developments.

AND does not provide a financial outlook for 2020, amid the (macro-economic) uncertainties caused by the global COVID-19 / "Corona"-virus outbreak.

Rotterdam, 24 April 2020

Management Board
Thierry Jaccoud, CEO

Management declaration

Report pursuant to Section 5:25c of the Financial Supervision Act in the Netherlands

In the opinion of the Management Board, the 2019 financial statements of AND International Publishers N.V. give a true and fair view of the assets, liabilities, financial position and profit of AND International Publishers N.V. and its consolidated companies. The 2019 annual report gives a true and fair view of the financial position as at 31 December 2019, and the course of events during 2019 of AND International Publishers N.V. and its consolidated companies, whose details are included in the financial statements. The significant risks AND International Publishers N.V. faces are described in this annual report.

Rotterdam, 24 April 2020

Management Board
Thierry Jaccoud, CEO

Corporate Governance

General

AND International Publishers N.V. is a public limited liability company incorporated under the laws of the Netherlands with its registered office in Rotterdam, the Netherlands. AND International Publishers N.V. has a two-tier management structure, with the Management Board and a separate Supervisory Board. The Management Board and Supervisory Board are independent of one another. Both bodies account for the performance of their tasks to the General Meeting of Shareholders (hereafter referred to as the 'General Meeting').

The Management and the Supervisory Boards endorse the principle embodied in the Dutch Corporate Governance Code ('the Code') that the company is a long-term form of collaboration between the various parties involved. They recognise their integral responsibility for correctly balancing all interests while safeguarding the continuity of the business. The aim of the Company is to create long-term shareholder value.

AND believes that the details of the Code do not always take into account the size of the company, but endorses the principles and associated best practice provisions in the Code.

AND has taken note of the updated Code of December 2016, which came into force on 1 January 2017 - and carefully and thoroughly assessed the amendments. Any departures from the Code are discussed below.

Management Board

The Management Board is entrusted with the company and represents the company. It is responsible for the achievement of targets, strategy and policies, financing, development of the results and Corporate Social Responsibility. The Management Board is also responsible for internal risk management and control systems related to business activities and for compliance with all relevant legislation and regulations. It submits all information to the Supervisory Board in due time and is accountable to the Supervisory Board and the General Meeting of Shareholders.

In accordance with the Articles of Association certain Management Board decisions are subject to the approval of the Supervisory Board and the General Meeting of Shareholders.

The Management Board determines, with the approval of the Supervisory Board, what portion of profit will be reserved. The remaining profit is at the disposal of the General Meeting of Shareholders. The dividend policy is set out on page seven of the annual report.

By virtue of its designation by the General Meeting of Shareholders, the Management Board, with the approval of the Supervisory Board, is authorised to issue shares and to limit or exclude the shareholders' preferential subscription right. This designation is requested at the General Meeting of Shareholders and is always valid for a maximum period of five years.

Among other things, the Management Board needs the approval of the Supervisory Board to enter into or terminate a long-term relationship of major importance to the company, to participate in the capital of other companies and to undertake investments, where the value exceeds a quarter of the issued capital plus the reserves.

Supervisory Board

The task of the Supervisory Board is to supervise the management of the Management Board and the general course of business within AND. The Supervisory Board also advises the Management Board. Supervisory Board members perform their tasks with the interest of AND and its stakeholders in mind whilst also taking into account the Corporate Social Responsibility issues relevant to AND.

The Supervisory Board consists of at least two members. The number of members is determined by the Supervisory Board. Given the size of the Board, there are no separate audit, remuneration, selection and appointment committees. The tasks of these committees are instead undertaken by the Supervisory Board as a whole.

General Meeting of Shareholders

The powers of the General Meeting of Shareholders are stipulated in legislation and Articles of Association and can be summarised as follows:

- Approval of decisions that would cause a major change to the identity or character of AND or its business
- Appointment and dismissal of Management Board and Supervisory Board members
- Adoption of the Supervisory Board remuneration policy;
- Adoption of AND financial statements and discharge of the members of the Management Board and the Supervisory Board
- Approval of the profit appropriation
- Authorisation to acquire the company's own shares, to issue shares (or to grant rights to acquire shares) and the limitation or exclusion of preference rights in relation to shares
- Approval of decisions to amend the Articles of Association or dissolve AND

The following matters are also discussed within the General Meeting of Shareholders:

- The AND Annual Report;
- Changes to the reserves and dividend policy;
- Changes to the Corporate Governance structure.

A General Meetings of Shareholders is held once a year, no later than six months from the end of the previous financial year. Extraordinary General Meetings are held as frequently as deemed necessary by the Supervisory Board or the Management Board. All notices of the General Meeting of Shareholders shall be published on the company's website.

Deviations from the best practice provisions of the Code

Although AND International Publishers N.V. endorses the principles of the Code, it deviates from the following best practice provisions of the Code:

Principle 1.3: Internal Audit Function:

Given the size of AND, no separate internal auditor has been appointed and due to this no systematic risk assessments are held (principle 1.2: Risk Management).

Principle 2.1.5 and 2.1.6: Diversity policy:

AND feels that gender is only one part of diversity and future employees will continue to be selected on the basis of specific experience, backgrounds, skills, knowledge and insights. AND has not yet set a diversity policy.

Principle 2.1.8: Independence of the supervisory board members:

One member of the Supervisory Board is not independent, because he has been employed by one of the major AND shareholders.

Principle 3.4: Accountability for implementation of remuneration policy:

Due to the size of the company and the Management Board, AND has not included a separate remuneration report from the Supervisory Board in the financial statements. The Management Board only consists of one director, whose remuneration is further disclosed in the note to the financial statements.

Principle 3.4.1. Remuneration report:

In relation to the preparation of the remuneration report, reference is made to Principle 3.4.

Principle 4.3.3 Cancelling the binding nature of a nomination or dismissal:

AND values the continuity of the Management Board and the Supervisory Board and wants to protect its shareholders from possible quick changes to either. For this reason, AND maintains requirement from the Articles of Association of two-third representation in case of a decision to oust the binding character of a nomination to appoint a director or supervisory director and/or a decision regarding the resignation of a director or supervisory director.

Internal insider trading rules

The Management Board of AND International Publishers N.V. has formulated a set of rules regarding price-sensitive information. Under these rules, any AND employee who is in possession of information that may reasonably be expected to influence the price of the securities may not engage in transactions in AND securities or recommend a third party to engage in transactions in AND securities. It is also forbidden to communicate price-sensitive information to a third party and engage in transactions during a closed period. These rules also apply to the members of the Management Board and Supervisory Board and other designated individuals.

Takeover guidelines

Pursuant to Section 1 of the Decree Article 10 Takeover Directive, AND provides the following notes:

Capital structure

The capital structure is indicated on page seven, 'Information about the AND share'.

Disclosure of major holdings

The major holdings of which AND is aware are stated on page seven, 'Information about the AND share'.

Appointment and dismissal of members of the Supervisory Board and Management Board

The number of members of the Management and Supervisory Boards are determined by the Supervisory Board. The latter must have at least two members.

Members of the Management and Supervisory Boards are appointed and dismissed by the General Meeting of Shareholders on the basis of a timely (within three months) and binding nomination by at least two people. The General Meeting may rescind the binding nature of that nomination by a vote passed by at least two thirds of the votes cast representing at least half the issued capital.

Amendment of Articles of Association

A decision to amend the Articles of Association or to dissolve AND may be taken by the General Meeting only upon a proposal by the Management Board approved by the Supervisory Board.

Powers of the Management Board

The powers of the Management Board are stated in the section on the Management Board in this chapter. At its meeting on 16 May 2019 the General Meeting gave the Board a mandate to issue shares for a period of 18 months. The issue of shares may not exceed 10% of the issued share capital for ordinary purposes, with an additional 10% allowed where mergers and acquisitions are involved.

Payment upon termination of employment contract pursuant to a public bid

The Management Board and one other employee qualify under certain conditions for payment of one year's salary upon ending of the employment following a public offer.

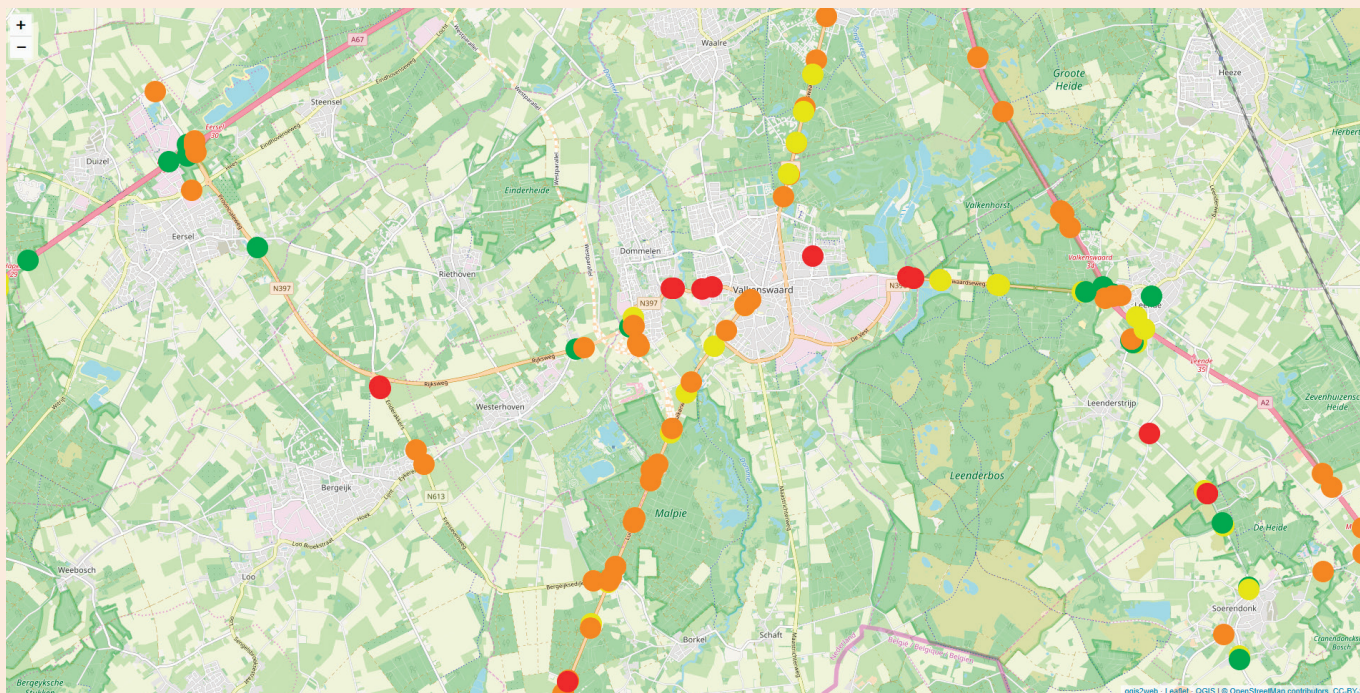
Payment upon public offer

In the event of a change of control, The Management Board receives a bonus of one year's salary.

Corporate Governance Declaration

This declaration is included pursuant to Article 2a of the Decree: further stipulations regarding the content of annual reports dated 1 January 2017 (hereafter the 'Decree'). For the statements in this declaration as understood in Articles 3, 3a and 3b of the Decree please see the relevant sections of this annual report. The following should be understood to be inserts to and repetitions of these statements:

- compliance with the provisions and best practice principles of the Code (page 17 'Corporate Governance')
- The most important characteristics of the management and control systems in connection with the Group's financial reporting process (page 12 'Risk management');
- The functioning of the Shareholders' Meeting and its primary authorities and the right of shareholders and how they can be exercised (page 16 'General Meeting of Shareholders');
- The composition and functioning of the Management Board and Supervisory Board (page 11 'Report of the Management Board', page 16 chapter 'Corporate Governance' and page 8 'Management Board and Supervisory Board');
- The information concerning the disclosure of the information required by the Decree Article 10 EU Takeover Directive, as required by Article 3b of the Decree, may be found in this chapter under 'Takeover Directive'.



The Talking Maps collaboration project was initiated a year ago between AND Products BV and the Ministry of Infrastructure and Water Management from the province of North Brabant. And most recently the province of Overijssel joined forces. AND is extremely proud to be helping Dutch provinces to enrich their location-aware content database, we can image a series of applications making use of this uniquely fresh and updated content..

[API Catalogue](#)
[Map Tile Server Service](#)
[Request Your Free Trial](#)
[Contact](#)

WELCOME TO THE AND DEVELOPER CENTRE

These pages are dedicated to showing you the ways that you can use our dataset to empower your applications with our SDK and API catalogue.

[VIEW OUR API CATALOGUE AND DOCUMENTATION](#)

AND's Developer Portal offers developers 24/7 self-service access to AND's great content and APIs. For the time being, the site provides a number of APIs such as Geocoder, ZIP+4 USA, Admin Boundaries and Time Distance Matrix More APIs with more to be added in the future. Developers can request a free trial API key to test this functionality..

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1. Consolidated statement of profit or loss

(x € 1.000)	Note	2019	2018
Revenue	6.23	1,064	1,005
Maps and sources	6.24	(185)	(26)
Personnel expenses	6.25	(1,668)	(2,161)
Depreciation	6.30	(95)	(28)
Amortization	6.31	(779)	(824)
Other operating expenses	6.28	(719)	(673)
Total operating expenses		(3,446)	(3,712)
Capitalised development costs	6.31	304	554
Impairments	6.31	(2,795)	(1,553)
Net operating expenses		(5,937)	(4,711)
Operating result		(4,873)	(3,706)
Financial expense/income		(51)	29
Result before tax		(4,924)	(3,677)
Income taxes	6.29	970	564
Net profit		(3,954)	(3,113)
Profit / (loss) attributable to:			
Shareholders of the company		(3,954)	(3,113)
Basic earnings per share (euro)	6.36	(1.06)	(0.84)
Diluted earnings per share (euro)	6.36	(1.06)	(0.84)

The notes on page 27 to 42 are an integral part of these consolidated financial statements.

2. Consolidated statement of comprehensive income

(x € 1.000)	2019	2018
Net result	(3,954)	(3,113)
Other comprehensive income for the year		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Foreign currency translation differences on foreign operations	23	(122)
Total comprehensive income for the year (after income tax)	(3,931)	(3,235)
Comprehensive income attributable to:		
Shareholders of the company	(3,931)	(3,235)

The notes on page 27 to 42 are an integral part of these consolidated financial statements.

3. Consolidated statement of financial position

As at 31 December (before appropriation of result)

(x € 1.000)	Note	2019	2018
Assets			
Property, plant and equipment	6.30	333	30
Intangible assets	6.31	6,891	10,132
Deferred tax assets	6.32	2,909	1,939
Total non-current assets		10,133	12,101
Income tax	6.33	-	-
Trade and other receivables	6.33	283	330
Cash and cash equivalents	6.34	522	2,194
Total current assets		805	2,524
Total assets		10,938	14,625
Shareholders' equity			
Issued and paid-up capital	6.35	2,795	2,795
Share premium reserve	6.35	36,227	36,227
Legal reserve	6.35	6,496	9,719
Result for the year	6.35	(3,954)	(3,113)
Retained earnings	6.35	(31,872)	(31,983)
Total shareholders' equity	6.35	9,692	13,645
Liabilities			
Defined benefit plans		12	12
Other liabilities	6.37	427	177
Total non-current liabilities		439	189
Trade and other liabilities	6.38	807	791
Total current liabilities		807	791
Total liabilities		1,246	980
Total shareholders' equity and liabilities		10,938	14,625

The notes on page 27 to 42 are an integral part of these consolidated financial statements.

4. Consolidated summary of changes in shareholders' equity

(x € 1.000)	Issued and paid-up capital	Share premium reserve	Legal reserves	Unappropriated result	Retained earnings	Total shareholders' equity
Note:	6.35	6.35	6.35	6.35		
As at 31 December 2017	2,795	36,227	11,200	(2,846)	(30,496)	16,880
Comprehensive income						
Distribution of result 2016	-	-	-	2,846	(2,846)	-
Result for the year	-	-	-	(3,113)	-	(3,113)
Other comprehensive income						
Foreign currency translation differences on foreign operations	-	-	(122)	-	-	(122)
Other movements						
Transfer to legal reserve	-	-	(1,359)	-	1,359	-
Total comprehensive income	-	-	(1,481)	(267)	(1,487)	(3,235)
Transactions with owners						
Dividend payment	-	-	-	-	-	-
As at 31 December 2018	2,795	36,227	9,719	(3,113)	(31,983)	13,645
Comprehensive income						
Distribution of result 2018	-	-	-	3,113	(3,113)	-
Result for the year 2019	-	-	-	(3,954)	-	(3,954)
Other comprehensive income						
Foreign currency translation differences on foreign operations	-	-	23	-	-	23
Other movements						
Transfer to legal reserve	-	-	(3,246)	-	3,246	-
Total comprehensive income	-	-	(3,223)	(841)	133	(3,931)
Transactions with owners						
Dividend payment	-	-	-	-	-	-
As at 31 December 2019	2,795	36,227	6,496	(3,954)	(31,872)	9,692

The notes on page 27 to 42 are an integral part of these consolidated financial statements.

5. Consolidated cash flow statement

(x € 1.000)	Note	2019	2018
Operating result		(4,873)	(3,706)
Adjustments for:			
Depreciation tangible fixed assets	6.30	95	28
Amortisation intangible fixed assets	6.31	779	824
Impairment loss intangible fixed assets	6.31	2,795	1,553
Changes in working capital:			
Change in receivables	6.34	47	(186)
Change in other liabilities	6.39	17	(156)
Cash flow from operating activities		(1,140)	(1,643)
Finance income / (expenses)		(51)	29
Income tax received / paid		-	285
Net cash flow from operating activities		(1,191)	(1,329)
Investments in intangible fixed assets and capitalised development costs	6.31	(333)	(554)
Investments in property, plant and equipment	6.30	(7)	-
IFRS 16 adoption	6.30	(391)	-
Cash flow from investing activities		(731)	(554)
Dividend payment		-	-
IFRS 16 adoption		289	
Long-term liabilities	6.37	(39)	(37)
Cash flow from financing activities		250	(37)
Net decrease in cash and cash equivalents		(1,672)	(1,920)
Opening balance cash and cash equivalents	6.34	2,194	4,114
Closing balance cash and cash equivalents	6.34	522	2,194

The notes on page 27 to 42 are an integral part of these consolidated financial statements.

6. Notes to the consolidated financial statements

6.1 General

AND International Publishers N.V. [the 'company'] was incorporated on 18 March 1998 as a public limited company under Dutch law and is at the head of the AND Group. The company has its registered office in Rotterdam, the Netherlands (KvK 24283878). Since 15 May 1998 the company has been listed on the NYSE Euronext Stock Exchange in Amsterdam.

AND manufactures and supplies digital maps that are used for location-based services throughout the whole world for mobile phones, the Internet and desktop applications, including smartphones, car-navigation, internet based mapping, fleet management and others.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Group operates on a going concern.

The consolidated financial statements of the Company for the 2019 financial year, which ended 31 December 2019, include the accounts of the Company and its subsidiary companies (together referred to as the 'Group'). The financial statements were drawn up by the Management Board and were approved for publication by resolution of 24 April 2020.

The consolidated financial statements have been prepared on a 'going concern' basis - this is based on:

- Strong (anticipated) increase in quote portfolio;
- Secured financing by means of a convertible loan of €1.15 million in February 2020;
- Further implementation of new strategy and a growing market with services for promising high-tech products.

In particular, the sensitivity of the database for impairment as well as the deferred tax assets recognised at balance sheet date are heavily dependent on the aforementioned factors. Obviously, there are some uncertainties, which by nature are embedded in forecasts and business plans. The forecasted sales may differ from the actual sales and anticipated customer orders may be postponed. This can have a significant (negative) effect on the results and cash-flows. However, this is considered inherent to AND's market.

Despite the negative results over 2017, 2018 and 2019, management is confident about the company's ability to continue its operations as a going concern and the validity of the valuation of the database and the deferred tax asset.

6.2 Statement of compliance

The consolidated financial statements of AND International Publishers NV have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

6.3 New accounting standards

The following standard was adopted as of January, 1st, 2019:

- IFRS 16 Leases is effective as per January 1st, 2019. This guideline was applied by AND using the transitional relief, allowing the entity not to restate prior periods in the 2019 annual report. Differences arising from the first-time adoption of IFRS 16 in 2019, impacting classification and measurement are elaborated on in paragraph 6.30 and 6.37 of this report.

6.4 Significant accounting policies

The financial statements are presented in euros, which is the company's functional currency, rounded-off to the nearest thousand. The financial statements have been prepared on the basis of historical cost, unless stated otherwise.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The results of which form the basis for making the judgements regarding the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results can differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most important estimates and judgments relate to the provision of possible impairments of fixed assets and deferred tax liabilities. The actual outcomes can differ from these estimates.

The accounting policies set out below have been applied consistently for all the periods presented in these consolidated financial statements. The accounting policies have been applied consistently by all Group companies.

The fair value of the financial assets and the financial liabilities approximates the amortised cost value.

6.5 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power directly or indirectly to govern the financial and operational policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Where necessary the accounting policies of subsidiaries have been adapted to the accounting policies applied by the Group.

Transactions eliminated on consolidation

Intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions are eliminated when preparing the consolidated financial statements. Unrealised gains from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication for impairment.

6.6 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into euros at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies on the balance sheet date are translated into euros at the exchange rate prevailing on that date. Exchange differences arising on translation are recognised in the profit and loss account.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rates prevailing on the balance sheet date. The revenue and expenses of foreign operations are translated into euros its average rates throughout the year.

The currency differences due to the translation of the net investment in foreign activities are taken to the translation differences reserve, a separate component of shareholders' equity. These are not distributable unless the participating interest in question has been sold or liquidated. If the exchange differences reserve shows a debit balance, the amount that may be distributed from the other reserves is reduced by that amount.

If a foreign activity is wholly or partially sold, the associated cumulative exchange differences are transferred to the profit and loss account as part of the profit or the loss on the disposal.

6.7 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost price of the replacement of a part of an item of property, plant or equipment is included by the Group in the book value of that asset when those costs are incurred, where it is likely that the

future economic benefits relating to the asset will accrue to the Group and the cost price of the asset can be reliably determined. All other expenses are taken to the profit and loss account as a charge when they are incurred. Depreciation costs are charges to the profit and loss account on a straight-line basis over the estimated useful lifetime of each component such as an item of property, plant and equipment. Estimated useful lifetimes are as follows:

• computer equipment	3 years
• office furnishings and equipment	3 - 10 years
• vehicles	5 years

The depreciation methods, life and residual values are assessed annually.

As per January 1st, 2019, IFRS 16 leases came into effect. This guideline was applied by AND using the transitional relief, allowing the entity not to restate prior periods. In accordance with the IFRS 16 guideline, the right of use on the basis of applicable lease contract and rental agreements for office space was capitalized for the remaining discounted contractual value of the applicable lease and rental contracts. Future cash-flows are discounted using a WACC of 9%. The right of use is released accordingly upon receipt of car lease and office space rental invoices.

6.8 Intangible fixed assets

The valuation of the database is made at acquisition price or at cost of manufacture. The cost of manufacture consists of all direct wages and other costs and (indirect) costs that may be reasonably and consistently assigned to the manufacture. Maintenance expenses not directly assignable to the database are charged directly to the result in the year in which those costs are incurred.

The costs incurred on extensions of the database are capitalised at cost of manufacture. Extensions generally comprise the addition of new countries, the expansion of the road network in existing countries to a more detailed level and data enrichments. Extensions are capitalised in so far as:

- they meet the definition of an intangible fixed asset;
- they are likely to generate future benefits;
- the cost price can be reliably determined.

Due to the impairment loss that occurred in 2011 the Management Board decided to switch to amortisation of the database and thereby assessing its lifetime as well as possible.

In determining the amortisation method, AND made use of the current fiscal treatment of the database as well as the systematics used by other comparable market parties. Based on this approach, the amortisation period has been set to 20 years during which it is recorded on a straight-line basis. This amortisation system has been initialised as per 1 July 2011. Since 2017, AND capitalised the costs spend for a.o. the MapFusion project. For this project, an amortisation is based on seven years. This amortisation is based on AND's assessments and also based on assumptions made by a Dutch competitor. The residual value has been determined at nil because there

is no active market for the database. The Management Board evaluates the capitalised costs for the database each year in order to determine whether the book value can be covered out of future income (i.e. an impairment test). If that is not the case, an impairment loss will be recognised.

Due to the increasingly strict rules regarding PIE auditors, AND has not been able to appoint an auditor to provide an audit opinion on the 2019 Annual Accounts.

AND was forced to look for another auditor because its previous auditor - Grant Thornton Accountants en Adviseurs B.V.- chose to surrender its PIE / OOB license in 2019.

AND regrets that in spite of extensive efforts it has been unable to find a PIE / OOB-licensed auditor for the audit of its 2019 Consolidated Financial Statements.

AND has informed AND's stakeholders about this situation and its consequences in a press release dated 12 September 2019 and 5 March 2020. Furthermore, the company wishes to stress that it has been in transparent communication with AFM, Euronext and auditor's association NBA throughout this process, starting June 2019.

Consequently, AND was forced to publish its 2019 Consolidated Financial Statements without an auditor's opinion.

AND regrets this outcome, and wants to stress that the considerations for aforementioned audit firms not to service AND are outside the sphere of influence of the company, and find its origin in the strict application of the applicable legislation for PIEs / OOBs, as well as in the apparent scarce resources within PIE / OOB-licensed audit firms.

In order to provide reasonable assurance to the users of the 2019 consolidated financial statements, AND asked an independent valuator to conduct an independent assessment of the balance sheet 2019 value of AND's main asset, being the database (presented in the financial statements as intangible fixed asset).

Please refer to paragraph 6.31 of this report.

AND is aware that this independent valuation is not a substitute for an audit performed by a certified public auditor. However, the Management Board and Supervisory Board have decided to have this assessment carried out in the interest of the users of the 2019 consolidated financial statements nonetheless.

Meanwhile, AND continues to do its utmost to secure a PIE / OOB-licensed auditor for fiscal year 2020.

For further details and assumptions in relation to the impairment test and independent valuation on the database reference is made in section 6.31 of the notes.

6.9 Trade and other receivables

Trade and other receivables are valued when first recognised at fair value plus any directly assignable transaction costs. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its

historical experience, external indicators and forward-looking information to calculate the expected credit losses. The Group assesses impairment of trade receivables on an individual basis.

6.10 Cash and cash equivalents

Cash and cash equivalents concern the cash and bank balances held and other deposits on call are valued at fair value.

6.11 Impairment of assets

The book value of the Group's assets are reviewed each balance sheet date in order to determine whether there are any indications for impairments. If such indications exist an estimate is made of the realisable value of the asset. In the case of assets with an indeterminable life, the realisable value is estimated each year.

An impairment loss is recognised if the book value of an asset exceeds the realisable value.

In the case of assets, the realisable value is equal to the higher of the fair value after deduction of selling costs or the value in use. In determining the value in use, the present value of the estimated future cash flows are calculated with the aid of a discount rate that reflects both the current market rate and the specific risks relating to the asset. Since there is no active market for the database, fair value can't be used for the intangible fixed assets, as such AND makes use of the value in use.

In addition, an assessment is made as to whether a previously taken impairment loss no longer exists or has been reduced. If that is the case the previously taken loss is reversed and the book value of the asset is increased to realisable value.

For further details and assumptions in relation to the impairment test on the database reference is made in section 6.31 of the notes.

6.12 Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as own shares and presented as a deduction from total equity.

Part of the shareholders' equity is the unappropriated result reserve. This is a reserve without certain destination. A dividend distribution to AND shareholders is treated as a liability at the point at which the General Meeting of Shareholders takes a decision to that effect.

6.13 Personnel remuneration

Defined contribution plans

A defined contribution plan is a scheme concerning benefits upon leaving employment whereby the Group pays fixed premiums to a separate entity and there is no legally enforceable or factual obligation to make further contributions. Obligations arising from promised contributions to pension schemes are treated as a charge in the profit and loss account when the

contributions are payable. A granted contribution scheme applies to the employees of the Dutch companies.

Defined benefit plans

A pension plan on the basis of granted pension entitlements is one that pays an amount in pension entitlements that an employee will receive upon retirement, generally dependent on factors such as age, years of service and remuneration. In the case of the (former) employees of AND Data India Pvt. Ltd., the pension scheme has certain characteristics of a defined benefit plan. Given the small and non-material size of the pension obligation no information on this has been provided in the notes.

6.14 Provisions

A provision is recognised in the balance sheet when the Group has a current, legal or constructive obligation as a result of a past event, if it is probable that an outflow of economic benefits will be required to settle the obligation and this obligation can be estimated reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, of the risks to the liability.

6.15 Deferred tax receivables

Deferred tax receivables are calculated on the basis of the nominal taxation rates applying at the end of the financial year or at the rates applying in future years, in so far as already determined by law. Deferred tax receivables arising from forward loss compensation are valued if it may reasonably be assumed that these will be realised. Deferred taxes are valued at nominal value. The Management Board annually reassesses the deferred tax receivable and reviews it on the basis of a planning period, in which the profit forecasts based on the most recent budget play an important part.

6.16 Trade and other liabilities

Trade and other liabilities with a term of more than one year are recognised under long-term liabilities. Trade and other liabilities are valued at amortised cost price. The initial recognition is at fair value less directly attributable transaction costs. Considering the short-term character of these particulars the amortised cost price and fair price are set equal to the nominal value.

6.17 Revenue

Revenue is recognised in so far as it is likely that the economic benefits will flow to the company and that the amount of the income can be reliably determined. AND's revenue is generated by the granting of licences to use the geographic data drawn from the database and the supply of services.

AND concludes agreements whereby fixed amounts are charged or whereby a minimum sum is charged against any off settable royalties, in case these exceed the minimum amount. In case of licence agreements whereby a fixed amount or a minimum amount is charged for a certain period, the revenue is assigned in proportion to the period of the applicable licence agreement. When a license is perpetual the revenue is accounted for at the moment of delivery when the terms of contract are

fulfilled. When a service is delivered the revenue is accounted to the period in which the service is performed. Royalties are recognised in the period to which the reported royalties relate to.

To determine whether to recognise revenue, the Group follows a five-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

6.18 Government grants

AND receives subsidies for innovation projects (WBSO subsidy). The Research and Development Promotion Act, [Wet Bevordering Speur- en Ontwikkelingswerk – WBSO'] is a tax incentive scheme under which the Dutch government pays a part of the wages for R&D. The received subsidy matches the related costs. The grant is recognised in the profit and loss on a systematic basis over the periods in which the entity recognises as expenses, the related costs for which the grants are intended to compensate. The grant is mentioned as a negative personnel expense, see paragraph 6.25.

6.19 Costs

Costs are determined on the basis of historical cost and assigned to the financial year to which they relate. Research costs are charged to the profit and loss account. Development costs are capitalised in so far as they comply with the relevant criteria described in section 6.31, 'Intangible fixed assets'.

Payments made under operating leases are carried in the profit and loss account on a straight-line basis over the term of the lease.

6.20 Taxation

The tax on profits is calculated on the pre-tax result in the profit and loss account, after deduction of tax losses carried forward from preceding financial years and exempted profit elements and after addition of non-deductible expenses, taking account of movements in deferred tax receivables and deferred tax liabilities. The tax rate applying in the financial year in question is used for the calculation of the profit on the result.

6.21 Consolidated cash flow statement

The consolidated cash flow statement is drawn up on the basis of the indirect method. The movement in liquid assets is based on the operating result according to the consolidated profit and loss account. The cash flows are divided into cash flows from operating activities, investment activities and financing activities. Translation differences in foreign currencies are not presented separately in the cash flow statement but are included as part of the reconciliation between the opening and closing balance of liquid assets under the 'exchange rate differences in foreign currencies' item.

6.22 Segmentation

There are no different segments in the sense of IFRS 8 identified based on the internally available (financial) management information. The explanatory requirements on the grounds of IFRS 8.32-34 are recorded in explanation 6.23.

6.23 Revenue and other income

The revenue may be analysed geographically as follows:

(x € 1.000)	2019	2018
Europe	770	790
North-America	294	215
Total	1,064	1,005

Revenue mainly consists of licences and royalties from geographical data and for 2019 amount to approximately €0.9 million (2018: (€0.9 million). A significant part of ANDs revenues consists of licences / royalties. For 2019, the non-cash revenue was zero (2018: zero).

The revenue can be further analysed as follows:

	2019	2018
Licensing/royalty	873	963
Services	191	42
Total	1,064	1,005

6.24 Maps and sources

Maps and sources concern the procurement of geographical sources such as maps, satellite images and house number ranges.

6.25 Personnel expenses

(x € 1.000)	2019	2018
Salaries (including termination fee/bonuses)	1,050	1,683
Social security contribution	146	168
Contribution of defined contribution schemes	67	84
Temporary personnel	390	242
WBSO (subsidy)	(98)	(116)
Other personnel costs	113	100
Total	1,668	2,161

Geographical distribution of the average number of full-time employees of the group:

Netherlands	14.9	16.6
US	-	0.5
India	-	40.0
Total	14.9	57.1

Average salary per employee

Netherlands (incl. US 2019: - (2018: 0.5 FTE))	70.5	93.8
India	-	8.3

In June 2018, the Board of AND International Publishers N.V., decided to close down the office in India. As a result of this, India has no employees as of December 31, 2019.

The investments in the database amounts to €333.000 (2018: €544.000). This amount of €333.000 relates to capitalised development costs of €304.000 and €29.000 other investments (2018: €544.000 and other investments €-). Based on the criteria for capitalisation in note 6.8 these costs qualify for capitalisation in the consolidated income statement under the item capitalised development costs.

6.26 Remuneration Management Board

in euros	2019	2018
Short-term employee benefits (including provision for termination)	175,000	405,000
Rewards payable in time	-	-
Total remuneration Management Board	175,000	405,000

Termination benefits

Mr. Hugo van der Linde resigned on March 1st, 2019, and was replaced by Mr. Thierry Jaccoud. The termination benefit of Mr. Hugo van der Linde amounts to at least one years' salary. No loans, advances or guarantees have been granted to the members of the Management Board.

As of 31 December 2019, the Management Board does not have shares in AND International Publishers N.V.

As part of the Managing Director's long-term incentive plan, an Option Agreement has been agreed between the Managing Director and the Company pursuant to which the Managing Director will be eligible for a maximum of 22,000 options per annum, subject to specific targets and at the discretion of the Supervisory Board. The strike price of the options will be equal to the average share price over the financial year preceding the award. The options will not vest until three years from the date they were awarded and will be settled in shares. The shares thus awarded to the Managing Director will be subject to a subsequent lockup of two years. Any awarded, but not yet vested options will vest in the event of a Change of Control. Upon the Managing Director's appointment in 2019, a first tranche of 22,000 options has been awarded in full, with an applicable strike price of €3,98. In February 2020, a second tranche of 22,000 options was awarded to Mr. Jaccoud with a strike price of €2.35.

6.27 Remuneration Supervisory Board

in euros	2019	2018
M.S. Douma	15,000	15,000
B.J. Glick	15,000	15,000
S. Fernback	15,000	15,000
C.S.M. Molenaar	20,000	20,000
Total	65,000	65,000

No loans, advances or guarantees have been granted to the members of the Supervisory Board. The members of the Supervisory Board do not hold any shares in AND International Publishers N.V.

6.28 Other operating expenses

(x € 1.000)	2019	2018
Accommodation, office & ICT	70	184
Marketing, PR & IR	155	42
Travel, company cars	152	189
Legal, accounting and audit	207	171
Other operating expenses	135	87
Total	719	673

6.29 Taxation

(x € 1.000)	2019	2018
Current tax expenses	-	6
Deferred tax expenses / (tax income)	(970)	(570)
Total income taxes	(970)	(564)

The effective tax is specified as follows:

(x € 1.000)		2019		2018
Pre-tax profit		(4,924)		(3,677)
Rate of tax on profits based on local tax rate	24.8%	(1,219)	25.0%	(919)
Effect of foreign tax rates		-	-0.1%	2
Change in valuation of deferred tax assets	-5.1%	249	-5.5%	203
Correction previous years	-	-	-4.2%	150
Total tax	19,7%	(970)	15,2%	(564)

The effective tax, based on the pre-tax results, amounts to 19,7% (2018: 15.2%).

6.30 Tangible fixed assets

(x € 1.000)	Computer equip- ment	Office & equip- ment	Vehicles	Total
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Cost price

Position at 1 January 2018	472	188	15	675
Additions	-	-	-	-
Disposals	(317)	(150)	(15)	(482)
Currency translation differences	-	-	-	-
Position at 31 December 2018	155	38	-	193
Position at 1 January 2019	155	38	-	193
Additions – including IFRS 16 adoption	3	278	117	398
Disposals	-	-	-	-
Currency translation differences	-	-	-	-
Position at 31 December 2019	158	316	117	591

Depreciation and impairment losses

Position at 1 January 2018	432	160	10	602
Depreciation	22	5	1	28
Disposals	(316)	(140)	(11)	(467)
Currency translation differences	-	-	-	-
Position at 31 December 2018	138	25	-	163
Position at 1 January 2019	138	25	-	163
Depreciation	14	51	30	95
Disposals	-	-	-	-
Currency translation differences	-	-	-	-
Position at 31 December 2019	152	76	30	258

Book value

Position at 1 January 2018	40	28	5	73
Position at 31 December 2018	17	13	-	30
Position at 1 January 2019	17	13	-	30
Position at 31 December 2019	6	240	87	333

6.31 Intangible fixed assets

(x € 1.000)

Database

Purchase-/investment value

Position at 1 January 2018	25,768
Investments/capitalised development costs	554
Position at 31 December 2018	26,322
Position at 1 January 2019	26,322
Investments/capitalised development costs	333
Position at 31 December 2019	26,655

Amortization and impairment losses

Position at 1 January 2018	13,813
Amortisation	824
Impairment loss	1,553
Position at 31 December 2018	16,190
Position at 1 January 2019	16,190
Amortisation	779
Impairment loss	2,795
Position at 31 December 2019	19,764

Book value

Position at 1 January 2018	11,955
Position at 31 December 2018	10,132
Position at 1 January 2019	10,132
Position at 31 December 2019	6,891

Maintained assumptions

Based on indications that the database is subject to impairment, at balance sheet date an impairment test was performed, related to the intangible fixed assets. The determination of the realisable value has been based on the value in use, since the fair value cannot be determined in the absence of an active market for the database. The value in use has been determined on the basis of the present value of the expected future cash flows over a period of five years and a terminal value for the subsequent period.

The most important assumptions on which the cash flow projections are based are a.o.:

- The forecast of future cash-flows is based on the business plan for 2020-2023;
- For 2024, a growth rate (both on sales, costs and cash-flows) versus the business plan for 2023 of 3% is assumed;
- For cash flows after this period of five years (2020-2024), a growth rate of nil is used;
- The cash flows have been discounted using a weighted average cost of capital (WACC) of 9.0% (2018: 13.2%), equalling the interest rate on the convertible loan granted to AND in February, 2020;
- For the costs and expenses, the plans for the maintenance of the database have been taken into account;
- Elimination of revenues and cash-flows realized by Map Services is included, based on assumptions of sales composition for the years 2020-2023. For revenues from these services, the use of AND's database is in principle not / limited necessary and therefore (consistent with earlier years) left out of the calculations
- Costs of the NV (including tax impact) are eliminated.

Impairment loss

At balance date, an impairment test has been executed. The outcome of this test has resulted in an impairment loss of total €2,795,000 (2018: €1,553,000). This outcome is the result of forecasted future results / cash-flows to be generated by making use of AND's current database. These forecasts have been adjusted both because of lower short to mid-term revenue projections versus the assumptions used in the 2018 impairment calculations, as well as change in the anticipated revenue composition (service versus database) given AND's revised strategy.

Uncertainty in valuation

In note 6.4, it has been explained that in case of possible impairment losses estimates are used. In the impairment analysis, future income is estimated by the Management Board and these estimates are subjective. In 2011, an impairment loss was identified and as a consequence the valuation of the database has been adjusted. This downward adjustment needs to be reversed in case the outcome of the impairment test indicates a higher value. In case the outcome of the impairment analysis is lower, an additional downward adjustment needs to be made. The valuation as per 31 December 2019 is based on the best estimate from Management Board of the future income and discount rate to be used. Considering that for a material part of the projected revenue there are no underlying contracts, there is uncertainty in the financial statements. A sensitivity analysis has been prepared for both the discount rate as well as the deviation from the expected growth in expected cash flow.

For reasons explained in paragraph 6.8 of this report, AND asked an independent valuator to conduct an independent assessment of the balance sheet date 2019 value of AND's main asset, being the database (presented in the financial statements as intangible fixed asset). AND is aware that this independent valuation is not a substitute for an audit performed by a certified public auditor. However, the Management Board and Supervisory Board have decided to have this assessment carried out in the interest of the users of the 2019 consolidated financial statements nonetheless, in order to provide reasonable assurance to the users of the 2019 consolidated financial statements.

The outcome of this independent assessment gave the Board no reason to doubt the outcome of the impairment test and results shared in this report.

Sensitivity analysis

A sensitivity analysis has been prepared for both the WACC as well as the deviation from the expected growth in the expected cash flow.

Sensitivity analysis WACC (x € 1.000)			
WACC (%)	8%	9%	10%
Impairment	(2,270)	(2,795)	(3,276)
Sensitivity analysis deviation from expected growth in cash flows (x € 1.000)			
Deviation in the growth from cash flow	-5,0%	0%	5,0%
Impairment	(3,140)	(2,795)	(2,451)

The table above shows that if the discount rate which is used (9%) was 1% higher, an additional impairment loss of €481,000 would be present, while if the discount rate which is used was 1% lower, an amount of €525,000 of the impairment loss should be reversed. A similar yet smaller effect is visible when the assumption is made if the forecasted growth in cash flow would be 5% higher or lower. A higher than expected growth in cash flows would lead to retrieval of a portion of the impairment loss.

It is important to add to the sensitivity analysis that every material change in the assumption can lead to an adjustment in the valuation of the database and, as a consequence, which can be both upwards and downwards.

Research and development

The capitalized costs for research and development amount to €333.000 (2018: €554,000), of which €304,000 (2018: €554,000) relates to capitalized own hours.

6.32 Deferred tax receivables

The balance of the deferred tax receivables arising from temporary differences between the valuation of balance sheet items for tax and commercial purposes respectively as well as the valuation of carried forward tax losses is composed as follows:

(x € 1.000)	2019	2018
Position at 1 January	1,939	1,373
Tangible fixed assets	-	(13)
Intangible fixed assets	(150)	(179)
Personnel-related compensation	-	(11)
Fiscal value of recognised tax losses	1,120	769
Position at 31 December	2,909	1,939

The valued tax losses of the Dutch companies at the end of 2019 amount to €11.5 million (2018: €7.1 million). This amount has been determined on the basis of a planning period in which the profit forecasts based on the most recent budgets are an important factor. The actual outcomes will probably differ from the forecasts since the assumed events will generally not work out as expected. The resulting discrepancies could be of material significance.

The deferred tax receivable related to intangible fixed assets is related to the difference between commercial and fiscal valuation of the database. Changes in deferred tax run through the statement of profit and loss account.

A deferred tax receivable related to tangible fixed assets has been recognised since there is a difference from 1 January 2007 onwards between the depreciation for fiscal and commercial purposes respectively.

The deferred tax receivable in relation to personnel-related remuneration concerned the temporary difference between the treatment of personnel-related remuneration in India for commercial and fiscal purposes respectively.

Deferred taxes not recognised:

in millions of euros	2019	2018
Tax losses 2011	393	-

6.33 Trade and other receivables

(x € 1.000)	2019	2018
Income tax	-	0
Debtors	133	196
Prepaid expenses	103	110
Royalties yet to be received	12	12
Other receivables	35	12
Total	283	330

Debtors are presented after deduction of impairment losses (based on expected credit loss). At the end of 2019, debtors included a provision for impairments of trade debtors of €35,000 (2018:-).

6.34 Cash and cash equivalents

(x € 1.000)	2019	2018
Cash at bank and in hand	422	364
Deposits	100	1,830
Total	522	2,194

The cash and cash equivalents are at direct disposal for €202,000 whilst €321,000 is disposable after three months. At the end of 2019 a total of €28 in bank guarantees was issued (2018: €28).

6.35 Shareholders' equity

(x € 1.000)	Issued and paid-up capital	Share premium reserve	Legal reserve	Unappropriated result	Retained earnings	Total shareholders' equity
Position at 31 December 2017	2,795	36,227	11,200	(2,846)	(30,496)	16,880
Distribution of result 2017	-	-	-	2,846	(2,846)	-
Unappropriated result 2018	-	-	-	(3,113)	-	(3,113)
Total realised and unrealised results	-	-	(122)	-	-	(122)
Addition to legal reserve	-	-	(1,359)	-	1,359	-
Position at 31 December 2018	2,795	36,227	9,719	(3,113)	(31,983)	13,645
Distribution of result 2018	-	-	-	3,113	(3,113)	-
Result for the year	-	-	-	(3,954)	-	(3,954)
Total realised and unrealised results	-	-	23	-	(23)	-
Addition to legal reserve	-	-	(3,246)	-	3,246	-
Position at 31 December 2019	2,795	36,227	6,496	(3,954)	(31,872)	9,692

Share capital

Capital issued and fully paid	number	in €
Position at 1 January 2018	3,727,137	2,795,353
Position at 31 December 2019	3,727,137	2,795,353

Position at 31 December 2019	3,727,137	2,795,353
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The authorised share capital at 31 December 2019 consisted of 18,500,000 (2018: 18,500,000) shares with a nominal value of €0.75 each.

Legal reserve

A legal reserve is held for the capitalised development costs for the database. This reserve forms part of the restricted capital and cannot be distributed.

The translation reserve consists of the exchange differences arising from the translation of the financial statements of foreign participations. The build-up of this reserve commenced on 1 January 2004. Any reserve for translation differences to be formed in the future will form part of the tied capital and can be distributed to a limited extent only.

The development of the legal reserves is as follows:

(x € 1.000)	Reserve capitalised development costs	Reserve translation differences	Total legal reserves
Position at 31 December 2017	11,496	(296)	11,200
Movements in financial year	(1,359)	(122)	(1,481)
Position at 31 December 2018	10,137	(418)	9,719
Movements in financial year	(3,246)	23	(3,223)
Position at 31 December 2019	6,891	(395)	6,496

Result appropriation

Article 30 of the company's Article of Association states that the Management Board may propose adding (or withdrawing) a (proportion of) the profits for the year to the other reserve subject to approval by the Supervisory Board. The remainder of the results is at the disposal of the shareholders. The loss for 2019 amounts to €(3,954,000) and is proposed to be withdrawn from the general reserves. The proposed result appropriation has not been included in the balance sheet.

6.36 Earnings per share

The ordinary earnings per share have been calculated by dividing the net profit attributable to the holders of ordinary shares in the parent company by the weighted average number of ordinary shares issued during the year.

The diluted earnings per share have been calculated by dividing the net profit attributable to the holders of ordinary shares in the parent company by the sum of the weighted average number of ordinary shares issued during the year and the weighted average number of ordinary shares that would have been issued upon the conversion into ordinary shares of all potential ordinary shares that could lead to dilution.

The earnings per share were calculated as follows:

in euros	2019	2018
Average weighted number of issued shares	3,727,137	3,727,137
Dilution effect of options	-	-
Dilution effect of warrants	-	-
Average weighted number of issued shares after dilution	3,727,137	3,727,137
Result for financial year	(3,954,000)	(3,113,000)
Basic profit / (loss) per share	€ (1.06)	€ (0.84)
Diluted profit / (loss) per share	€ (1.06)	€ (0.84)

6.37 Other long term liabilities

(x € 1.000)	2019	2018
Position at 1 January	177	214
Long-term lease and rent obligations (IFRS 16 adoption)	289	-
Loan lawsuit settlement	(39)	(37)
Position at 31 December	427	177

For the settlement with the counterparty in 2011, a payment scheme was arranged. The remaining outstanding amount at the end of 2019 amounts to €172,000 of which €34,000 has a duration of less than 1 year. The portion of the outstanding amount is liable to interest at a rate of 2.5%. The outstanding amount has been recognised at amortised cost, with the outgoing cash flows discounted at a rate of 6.0%.

The long-term lease and rent obligations of €289,000 reflects the long-term obligation under the current lease-contracts for cars (€56,000) and rent-agreement for the offices in Capelle aan den IJssel (€233,000). Of the total remaining obligations under these contracts as per balance-sheet date 2019 of €340,000 an amount of €51,000 is due within one year and therefore reported as short-term liability.

6.38 Trade and other liabilities

(x € 1.000)	2019	2018
Creditors	168	62
Taxes and social security premiums	17	24
Sales invoiced in advance	336	324
Short-term lease and rent obligations (IFRS 16 adoption)	51	-
Other short-term debts	235	381
	807	791

6.39 Financial instruments and risk control

The use of financial instruments arises from the Group's operating activities. The Group's financial instruments comprise cash, debtors and other receivables, creditors and other liabilities. AND's present policy with regards to material amounts in foreign currencies is to make use of derivatives where desirable in order to hedge potential risks in relation to these financial instruments.

Credit risk

Credit risk is the risk of a financial loss for the Group if a customer or counterparty of a financial instrument fails to comply with the contractual obligation that has been entered into. Credit risks arise primarily from claims on debtors.

The Group has a debtor portfolio of creditworthy parties spread over various regions. The majority of the sales concern solid, creditworthy parties. Where necessary, customers are subject to a credit appraisal. In relation to the realised sales, write-downs on debtors have been limited over the past few years.

The book value of the financial assets represents the maximum risk and amounted at balance sheet date to:

(x € 1.000)	2019	2018
Trade and other receivables	283	330
Cash and cash equivalents	522	2,194
Total	805	2,524

The age structure of trade receivables as at the balance sheet date is as follows:

(x € 1.000)	2019		2018	
	gross	provision	gross	provision
Not overdue	53	-	71	-
1 to 60 days overdue	-	-	80	-
60 - 180 days overdue	115	(35)	45	-
More than one year overdue	-	-	-	-
Total	168	(35)	196	-

Liquidity risk

The liquidity risk is the risk that the Group will be unable to discharge its financial obligations at the required time. As per balance sheet date 2019, the Group had a total balance of cash and cash equivalents of €522,000.

In order to secure its ability to pay the company's liabilities, AND entered into a convertible loan of € 1,150,000 on 4 February 2020. This convertible loan, provided by a group investors, bears an interest of 9% p.a. (of which 3% cash interest and 6% PIK-interest) and is secured by a.o. a pledge on the IP owned by AND as well as a pledge on the shares of AND Products BV. Furthermore, the loan has a duration of two years and is convertible during this period into ordinary AND shares at a conversion price of €1.85 per share.

The company relies on existing and new orders from customers in order to maintain its ability to meet its obligations. Management is monitoring and managing the company's liquidity on an ongoing basis

Overview of the available cash to fulfil current obligations:

(x € 1.000)	2019	2018
Cash and cash equivalents	522	2,194
Income tax	-	-
Trade and other receivables	283	330
Non-current liabilities	(439)	(189)
Current liabilities	(807)	(791)
Remaining cash and cash equivalents	(441)	1,544

The contractual due dates and cash flows (including owed interest) for the financial commitments are as follows:

(x € 1.000) 31 December 2019	book value	contractual cash flows	< 6 months	6 -12 months	> 1 year
Creditors	168	168	168	-	-
Taxes and social security premiums	17	17	17	-	-
Other long-term debts	427	427	-	-	427
Other short-term debts	235	235	235	-	-
Total	847	847	420	-	427

(x € 1.000) 31 December 2018	book value	contractual cash flows	< 6 months	6 -12 months	> 1 year
Creditors	62	62	62	-	-
Taxes and social security premiums	24	24	24	-	-
Other long-term debts	177	176	-	-	176
Other short-term debts	381	381	381	-	-
Total	643	643	467	-	176

Currency risk

The currency risk incurred by the Group arises from the purchases and sales denominated in a currency other than the functional currency of the Group. Company policy is aimed at concluding sales contracts in euros wherever possible. A certain part of the sales in 2019 is however realised from contracts in foreign currency. Apart from the currency risk from sales contracts in foreign currency the company is exposed to a currency risk on the activities in India, since the reporting currency is the Indian rupee.

The most important exchange rates during the financial year are as follows:

	average exchange rate		closing rate	
	2019	2018	2019	2018
EUR	1.00	1.00	1.00	1.00
USD	0.90	0.85	0.89	0.87
GBP	1.14	1.13	1.18	1.11
INR	0.013	0.012	0.013	0.013

As of the balance sheet date the Group has the following outstanding amounts in foreign currency:

(x € 1.000)	USD		INR	
	2019	2018	2019	2018
Trade and other receivables	-	10	19	162
Trade and other debts	(17)	(5)	(10)	(7)
Cash and cash equivalents	17	150	292	177
Total	-	155	301	332

Sensitivity analysis

An appreciation/depreciation of the Euro in relation to the Dollar and the Indian Rupee related to the outstanding amounts in foreign currency (see table above) has the following impact on the results:

(x € 1.000)	USD		INR	
	2019	2018	2019	2018
Impact result appreciation € with 5%	-	-	(15)	5
Impact result depreciation € with 5%	-	-	15	(5)

Interest risk

The Group does not have any interest bearing loans and the interest risk is therefore limited to fluctuations in the interest rates on deposits and other bank balances. Surplus cash is invested in short-term deposits at a variable rate of interest.

Capital management

The capital management of the Group is aimed at sustaining the capital structure that allows the Group to achieve its strategic goals and operational needs and contributes to future development of the activities of the Group.

The Group manages its capital structure and adjusts this when deemed necessary after changes in the economic conditions. To maintain or adjust the capital structure, the Group can issue new shares, pay back capital to shareholders or adjust the dividend policy. In the case of AND, the shareholders' equity qualifies as share capital according to the IFRS definition. For the dividend policy, reference is made to the section containing information on AND shares on page 7.

6.40 Rental and operating lease agreements

The amounts owed under rental and operating lease agreements fall due as follows:

(x € 1.000)	2019
< 1 year	52
1 - 5 year	289
> 5 year	-
Total	341

As per January 1st, 2019, IFRS 16 leases came into effect. This guideline was applied by AND using the transitional relief, allowing the entity not to restate prior periods. In above table, the 2019 amounts reflect the remaining "right of use" on the basis of applicable lease contract and rental agreements for office space. At balance sheet date 2019, the "right of use" was capitalized at a value equalling the remaining discounted contractual value of the applicable lease and rental contracts (using a WACC of 9%)

6.41 Related parties

The parties affiliated to the group, of which AND International Publishers N.V. is the parent company, may be divided into group companies, members of the Supervisory Board and members of the Management Board. A list of the group companies may be found in section seven of the notes. In the normal course of business, such transactions take place at normal market conditions. Transactions among group companies are eliminated in the consolidation. With the closing of AND Data India Pvt. Ltd. in May 2018, intercompany transactions decreased significantly, to a level of €- in 2019 (2018: €331,000). For the remuneration paid to the members of the Management Board and the Supervisory Board reference is made to in sections 6.28 and 6.29 of the notes.

The total remuneration for the Management Board and the Supervisory Board in 2019 amounts to €240,000 (2018: €470,000). Of this, €240,000 (2018: €470,000) relates to short-term employee benefits and €- (2018: €-) to long-term employee benefits.

6.42 Subsequent events

Convertible loan

In order to secure its ability to pay the company's liabilities, AND entered into a convertible loan of € 1,150,000 on 4 February 2020. This convertible loan, provided by a group of investors, bears an interest of 9% p.a. (of which 3% cash and 6% PIK) and is secured by a.o. a pledge on the IP owned by AND as well as a pledge on the shares of AND Products BV. Furthermore, the loan has a duration of two years and is convertible during this period into ordinary AND shares at a conversion price of €1.85 per share.

Liquidation of AND Data India Pvt. Ltd.

In May 2018, AND management decided to stop the operating activities of its Indian subsidiary AND Data India Pvt. Ltd. No operating activities were performed since, nor has management tangible plans to re-establish operating activities in the short to mid-term. Therefore, in March 2020, AND management decided to liquidate this entity legally. In accordance with applicable Indian legislation and procedures, such a liquidation process will require approximately six months to complete. At the end of this liquidation process, the cash that is currently "trapped" in AND Data India Pvt. Ltd. (2019: €293,000), will be repatriated to AND in the Netherlands (after deduction of local Indian costs related to the orderly liquidation of AND Data India Pvt. Ltd.).

Replacement of auditor

On 5 March 2020, AND announced that in spite of extensive efforts it has been unable to find a PIE/OOB-licensed auditor for the audit of its 2019 Consolidated Financial Statements. As announced previously in the mid-year trading update of 12 September 2019, the company's former auditor, Grant Thornton Accountants en Adviseurs B.V., chose to surrender its PIE/OOB-license in 2019. As a result, AND was forced to look at all (six) remaining PIE/OOB-licensed audit firms.

One of these six audit firms is a predecessor of Grant Thornton as auditor of AND and therefore in its so-called "cooling off"-period, and as such not legally allowed to service AND as auditor. The other (five) audit firms all have decided not to offer their services to AND, primarily for reasons of limited staff capacity, commercial considerations and significance of the anticipated audit fee relative to the (limited) size of AND.

Unfortunately, AND was therefore forced to publish its 2019 Consolidated Financial Statements without an auditor's opinion.

AND regrets this outcome, and wants to stress that the considerations for aforementioned audit firms not to service AND are outside the sphere of influence of the company, and find its origin in the strict application of the applicable legislation for PIEs/OOBs, as well as in the apparent scarce resources within PIE/OOB-licensed audit firms. Furthermore, the company wishes to stress that it has been in transparent communication with AFM, Euronext and auditors association NBA throughout this process, starting June 2019. Meanwhile, AND continues to do its utmost to secure a PIE/OOB-licensed auditor for fiscal year 2020.

Alternatively, from the aspiration to provide reasonable assurance to its stakeholders, AND asked an independent valuator to conduct an independent assessment of the balance sheet date 2019 value of AND's main asset, being the database (presented in the financial statements as intangible fixed asset). AND is aware that this independent valuation is not a substitute for an audit performed by a certified public auditor. However, the Management Board and Supervisory Board have nonetheless decided to have this assessment carried out in the interest of the users of the 2019 consolidated financial statements and to provide them with reasonable assurance.

The outcome of the independent valuation of the balance sheet date 2019 value of the intangible fixed asset, please see paragraph 6.31 of this report.

COVID-19 / global "Corona"-virus outbreak

At the moment of the report, we are experiencing the initial impact of lockdowns and retail stores closing in Europe and in North America, which will inevitably cause an economic slow down in these regions, which are our key markets. Management cannot currently quantify the impact of this expected economic slow down. If global lockdowns continue, the impact will be more significant. AND is currently fully operational, as all of its' employees are working remotely. This is facilitated by a solid IT infrastructure and proper use of remote working and collaboration technology. A good share of our customers either belong to large industrial groups or governmental bodies and management expects them to honour their commercial commitments. The bigger impact will be on AND's growth strategy as management is focusing on sales and marketing campaigns to attract new customers and gain market share. Those targeted companies that are either closed or dealing with remote working are not expected to take decisions quickly. This may delay our growth expectations.

7. AND International Publishers NV subsidiaries

The following entities have been fully included in the consolidation.

Entity	Location, country	Interest
AND Products B.V.	Rotterdam, The Netherlands	100%
AND Data India Pvt. Ltd.	Pune, India	100%
AND North America LLC	Washington DC, US	100%
AND International Publishers Plc (dormant)	Oxford, Great Britain	100%
AND Holding B.V. (dormant)	Rotterdam, The Netherlands	100%
AND Publishers B.V. (dormant)	Rotterdam, The Netherlands	100%



AND exhibiting at the Frankfurt Auto show in September 2019 and launching its innovative safety focused product range

8. Company statement of financial position

As of 31 December (before profit appropriation)

(x € 1.000)	Note	2019	2018
Fixed assets			
Non-current assets	10.3	12,726	17,207
Deferred tax assets	10.4	2,557	1,436
Total non-current assets		15,283	18,643
Trade and other receivables	10.5	32	32
Cash and cash equivalents		-	-
Total current assets		32	32
Total assets		15,315	18,675
Shareholders' equity			
Issued and paid-up capital		2,795	2,795
Share premium reserve		36,227	36,227
Legal reserve		6,891	10,137
Exhance difference reserve		(395)	(418)
Unappropriated result		(3,954)	(3,113)
Retained earnings		(31,872)	(31,983)
Total shareholders' equity	10.6	9,692	13,645
Trade and other liabilities	10.7	5,623	5,030
Total current liabilities		5,623	5,030
Total liabilities		5,623	5,030
Total shareholders' equity and liabilities		15,315	18,675

9. Company statement of profit or loss

(x € 1.000)	Note	2019	2018
Personnel expenses		(387)	(335)
Other operating expenses		(183)	(159)
Other operating result		(570)	(494)
Financial income		-	-
Result before tax		(570)	(494)
Result from participations after tax	10.3	(4,504)	(3,3,227)
Taxation		1,120	608
Net profit		(3,954)	(3,113)

10. Notes to the company financial statements

10.1 General

The company financial statements form part of the financial statements 2019 of AND International Publishers N.V.

10.2 Principles for the valuation of assets and liabilities and the determination of the result

In order to determine the accounting policies for its company financial statements, AND International Publishers N.V. makes use of the option offered in Article 2:362 (8) of the Netherlands Civil Code. This means that the principles for the valuation of assets and liabilities and the determination of the result of the company financial statements of AND International Publisher N.V. are equal to those of the consolidated financial statements. Under these principles, participations over which significant influence is exerted are valued according to the net asset value method. A description of those principles may be found in the notes to the consolidated financial statements.

10.3 Financial fixed assets

Participating interests are valued at net asset value according to the accounting policies of the parent company's financial statements where significant influence is exercised over the financial and commercial policy.

(x € 1.000)	2019	2018
Participating interests in group companies		
Position at 1 January	17,207	20,827
Share in result after-tax	(4,504)	(3,227)
Dividend	-	(271)
Currency differences	23	(122)
Position at 31 December	12,726	17,207

AND International Publishers N.V. is at the head of the Group and has capital interests that are explained in part 7 on page 41 of the financial statements.

10.4 Deferred tax receivables

Notes on the deferred tax receivables may be found in section 6.34 of the notes to the consolidated financial statements.

AND International Publishers N.V. forms a fiscal unity for corporation tax purposes with all the Dutch companies and AND publishers Plc. As a result of this, deferred tax can be realized. This position is only related to recoverable losses.

10.5 Trade and other receivables

(x € 1.000)	2019	2018
Prepaid expenses	32	32
Total	32	32

10.6 Shareholders' equity

Notes on the shareholders' equity may be found in section 6.35 of the notes to the consolidated financial statements.

10.7 Trade and other liabilities

(x € 1.000)	2019	2018
Creditors	30	38
Group companies	5,464	4,939
Other liabilities	129	53
Total	5,623	5,030

10.8 Personnel

During the reporting year, the company employed no members of staff (2018: 0). At the time of signing the financial statements, the company had one director and four Supervisory Board members.

10.9 Fiscal entity

AND International Publishers N.V. forms a fiscal unity for corporation tax purposes with all the Dutch companies and AND Publishers Plc. In accordance with the standard conditions for a fiscal unity, the participating companies are jointly and severally liable for the payment of taxes. In addition, AND International Publishers N.V. forms a fiscal unity with AND Products B.V. for VAT purposes. These two companies are also jointly and severally liable for the payment of any taxes in respect of VAT.

10.10 Remuneration of the Management Board and Supervisory Board

Notes on the remuneration including option rights of the Management Board and Supervisory Board may be found in sections 6.26 and 6.27 of the notes.

10.11 Auditor's fees

The fees for Grant Thornton and Mazars are as follows:

2019 in euros	Grant Thornton/ Mazars accountants	Other
Audit Grant Thornton (NL)	-	-
Audit Mazars (NL: 2018)	1,699	-
Audit Mazars Pune (India)	7,370	-
Accrual for (audit and valuation) services to be rendered	-	75,000
Total	9,069	75,000

2018 in euros	Grant Thornton/ Mazars accountants	Grant Thornton/ Mazars other
Audit Grant Thornton (NL)	55,000	-
Audit Mazars (NL: 2017)	33,000	-
Audit Mazars Pune (India)	14,000	-
Total	102,000	-

10.12 Post-balance sheet events

For post-balance sheet events please refer to section 6.43 of the financial statements.

Rotterdam, 24 April 2020

Management Board

Supervisory Board

T. Jaccoud

C.S.M. Molenaar
M.S. Douma
S.P. Fernback
B.J. Glick

11. Other information

11.1 Explanation on the absence of an independent auditor's report

On 5 March 2020, AND announced that in spite of extensive efforts it has been unable to find a PIE/OOB-licensed auditor for the audit of its 2019 Consolidated Financial Statements.

As also announced in the mid-year trading update of 12 September 2019, the company's former auditor, Grant Thornton Accountants en Adviseurs B.V., chose to surrender its PIE/OOB-license in 2019. As a result, AND was forced to look at the six remaining PIE/OOB-licensed audit firms.

One of these six audit firms is -a predecessor of Grant Thornton as auditor of AND and- in its so-called "cooling off"-period, and therefore not legally allowed to service AND as auditor. The other (five) audit firms all have decided not to offer their services to AND, primarily for (a combination of) reasons of limited staff capacity, commercial considerations and significance of the anticipated audit fee relative to the (limited) size of AND.

Unfortunately, AND therefore was forced to publish its 2019 Consolidated Financial Statements without an auditor's opinion.

AND regrets this outcome, and wants to stress that the considerations for aforementioned audit firms not to service AND are outside the sphere of influence of the company, and find its origin in the strict application of the applicable legislation for PIEs/OOBs, as well as in the apparent scarce resources with PIE/OOB-licensed audit firms. Furthermore, the company wishes to stress that it has been in transparent communication with AFM, Euronext and auditors association NBA throughout this process, starting June 2019.

Meanwhile, AND continues to do its utmost to secure a PIE/OOB-licensed auditor for fiscal year 2020.

Alternatively, keen to provide reasonable assurance to its stakeholders, AND asked an independent valuator to conduct an independent assessment of the balance sheet date 2019 value of AND's main asset, being the database (presented in the financial statements as intangible fixed asset). AND is aware that this independent valuation is not a substitute for an audit performed by a certified public auditor. However, the Management Board and Supervisory Board have nonetheless decided to have this assessment carried out in the interest of the users of the 2019 consolidated financial statements nonetheless, and to provide them with reasonable assurance.

The outcome of the independent valuation of the balance sheet date 2019 value of the intangible fixed asset, please see paragraph 6.31 of this report.



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AND

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