

PKC Netherlands Holding B.V.

ANNUAL REPORT 2018

PKC Netherlands Holding B.V.

Barbarra Strozilaan 101

1083 HN, Amsterdam, the Netherlands

Chamber of Commerce: 18.061.221

PKC Netherlands Holding B.V., Waalwijk, the Netherlands, Annual Report 2018

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Director's report

General

The management board hereby presents its financial statements to its shareholder of PKC Netherlands Holding B.V. (the "Company") for the year 2018.

Activities and results

During the year under review, the activities developed in line with expectation.
The result for the year amounts to a loss of EUR 445,863 (2017: profit of 8,200,736).
The equity of the Company amounts to EUR 11,960,263 (2017: 12,406,125).

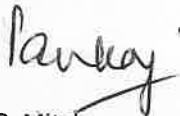
Future outlook

The shareholder has indicated that they have the intention to liquidate the Company during 2019. Furthermore, Management is not aware of any further events that have occurred since the balance sheet date.

Subsequent events

Management is not aware of any significant events that have occurred since the balance sheet date that were not included in this annual report.

Amsterdam, March 19, 2019



Mr. P. Mital
Managing director

Sanne Group (Netherlands) B.V.
Managing director

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Financial statements

Balance sheet as at December 31, 2018
(before appropriation of result)

	<u>31.12.2018</u> EUR	<u>31.12.2017</u> EUR
Fixed assets		
Financial fixed assets	63,492	64,308
	<hr/>	<hr/>
	64,492	64,308
Current assets		
Due from shareholder	11,844,165	12,105,472
Taxes receivable	32,121	-
Cash at banks	127,030	295,535
	<hr/>	<hr/>
	12,003,317	12,407,263
	<hr/>	<hr/>
	<u>12,066,808</u>	<u>12,471,571</u>

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Balance sheet as at December 31, 2018
(before appropriation of result)

	<u>31.12.2018</u>	<u>31.12.2017</u>
	EUR	EUR
Shareholders' equity		
Share capital	46,000	46,000
Share premium	5,484,509	5,484,509
Reserve	6,875,617	(1,325,120)
Result for the year	(445,863)	8,200,736
	<u>11,960,263</u>	<u>12,406,125</u>
Current liabilities		
Taxes payable	35,000	-
Other current liabilities	71,545	65,446
	<u>106,545</u>	<u>65,446</u>
	<u>12,066,808</u>	<u>12,471,571</u>

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Statement of income for the period ended December 31, 2018

	<u>2018</u>	<u>2017</u>
	EUR	EUR
Net sales	-	-
Operating income	-	-
Operating expenses	5,062	-
Operating result	(5,062)	-
Net financial income (interest)	177,477	144,320
Write off receivables	-	(5,618)
Income before taxes	172,415	138,702
	172,415	138,702
Result subsidiaries	(552,220)	8,062,034
Result before taxes	(379,805)	8,200,736
Corporate income tax current year	(35,000)	-
Corporate income tax previous year	(31,058)	-
Result after taxes	(445,863)	8,200,736

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General notes to the financial statements

General information

PKC Netherlands Holding B.V. ("the Company") was incorporated as a Company with limited liability under the laws of the Netherlands on October 23, 2000. The registered office of the Company is in Amsterdam, the Netherlands, under file number 18.061.221. The Company main objective of the Company is to act as a Wholesale of electronic and communication equipment and related parts.

Group structure

The Company headed by PKC Group OYJ, Helsinki, Finland.

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in Euros ("EUR").

Assets and liabilities are stated at nominal value unless otherwise stated.

The Company qualifies as micro sized company. However, the financial statements have been prepared based on the exemptions for a small sized company in accordance to article 396 Book 2 of the Dutch Civil Code.

Consolidation

The Company does not prepare consolidated accounts in accordance with article 407 sub 2 Book 2 of the Dutch Civil Code.

Comparison previous year

The accounting principles remained unchanged compared to previous year.

Financial fixed assets

- (i) Subsidiaries, which are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are stated at net asset value;
- (ii) Investments in associates are stated at cost. Associates are entities of which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Associated companies over which the Company has no significant influence are accounted for at net asset value.

Current assets

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

Cash and cash equivalents

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

Revenue recognition

Interest income and related expenses are recognized in the income statement based on accrued amounts. Dividend income is recognized in the income statement of the year in which the Company's legal right to receive payment is established. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

Financial instruments

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Financial instruments are primary financial instruments, such as receivables and payables and derivatives. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item. The Company does not make use of derivative financial instruments.

Corporate income tax

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

The Company is the head of a fiscal unity. The fiscal unity consists of its subsidiary PK Cables Nederland B.V. and the Company. As the head of the fiscal unity the Company is fully liable for the corporate income taxes. Therefore, the Company recognizes income tax the full corporate income taxes in its financial statements.

Estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

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Notes to the balance sheet and the statement of income

Fixed assets

Investment in subsidiaries

The investment in subsidiaries can be detailed as follows:

PK Cables Nederland B.V., Amsterdam, the Netherlands, 100%	<u>31-12-2018</u>	<u>31-12-2017</u>
	EUR	EUR
Opening balance	64,309	63,492
Result for the year	(817)	-
	<u>63,492</u>	<u>64,309</u>

Investment in subsidiaries are valued at net asset value reported under Local GAAP.

Current assets

Due from shareholder

The amount due from shareholder relates to an interest free advance which is receivable at request.

Taxes receivable

The taxes receivable can be detailed as follows:

	<u>31-12-2018</u>	<u>31-12-2017</u>
	EUR	EUR
Prepaid corporate income taxes 2017	31,058	-
Value added tax receivable	1,063	-
	<u>32,121</u>	<u>-</u>

Shareholder's equity

Share capital

The issued and paid-up capital amounts to EUR 46,000, consists of 460 shares with a par value of EUR 100 each which are fully paid.

Share premium

During the year under review no contributions were made by the shareholder. The share premium amounts to EUR 5,484,509.

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Other reserves

The movements in the other reserves can be detailed as follows:

	<u>2018</u>	<u>2017</u>
	EUR	EUR
Opening balance	(1,325,120)	(1,750,638)
Appropriated result	<u>8,200,736</u>	<u>425,518</u>
Closing balance	<u><u>6,875,616</u></u>	<u><u>(1,325,120)</u></u>

On July 9, 2018 during the general meeting it was decided to add the profit for the year to the other reserves for the year 2017.

Management proposes to the shareholder to add the loss of EUR 445,863 to the other reserves for the year 2018. This proposal is not yet incorporated in these financial statements.

Current liabilities

Taxes payable

The taxes payable can be detailed as follows:

	<u>31-12-2018</u>	<u>31-12-2017</u>
	EUR	EUR
Corporate income taxes 2018	<u>35,000</u>	-
	<u><u>35,000</u></u>	<u><u>-</u></u>

Net financial income

The interest and similar income can be detailed as follows:

	<u>2018</u>	<u>2017</u>
	EUR	EUR
Interest income on loans	178,615	144,320
Interest expense	<u>(1,138)</u>	<u>-</u>
	<u><u>177,477</u></u>	<u><u>-</u></u>

Result subsidiaries

The result subsidiaries can be detailed as follows:

	<u>2018</u>	<u>2017</u>
	EUR	EUR
Repayment on sale price for PKC Electronics Oy	(551,403)	-
Sale PKC Electronics Oy	-	8,062,034
Result PK Cables Nederland B.V.	<u>(817)</u>	<u>-</u>
	<u><u>(552,220)</u></u>	<u><u>8,062,034</u></u>

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Corporate income tax

Due to losses realized during the year under review, the corporate income tax for the period under review is estimated to be EUR 35,000 (previous year EUR 31,058).

Directors' remuneration

During the period under review the Company had two directors, which received no remuneration.

Employees

During the period under review the Company did not employ any personnel (previous year nil).

Contingent liabilities

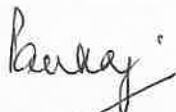
Fiscal unity

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Subsequent events

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Amsterdam, March 19, 2019



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Managing director

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