ANNUAL REPORT 2018

AND INTERNATIONAL PUBLISHERS N.V.

AND INTERNATIONAL PUBLISHERS N.V.

ANNUAL REPORT 2018

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Profile, mission and strategy

Profile
AND develops digital maps and services for use in a wide variety of location-based products and services around the world.

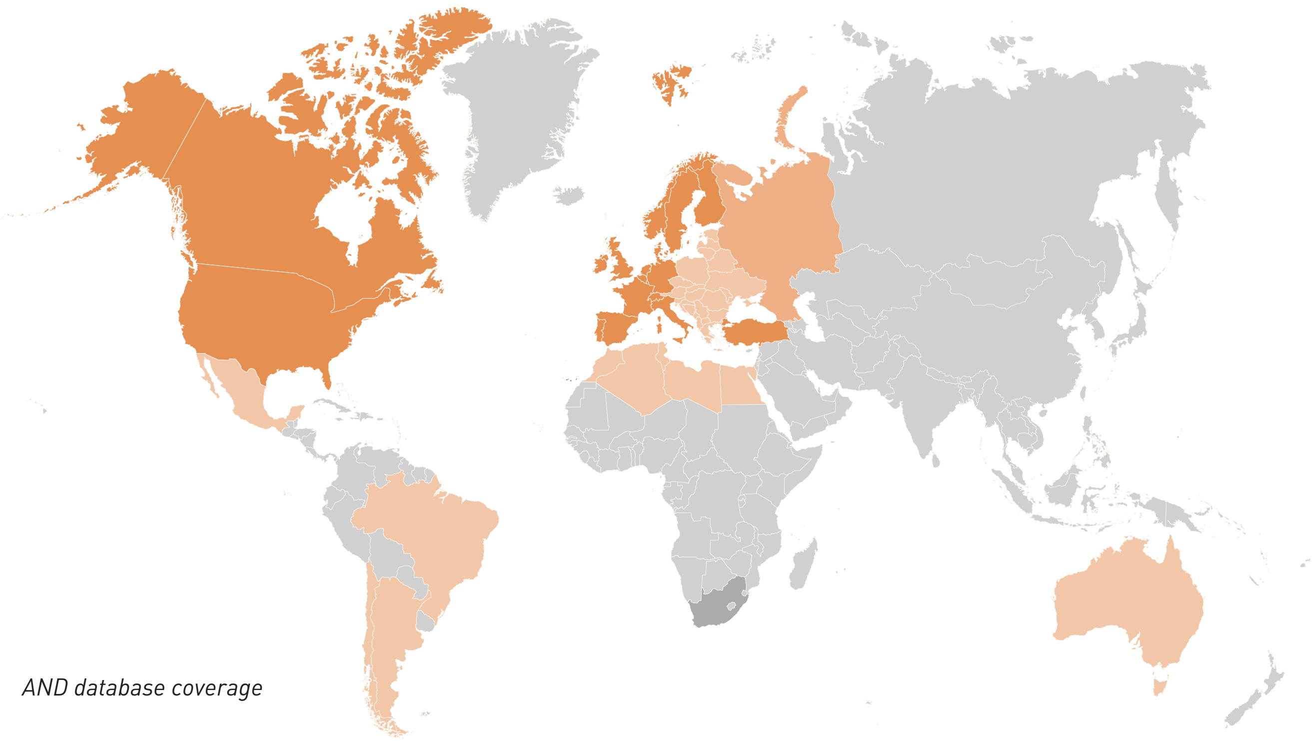
Company
Head Office is in Capelle aan den Ijssel in the Netherlands.

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 services;
• establishing product quality standards and controls;
• worldwide sales and marketing.

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. They are designed to improve company processes by leveraging location technologies and big geodata. For example, the AND MapFusion solution which applies machine learning to big data from a range of sources to create and update high definition, high data density digital maps.

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
• competitive pricing
• customised solutions
• a focus on technology and innovation.

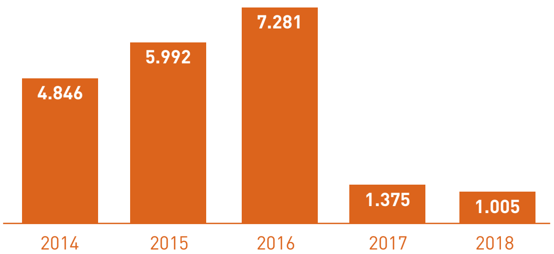


AND database coverage

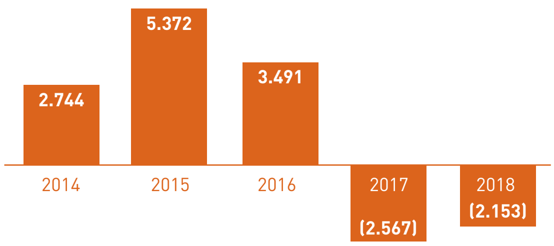
Key figures

in thousands of euros, unless stated otherwise	2018	2017	2016	2015	2014
Results					
Revenue	**1,005**	1,375	7,281	5,992	4,846
Operating result excl. impairment	**(2,153)**	(2,567)	3,491	2,872	2,744
Impairment (write off) / Reversal	**(1,553)**	(1,231)	-	2,500	-
Operating result incl. impairment	**(3,706)**	(3,798)	3,491	5,372	2,744
Net (loss) profit	**(3,113)**	(2,846)	2,780	5,087	2,563
Capital					
Shareholders' equity and liabilities	**14,625**	18,012	21,727	20,254	16,032
Shareholders' equity	**13,645**	16,880	20,339	18,111	12,987
Solvency (as % of balance sheet total)	**93%**	94%	94%	89%	81%
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	**4,53**	4.78	5.46	4.86	3.48
Lowest share price	**2,31**	6.03	7.40	2.85	2.56
Highest share price	**7,10**	10.49	10.90	8.94	3.93
Closing share price	**2,56**	6.69	8.79	8.35	3.00
Market capitalisation	**9,541**	24,935	32,762	31,122	11,181
Personnel					
Average number of fulltime employees (ftes)	**57**	102	95	89	80

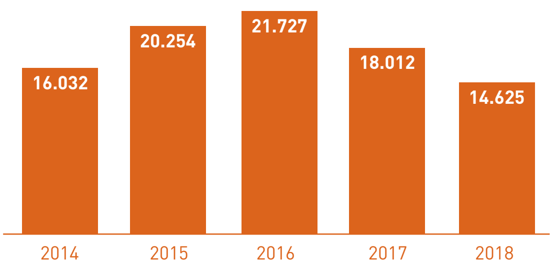
Revenue



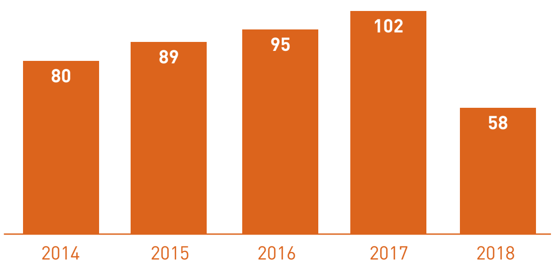
Operating result excl one-off impairment reversal



Shareholders' equity



FTE



AND Shares

Stock exchange listing
AND International Publishers N.V. was established on 18 March 1998 and has been listed on NYSE 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 of €0.75 each. As of 31 December 2018, a total of 3,727,173 shares had been issued and paid up.

Notification substantial holdings
According to the Financial Supervision Act (Wft) on substantial holdings, shareholders are required to disclose their holdings if they represents 5% or more of the issued shares of the capital of a listed company. The following interests of more than 5% are known (as of 31 December 2018):

Parkland NV (through Roosland Beheer BV)	34,47%	21 December 2011
QuaeroQ cvba	12,72%	7 January 2014
Gijs van Lookeren Campagne	5,00%	20 August 2012

Share price movements
In 2018 the price of AND shares decreased by 62% to €2,56 per share. During the reporting year 2018 a total of 3,872 transactions (2017: 8,832) in AND shares were executed. A total of 981,767 shares (2017: 1,827,466) were traded for a total value of €3.9 million (2017: €15.1 million).

Dividend policy
AND is a active company in a dynamic sector. Since the company tries in principle to finance its growth out of its own resources, it takes account of 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.

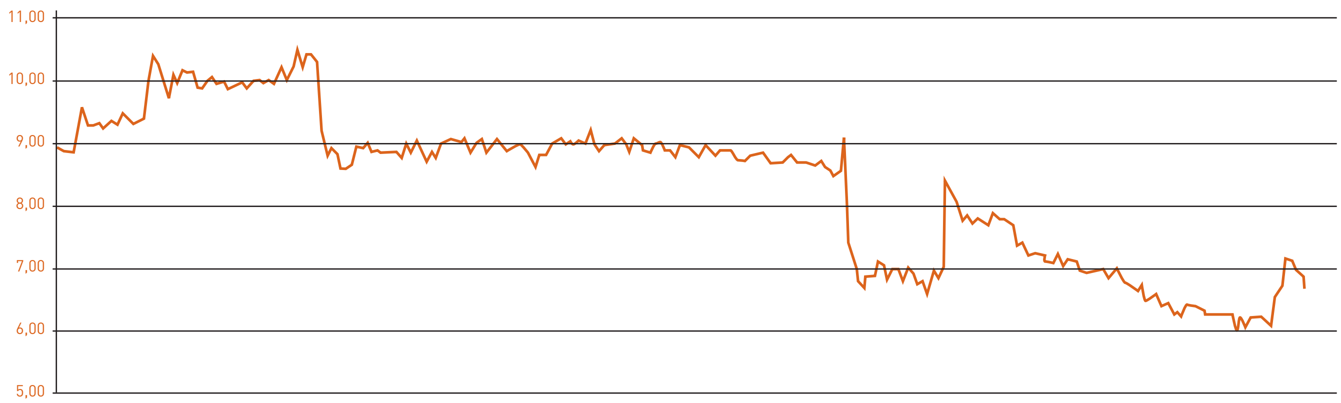
Given the results for 2018, AND will be putting a resolution before the General Meeting of Shareholders proposing not to pay a cash dividend for the 2018 financial year.

Investor relations
AND highly values good communication with investors and analysts 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 the signing of a statement, bound to comply with the regulations. The Management and the Supervisory Boards have also complied with the provisions of Market Abuse Regulation, 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
16 May	Annual General Meeting of Shareholders
12 September	Half-yearly results for 2019

Share price trend January 2018 - December 2018



Management and Supervisory Boards

Mr. T. Jaccoud, (1970), CEO

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

Ancillary positions:
Advisory Board Member Tradewind Equity Fund
Member Supervisory Board Dutch Kempen (Dutch Investment Funds)

Mr. M.S. Douma, (1980)

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

Ancillary positions:
Investment Director Indofin Group

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 Resouces Inc

Mr. S. Fernback, (1963)

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

Ancillary positions:
CEO, Digital Marine Solutions AS

Management Board Preface

2018 proved to be a transformative year for AND. Revenue generated by the new MapFusion technology was very light and could not match the profitable large deals made in the past on standard GIS and Map business. During the financial year, it was not possible to close any contracts large enough to bridge the gap. Based on the disappointing result in 2018 we decided to lower our forecasts and as a result incurred an additional impairment loss.

Initiated in 2017, the heart of our transformation is building a new and more consistent revenue stream in the automotive and other innovative verticals. We will grow other parts of our business to reduce the level of dependence on one-off, big value deals. Thanks to a prudent financial policy which will continue, our finances remain solid.

In 2017, we also announced the development of the exciting MapFusion, as well as a collaboration with Continental, a leading Tier 1 automotive supplier. At IAA that year, together with Continental, we showcased how MapFusion could update and enrich navigation map layers - also called SD maps. By 2018 we succeeded in partnering with a European OEM subsidiary to bring MapFusion to the next level and create updated HD maps. HD maps are very rich and accurate and essential for advanced assisted driving right up to autonomous driving.

MapFusion is an innovative technology which enriches and updates maps mainly automatically by acquiring data from sensors and pictures. Following the industry trend of connecting more and more vehicles, we are anticipating significant associated new business opportunities for digital mapping. Map and location-based use cases are driving new vehicle related services in safety, eco-efficiency and comfort, as well as automated driving. The conventional method of creating and publishing maps is not applicable for these innovative applications - hence the development of MapFusion to meet the evolving requirements.

Added value is created by offering more frequent map updates and additional attributes on AND core maps. We believe that MapFusion technology may have a substantial impact on the current mapping industry business model and create new economies of scale.

As part of our MapFusion strategy to attract new partnerships, collaborations and customers, AND participates in RFIs, RFQs and evaluations with various large automotive companies. We are positive that this and other opportunities will take AND to the next level and generate a more consistent revenue stream.

Mapping the real world is more relevant than ever. Highly accurate, rich maps are not only needed for autonomous cars, but also for smart cities, IOT technology and new GIS applications. Our objective is to keep strengthening our role in this new mapping arena by investing in advanced technology, such as machine learning, for MapFusion.

Lastly, I would like to express my gratitude to everyone at AND for their commitment and excellent work. I would also like to offer all our best wishes to Hugo van der Linde, who will pursue a new challenge after almost seven years on the AND Board. Hugo's passionate and expert contributions to the company were highly valued by all.

Thierry Jaccoud CEO

Supervisory Board Report

We hereby present to the shareholders the financial statements for 2018 prepared by the Management Board for adoption by the general meeting of shareholders. These financial statements have been audited and given an unqualified report by the external auditors Grant Thornton Accountants and Advisors B.V. (Grant Thornton). We discussed them with the Management Board in the presence of Grant Thornton. We invite shareholders to adopt the financial statements as they stand.

During the financial year, five supervisory board meetings and one shareholders meeting were held. Topics discussed include strategy, finance, risk management, regulatory requirements, commerce, technological and market developments. The Supervisory Board decided to appoint Grant Thornton as the new auditor for the financial year 2018.

In the summer our CEO, Hugo van der Linde, and the Supervisory Board mutually decided to part ways, provided a suitable successor could be recruited. An extensive search was set in motion to select the new CEO. We have been fortunate to find a new CEO, Thierry Jaccoud, who is in our view exceptionally qualified for this job. The Board is confident that he will be a succesfull and worthy successor to Hugo van der Linde. In a special shareholdersmeeting held on February 1st 2019, Mr. Jaccoud was appointed for a period of four years, starting with immediate effect.

2018 has been a very difficult and disappointing year for AND, resulting in a considerable loss. Following the 2018 results, we agreed to lower the forecasts for AND based on its current database, resulting in a corresponding impairment loss.

The transition of the Company, however, is well on track and we are confident that Mr. Jaccoud and his team will be succesfull in achieving the Company's goals in 2019 and beyond.

We wish to thank Hugo van der Linde for his valuable contribution over the past seven years. During his long career with AND, he has been instrumental in shaping the Company and presiding over many succesfull developments. We wish him all the best in his career outside AND.

The Supervisory Board wishes to thank the employeees and the stakeholders for their continued efforts.

Mr. Glick, Mr. Fernback and Mr. Molenaar are independent of AND in accordance with the Dutch Corporate Governance Code (Principle 2.1.8). Mr. Douma works for one of the large AND shareholders (Indofin Group through Parkland NV) and for that reason not independent.

For 2018 the Supervisory Board has not exercised its power to revise or recover bonuses.

Rotterdam, 28 March 2019

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

Management Board Report

General Developments

In February AND reached an agreement to license location and boundary data to Mapbox, a company currently revolutionising mapping and location services for the consumer, enterprise and automotive markets. It provides cloud-based services which enable developers to add location features such as maps, search and navigation to any digital experience. With over a million registered developers, Mapbox reaches in excess of 300 million people every month around the world

By May, we announced a contract with the Dutch government to provide MapFusion for enabling autonomous driving. By collecting information through the on-board sensors in Brabant roadside inspector vehicles, MapFusion can automatically keep map and location data up-to-date.

This led to a collaboration with Talking Maps, a pilot project with the Ministry of Infrastructure and Water Management, the province of Noord-Brabant and V-Tron. AND ensures that data collected by smart cameras in roadside inspector vehicles automatically improves, updates and enriches map and location data via MapFusion. The pilot is focusing on adding and updating road markings and traffic signs in HD maps along the Maasvlakte-Venlo corridor, a distance of around 200 km. The next phase will be finalised based on the results of the pilot.

HD Maps provide a very precise model of the road network which enables self-driving cars to determine their exact location and accurately manoeuvre. This is critical to advanced driving applications, co-operative and autonomous driving. As the project develops, other road authorities are expected to join which will expand the number of vehicles collecting data.

At the beginning of June, we confirmed that map update activities will be concentrated in the Netherlands, with a focus on digital technology. Consequently, our facilities in India, which primarily dealt with manual updates, have been closed. This will bring considerable cost savings. By the end of 2018, all operations in India had stopped with AND India ceasing to trade.

November brought the news that Hugo van der Linde would be leaving the company. Having joined AND over 12 years ago, Hugo had been CEO for the last seven and his resignation became official on 1st March 2019. The Supervisory Board formally appointed Thierry Jaccoud as the new CEO of AND International Publishers NV on 12th December 2018.

Thierry Jaccoud joined AND from TI Automotive, where he successfully managed a turnaround as Commercial Director Europe and Managing Director of TI Automotive (Heidelberg) GmbH. Notably, Thierry spent nine years at NAVTEQ (currently known as HERE) where he held several commercial and general management positions.

Also in November, AND reached an agreement with LocationSmart Compliance Service. LocationSmart is the world's largest Location-as-a-Service (LaaS) company and the inclusion of AND global maps bolsters its compliance services for international use in applications such as in gaming, lotteries, ecommerce and financial services.

LocationSmart chose AND's Digital World Map Shoreline and International Administrative Boundaries to use in its compliance APIs. The company has expanded its Smart Zone API which allows businesses to confirm whether a device is located within or outside of a given boundary. This API now includes compliance checks against global country boundaries along with other pre-configured and customer specific boundary options.

In addition, AND announced in November joining the ESRI Partner Network where it will offer content via ESRI's ArcGIS Marketplace. We will also offer our ZIP+4 Code Boundaries (part of AND proprietary digital maps) to existing and new ESRI end users.

ESRI is the global market leader in geographic information system (GIS) software with its own products deployed in over 350,000 organisations. The ESRI Partner Network is a global community sharing common visions, interests, and goals - and applying 'The Science of Where' to help customers gain efficiencies and make smart decisions. All the Partners adhere to geospatial industry best practices and employ innovative business strategies to deliver market leading geospatial solutions and services based on ESRI technology.

The AND ZIP+4 Code Boundaries features unique ZIP+4 codes in the United States. Each of the Code Boundaries typically covers a delivery area - such as a city block, office building and any location or unit receiving high volumes of mail. They are created by integrating different data layers into a proprietary algorithm based on years of experience in map making.

Finally, in December AND announced a strategic agreement with a European automotive OEM subsidiary to create HD Maps from car sensor data for autonomous driving using MapFusion. This contract will contribute substantially to the further development of MapFusion and the creation of unprecedented rich, accurate and affordable HD Maps.

Financially, 2018 can be summarised as follows:
Revenue: decreased by 17% to €1.0 million (2017: €1.4 million)
Operating result remains at €(3.8) million.
Net loss: €3.1 million (2017: €2.8 million)
There is further information on these figures in the Financial Developments section.

Based on the results of 2018, AND decided to lower its forecast for the future and as a result incurred an additional impairment loss.

Market developments and trends

The availability of free of charge, community based maps and location services has resulted in a huge increase in businesses applying location to processes and products. The underlying map is now more frequently customised in order to optimise the processes and leverage big data.

We see more mapping companies entering new vertical markets which indicates the strategic importance of maps is greater than ever. There is also a growing demand for cloud-based location services; more frequent map updates; and customised products; plus an increasing readiness from customers to pay for map related services rather than just map licences. AND has the solutions to meet these needs and can offer flexible data layers and formats as well as new business models.

In the automotive market, we envisage a rapidly accelerating requirement for highly customised location data to support the autonomous car and connected car. Developments surrounding autonomous cars can only strengthen the strategic importance of worldwide maps in this sector. AND continues to participate in various pilots and initiatives including promoting MapFusion at the Paris Motor Show and other trade events. MapFusion technologies mean we can offer automotive players effective tools for smart mobility solutions - such as HD maps for advanced assisted and autonomous driving. We offer a business model which enables data from car sensors and other sources to monetised.

Although the need for digital worldwide mapping and location services continues to grow, there is still a limited number of suppliers providing global coverage – AND is one of few mapping companies owning worldwide proprietary maps including detailed and premium maps of the main markets of Europe and North America. We will continue to invest in innovation and technology to expand content and improve quality and freshness.

Financial developments

Revenue and costs

Revenue decreased from €1,375,000 to €1,005,000.

Costs for maps and data amounted to €26,000 (2017: €79,000). These costs are related to geographical data for the maintenance of the database.

Personnel expenses decreased in 2018 by 11% to €2,161,000 (2017: €2,422,000).

Total investments in maps in 2018 was €554,000 (2017: €408,000) The amortisation of intangbile fixed assets decreased from €872,000 in 2017 to €824,000 in 2018.

At balance date, an impairment test was executed, resulting in an impairment loss of €1,553,000. This outcome is the result of lowering AND's forecasted future results generated by its' current database. These forecasts have been adjusted following the disappointing results in 2018.

Other operating expenses decreased to €673,000 in 2018 (2017: €910,000).

Cash flow

The net cash flow from operating activities in 2018 amounted to €(1,329,000) compared to €(1,821,000) in 2017. The cash flow from investing activities amounted to €(554,000) (2017: €(421,000)). The cash flow from financing activities amounted to €(37,000) (2017: €(589,000)).

Taxation

Taxes for 2018 amounted to €(564.000) (2017: €963,000).

Financial position

Total assets decreased by €1,922,000 in 2018 to €16,090,000. The solvency ratio remains almost steady, amounting to 93% of the balance sheet total at the end of 2018 (2017: 94%).
As of 31 December 2018, AND held €2,194,000 in cash and cash equivalents (2017: €4,114,000).

Investments

The total investment in intangible assets amounted to €554,000 in 2018 (2017: €408,000). There was no investment in property, plant and equipment in 2018 (2017: €13,000).

Research and development

Research and development play an important role within the business and in 2018, we continued to focus our resources on developing MapFusion technology. At AND we encourage innovation and want to fulfill a pioneering role within our various markets. Some of these activities qualify as research and development and, in 2018, we received a subsidy (WBSO) from the government amounting to €122,199 (2017: €95,000). In 2019 we will continue to invest in research and development.

Personnel and organisation

The average number of FTEs for 2018 totals 17.2 (2017: 18.6) for AND Rotterdam, 0.5 FTE for AND Washington (2017: 0.6) and 40.7 (2017: 83.2) for AND India. At year's end the number of FTEs for 2018 totals 13.6 for AND Rotterdam, 0 FTE for AND Washington and 0 FTE for AND India.

The Management and Supervisory Boards periodically evaluate whether prevailing conditions should impact their size and composition and the size of AND is an important factor. At this time, there are no female members on the Management Board or the Supervisory Board and for future vacancies, we will consider the distribution of seats between men and women as recommended by the Management & Supervision Act (Wet Bestuur & Toezicht).

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 the previous year.

We are aware that these systems 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 that 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 in entrepreneurship – including the following specific (but not exhaustive) list:

- a substantial part of the revenue comes from a limited number of customers. In 2018 the top three customers accounted for approximately 48% of total revenue (2017:66%);
- AND depends on the yearly realisation of substantial revenue from new licences. In 2018 these one-off sales amounted to 11% of the total annual revenue (2017: 21%);
- 23% of revenue in 2018 (2017: 39%) was generated by dollar contracts in and it is expected that sales of the North America navigation map will 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 substantial 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 and potentially lead 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

As at year-end AND held total cash balances of €2,194,000. which is sufficient to meet current liabilities. Past experience indicates that AND has always been able to obtain sufficient (additional) financing for its operations.

Currency risk

Company policy is aimed at concluding sales contracts in euros wherever possible. Some do, however, come from contracts in foreign currency. In 2018 this figure was approximately 23% of total revenue (2017: 39%).

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

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

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 - MapFusion Technology leverages machine learning from existing data and thereby avoids utilising a fleet of survey cars to digitise maps.

AND undertakes a lot of research and development and, as noted previously, received a further government grant for this purpose in 2018. Accordingly, the company is expanding innovation in the Netherlands.

AND offers its employees financial support for commuting to work on public transport rather than driving. We also favour hybrid cars for our own fleets and our premises in Capelle offer electric charging for vehicles.

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

Dividend proposal

Given the results for 2018, AND proposes not paying 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 and GIS applications. Due to the nature of these new technologies, the volume of business will depend on market adoption. We will keep investing in technology and our map and continue to expand our reach to new markets. As such we expect 2019 to be a continuation of the transformation period initiated in 2017. However, following more success in the automotive sector in 2018, AND aims to further develop its innovative technology solutions in order to grow this revenue stream. 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 2019.

Rotterdam, 28 March 2019

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 2018 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 and the 2018 annual report gives a true and fair view of the financial position as at 31 December 2018, and the course of events during 2018 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, 28 March 2019

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 give 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 concerned 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 cognizance 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 the targets, strategy and policies, financing, development of the results and Corporate Social Responsibility. The Management Board is also responsible for the 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 decisions of the Management Board 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, which portion of the 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, in each case in so far as the value thereof exceeds a quarter of the issued capital plus the reserves.

Supervisory Board

The task of the Supervisory Board to supervise the management of the Management Board and the general course of business within AND. The Supervisory Board also advises the Management Board. The Supervisory Board members perform their tasks with the interest of AND and its stakeholders in mind and also bearing in mind, along with the Corporate Social Responsibility aspects 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 the financial statements of AND 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 are also discussed with the General Meeting of Shareholders:

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

General Meetings of Shareholders are 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 of 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 is employed by one of the major AND shareholders.

Principle 3.4: Accountability for implementation of remunaration policy:
AND has not included a separate remuneration report from the Supervisory Board in the financial statements. This is because the size of AND and the Management Board. The Management Board which only consists of one director. The remuneration components of this director are further disclosed in the notes to the financial statements.

Principle 3.4.1. Remunaration 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 the Management Board or the Supervisory Board. 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 to 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 guideline

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 persons. 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 2018 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 from a public offer.

Payment upon public offer
In the event of a change of control 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'.

Hugo van der Linde signing the Letter of Intent for Talking Maps at the Intertraffic in Amsterdam with the Ministry of Infrastructure and Water Management, the province of Noord-Brabant and V-Tron.

AND at the Vakbeurs Mobiliteit in Houten in November 2019 where AND showcased MapFusion and HD Maps on the innovation square together with the Future Mobility Network.

FINANCIAL STATEMENTS 2018

1. Consolidated statement of profit or loss

(x € 1.000)	Note	2018	2017
Revenue	**6.23**	**1,005**	**1,375**
Maps and sources	6.24	**(26)**	(79)
Personnel expenses	6.25	**(2,161)**	(2,422)
Depreciation	6.30	**(28)**	(48)
Amortization	6.31	**(824)**	(872)
Other operating expenses	6.28	**(673)**	(910)
Total operating expenses		**(3,712)**	**(4,331)**
Capitalised development costs	6.31	**554**	389
Impairments	6.31	**(1,553)**	(1,231)
Net operating expenses		**(4,711)**	**(5,173)**
Operating result		**(3,706)**	**(3,798)**
Financial expense/income		**29**	(11)
Result before tax		**(3,677)**	**(3,809)**
Income taxes	6.29	**564**	963
Net profit		**(3,113)**	**(2,846)**
Profit / (loss) attributable to:			
Shareholders of the company		**(3,113)**	**(2,846)**
Basic earnings per share (euro)	6.36	**(0.84)**	**(0.76)**
Diluted earnings per share (euro)	6.36	**(0.84)**	**(0.76)**

The notes on page 27 to 41 are an integral part of these consolidated financial statements.

2. Consolidated statement of comprehensive income

(x € 1.000)	2018	2017
Net result	**(3,113)**	**(2,846)**
Other comprehensive income for the year		
Items that may be subsequently reclassified to profit or loss:		
Foreign currency translation differences on foreign operations	**(122)**	**(55)**
Total comprehensive income for the year (after income tax)	**(3,235)**	**(2,901)**
Comprehensive income attributable to:		
Shareholders of the company	**(3,235)**	**(2,901)**

The notes on page 27 to 41 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	2018	2017
Assets			
Property, plant and equipment	6.30	**30**	73
Intangible assets	6.31	**10,132**	11,955
Deferred tax assets	6.32	**1,939**	1,373
Total non-current assets		**12,101**	**13,401**
Income tax	6.33	**-**	261
Trade and other receivables	6.33	**330**	236
Cash and cash equivalents	6.34	**2,194**	4,114
Total current assets		**2,524**	**4,611**
Total assets		**14,625**	**18,012**
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	**9,719**	11,200
Result for the year	6.35	**(3,113)**	(2,846)
Retained earnings	6.35	**(31,983)**	(30,496)
Total shareholders' equity	**6.35**	**13,645**	16,880
Liabilites			
Defined benefit plans		**12**	12
Other liabilities	6.37	**177**	214
Total non-current liabilities		**189**	**226**
Trade and other liabilities	6.38	**791**	**906**
Total current liabilities		**791**	**906**
Total liabilities		**980**	**1,132**
Total shareholders' equity and liabilities		**14,625**	**18,012**

The notes on page 27 to 41 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	Unappro-priated result	Retained earnings	Total share-holders' equity
Note:	6.35	6.35	6.35	6.35		
As at 31 December 2016	**2,795**	**36,227**	**10,308**	**2,780**	**(31,771)**	**20,339**
Comprehensive income						
Distribution of result 2016	-	-	-	(2,221)	2,221	-
Result for the year	-	-	-	(2,846)	-	(2,846)
Other comprehensive income						
Foreign currency translation differences on foreign operations	-	-	(55)	-	-	(55)
Other movements						
Transfer to legal reserve	-	-	**947**	-	**(947)**	-
Total comprehensive income	**-**	**-**	**892**	**(5,067)**	**1,274**	**(2,901)**
Transactions with owners						
Dividend payment	-	-	-	(559)	-	(559)
As at 31 December 2017	**2,795**	**36,227**	**11,200**	**(2,846)**	**(30,496)**	**16,880**
Comprehensive income						
Distribution of result 2017	-	-	-	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)**	**(34,701)**	**13,645**

The notes on page 27 to 41 are an integral part of these consolidated financial statements.

5. Consolidated cash flow statement

(x € 1.000)	Note	2018	2017
Operating result		**(3,706)**	(3,798)
Adjustments for:			
Depreciation tangible fixed assets	6.30	**28**	48
Amortisation intangible fixed assets	6.31	**824**	872
Impairment loss intangible fixed assets	6.31	**1,553**	1,231
Changes in working capital:			
Change in receivables	6.34	**(186)**	102
Change in other liabilities	6.39	**(156)**	40
Cash flow from operating activities		**(1,643)**	**(1,505)**
Finance income / (expenses)		**29**	(11)
Income tax received / paid		**285**	(305)
Net cash flow from operating activities		**(1,329)**	**(1,821)**
Investments in intangible fixed assets and capitalised development costs	6.31	**(554)**	(408)
Investments in property, plant and equipment	6.30	**-**	(13)
Cash flow from investing activities		**(554)**	**(421)**
Dividend payment		**-**	(559)
Long-term liabilities	6.37	**(37)**	(30)
Cash flow from financing activities		**(37)**	**(589)**
Net decrease in cash and cash equivalents		**(1,920)**	(2,831)
Opening balance cash and cash equivalents	6.34	**4,114**	6,945
Closing balance cash and cash equivalents	**6.34**	**2,194**	**4,114**

The notes on page 27 to 41 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. AND's digital maps are used in smartphones, car-navigation, Internet Based Mapping, Fleet Management and other applications.

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). The have been prepared under the assumption that the Group operates on a going concern.

The consolidated financial statements of the Company for the 2018 financial year, which ended 31 December 2018, 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 28 March 2019.

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

- Strong increase in quote portfolio;
- Anticipated strong decrease in personnel costs;
- Further implementation of new strategy and a growing market with services for promising high tech products;
- Strengthening results due to further rationalisation of operating expenses.

In particular, the sensitivity of the databse 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 client orders may be postponed. This can have a significant negative effect on the results and cash-flow. However, this is inherent to AND's market.

Despite the negative results over 2017 and 2018, 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 standards and interpretations have been adopted as of January, 1st, 2018, or are not applicable:

- Amendments to IFRS 4 Insurance Contracts are effective as per January 1st, 2018;
- Amendments to IAS 40 Transfers of Investment Property are effective as per January 1st, 2018;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration applies for annual reports beginning on or after January 1st, 2018.
- IFRS 15 Revenue from Contracts with Customers: In 2018 the Group has adopted new guidance for the recognition of revenue from contracts with customers. This guidance was applied using a modified retrospective ('cumulative catch-up') approach under which changes having a material effect on the consolidated statement of financial position as at 1 January 2018 are presented together as a single adjustment to the opening balance of retained earnings. Accordingly, the Group is not required to present a third statement of financial position as at that date. In 2018 the Group has adopted new guidance for the recognition of revenue from contracts with customers. This guidance was applied using a modified retrospective ('cumulative catch-up') approach under which changes having a material effect on the consolidated statement of financial position as at 1 January 2018 are presented together as a single adjustment to the opening balance of retained earnings. Accordingly, the Group is not required to present a third statement of financial position as at that date.
- IFRS 9: Further, the Group has adopted new guidance for accounting for financial instruments This guidance was applied using the transitional relief allowing the entity not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

IFRS 9 'Financial Instruments'

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. When adopting IFRS 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

On the date of initial application, 1 January 2018, the financial instruments of the Group were reclassified as follows:

	Measurement category		Carrying amount		
	Original IAS 39 category	New IFRS 9 category	Closing balance 31-12-2017	Adoption of IFRS 9	Opening balance 1 January 2018 (IFRS 9)
Current financial assets					
Trade and other receivables	Amortised cost	Amortised cost	236	-	236
Cash and cash equivalents	Amortised cost	Amortised cost	4,114	-	4,114

There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

The adoption of IFRS 9 has impacted the following areas:

- the classification and measurement of the Group's financial assets. Management holds financial assets to hold and collect the associated cash flows.
- the impairment of financial assets applying the expected credit loss model. This affects the Group's trade receivables and investments in debt-type assets measured at amortised cost. For contract assets arising from IFRS 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component.

The following standards are not yet effective and have not been adopted:

- IFRS 16 Leases is effective as per January 1st, 2019;
- IFRS 17 Insurance contracts is effective as per January 1st, 2021;
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions;
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures is effective as per January 1st, 2019;
- IFRIC 23 Uncertainty over Income Tax Treatments is effective as per January 1st, 2019.

The application of IFRS 16 will have impact on the group's financial statements. The estimated adoption of this standard is based on assessments undertaken to date.

The impact on the financial position as at January 1st, 2019 is expected to be as follows:

(x € 1.000)	Adoption IFRS 16
Assets increase	**140**
Liabilities increase	**(140)**

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 it 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 of 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.

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 good as possible.

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

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

6.9 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 using a provision matrix. 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, for which reason 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 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, 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 offsettable 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 historic 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)	2018	2017
Europe	**790**	833
North-America	**215**	542
Total	**1,005**	**1,375**

Revenue mainly consists of licences and royalties from geographical data and for 2018 amount to approximately €0.9 million (2017: (€0.9 million). In 2018 there were two customers each accounting for over 10% of revenue (2017: two customers). A substantial part of the revenue is achieved among a limited number of customers. In 2018 the top 3 customers accounted for approximately 48% (2017: 64%) of total revenue. In the yearly realisation of the revenue AND is dependent on the realisation of substantial revenue from new licences. In 2018 the revenue from one-off nature amounted to 4% (2017: 21%) of the total annual revenue. For 2018 the non-cash revenue was zero (2017: zero).

The revenue can be further analysed as follows:

	2018	2017
Licensing/royalty	**963**	998
Services	**42**	377
Total	**1,005**	**1,375**

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)	2018	2017
Salaries (including termination fee/bonuses)	**1,683**	**1,782**
Social security contribution	**168**	**191**
Contribution of defined contribution schemes	**84**	**95**
Temporary personnel	**242**	**283**
WBSO (subsidy)	**(116)**	**(95)**
Other personnel costs	**100**	**166**
Total	**2,161**	**2,422**

Geographical distribution of the average number of full-time employees of the group:		
Netherlands	**16.6**	18.6
US	**0.5**	0.6
India	**40.0**	83.2
Total	**57.1**	**102.4**

Average salary per employee		
Netherlands (incl. US 2018 0.5 (2017:0.6 FTE))	**93.8**	85.3
India	**8.3**	5.1

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 per December 31, 2018.

The costs spent in 2018 for investments in the database amounts to €544.000 (2017: €408.000). This amount of €544.000 relates to capitalised development costs (2017: €389.000 and other investments €19.000). 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	2018	2017
Short-term employee benefits (including provision for termination)	**405,000**	209,000
Rewards payable in time	**-**	7,000
H.F. van der Linde	**405,000**	**216,000**

Termination benefits

Mr. van der Linde will resign on March 1st, 2019.The termination benefit 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 2018 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, a first tranche of 22,000 options has been awarded in full with an applicable strike price of €3,98.

6.27 Remuneration Supervisory Board

in euros	2018	2017
M.S. Douma	**15,000**	15,000
B.J. Glick	**15,000**	15,000
R.M. Westerhof (resigned as of December 30, 2017)	**-**	20,000
S. Fernback	**15,000**	6,011
C.S.M. Molenaar	**20,000**	7,274
Total	**65,000**	**63,285**

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

6.28 Other operating expenses

(x € 1.000)	2018	2017
Accomodation, office & ICT	**184**	255
Marketing, PR & IR	**42**	75
Travel, company cars	**189**	276
Legal, accounting and audit	**171**	167
Other operating expenses	**87**	137
Total	**673**	**910**

Total operating lease expenses amount to €74,000 (2017: €73,000). The operating expenses relate to the car fleet. The total rental expenses relate to office space in The Netherlands and India amounts to €127,000 (2017: €135,000).

6.29 Taxation

(x € 1.000)	2018	2017
Current tax expenses	**6**	(28)
Deferred tax expenses / (tax income)	**(570)**	(935)
Total income taxes	**(564)**	**(963)**

The effective tax is specified as follows:

(x € 1.000)		2018		2017
Pre-tax profix		**(3,706)**		(3,809)
Rate of tax on profits based on local tax rate	25%	**(926)**	25.0%	(952)
Effect of foreign tax rates	-0.1%	**2**	-0.3%	11
Non-deductable costs		**-**	-	-
Effect of valuation of tax losses		**-**	-	-
Correction previous years	-9,7%	**360**	0.6%	(22)
Total tax	**15,2%**	**(564)**	**25.3%**	**(963)**

Corrections from previous years in 2016 includes a correction for share-based compensation which should have been treated as a temporary difference instead of permanent difference. As per December 2016 share-based compensation is not applicable anymore. The tax expense is settled with the available tax carry forward losses. The effective tax, based on the pre-tax results, amounts to 15.2% (2017: 25.3%).

6.30 Tangible fixed assets

(x € 1.000)	Computer equip-ment	Office & equip-ment	Vehicles	Total
Cost price				
Position at 1 January 2017	478	193	16	687
Additions	5	8	-	13
Disposals	-	-	-	-
Currency translation differences	(11)	(13)	(1)	(25)
Position at 31 December 2017	**472**	**188**	**15**	**675**
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**
Depreciation and impairment losses				
Position at 1 January 2017	402	171	7	580
Depreciation	38	7	3	48
Disposals	-	-	-	-
Currency translation differences	(8)	(18)	-	(26)
Position at 31 December 2017	**432**	**160**	**10**	**602**
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**
Book value				
Position at 1 January 2017	76	22	9	107
Position at 31 December 2017	**40**	**28**	**5**	**73**
Position at 1 January 2018	40	28	5	73
Position at 31 December 2018	**17**	**13**	**-**	**30**

6.31 Intangible fixed assets

(x € 1.000)	Database
Purchase-/investment value	
Position at 1 January 2017	25,360
Investments/capitalised development costs	408
Position at 31 December 2017	**25,768**
Position at 1 January 2018	25,768
Investments/capitalised development costs	554
Position at 31 December 2018	**26,322**
Amortization and impairment losses	
Position at 1 January 2017	11,710
Amortisation	872
Impairment loss	1,231
Position at 31 December 2017	**13,813**
Position at 1 January 2018	13,813
Amortisation	824
Impairment loss	1,553
Position at 31 December 2018	**16,190**
Book value	
Position at 1 January 2017	13,650
Position at 31 December 2017	**11,955**
Position at 1 January 2018	11,955
Position at 31 December 2018	**10,132**

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:

- for cash flows after a period of five years a growth rate of nil is used;
- the cash flows have been discounted using a weighted average cost of capital (WACC) of 13,2% (2017: 13.7%);
- for the costs and expenses the plans for the maintenance of the database have been taken into account along with the expected growth in sales and associated costs;
- a part of the expected revenue consists of non-recurring income;
- for a material part of the expected revenue no underlying contracts exist yet, the estimate is based on discussions and outstanding leads with potential customers;
- for calculation the weighted average lifecycle of the database is 14 years;
- the revenue for 2019 is based on the average revenue for the years 2014-2018;
- for the years 2020-2023 the revenue is forecasted wiith a growth of 5% per year;
- the estimated cost of sales are decreased, based on the pattern in the prior years;
- the estimated other costs and the wages and salaries are increased based on a fixed inflation growth.

Impairment loss

At balance date, an impairment test has been executed. The outcome of this test has resulted in an impairment loss of total €1,553,000 (2017: €1,231,000). This outcome is the result of lowering AND's forecasted future results generated by AND's current database. These forecasts have been adjusted following the disappointing results in 2018. Part of the impairment test is based on expectations of the future revenues. The revenue is based on the average revenue for the years 2014-2018. For the years 2020-2023 the revenue is forecasted with a growth of 5% per year. The estimated cost of sales are decreased, based on the pattern in the prior years. The estimated other costs and the wages and salaries are increased based on a fixed inflation growth.

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 2018 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.

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 (%)	12,2%	13,2%	14,2%
Impairment	(1,018)	(1,553)	(2,051)

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	(2,060)	(1,231)	(1,047)

The table above shows that if the discount rate which is used was 1% higher, an additional impairment loss of €498,000 would be present, while if the discount rate which is used was 1% lower, an amount of €535,000 of the impairment loss should be reversed. A similar 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 costs for research and development related to the hours granted for WBSO amount to €554.000 (2017: €408,500).

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)	2018	2017
Position at 1 January	**1,373**	382
Tangible fixed assets	**(13)**	(6)
Intangible fixed assets	**(179)**	259
Personnel-related compensation	**(11)**	7
Fiscal value of recognised tax losses	**769**	731
Position at 31 December	**1,939**	**1,373**

The valued tax losses of the Dutch companies at the end of 2018 amount to €7.1 million (2017: €3.3 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 resultant 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.

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

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

Deferred taxes not recognised:

in millions of euros	2018	2017
Tax losses	-	-

6.33 Trade and other receivables

(x € 1.000)	2018	2017
Income tax	**-**	261
Debtors	**196**	107
Prepaid expenses	**110**	59
Royalties yet to be received	**12**	37
Accruals and other receivables	**12**	33
Total	**330**	**497**

Debtors are presented after deduction of impairment losses (based on expected credit loss). At the end of 2018 debtors included no provision for impairments of trade debtors (2017:-). In 2017, €261.000 is paid as prepaid income tax which is recorded as a prepaid expense (2018: -).

6.34 Cash and cash equivalents

(x € 1.000)	2018	2017
Cash at bank and in hand	**364**	1,100
Deposits	**1,830**	3,014
Total	**2,194**	**4,114**

The cash and cash equivalents are direct disposal for €364, €830 is disposable in one month and €1,000 is disposable after three months. At the end of 2018 a total of €28 in bank guarantees was issued (2017: €28).

6.35 Shareholders' equity

(x € 1.000)	Issued and paid-up capital	Share premium reserve	Legal reserve	Unappro-priated result	Retained earnings	Total share-holders' equity
Position at 31 December 2016	**2,795**	**36,227**	**10,308**	**2,780**	**(31,771)**	**20,339**
Distribution of result 2016	-	-	-	(2,221)	2,221	-
Dividend payment	-	-	-	(559)	-	(559)
Total realised and unrealised results	-	-	(55)	(2,846)	-	(2,901)
Addition to legal reserve	-	-	947	-	(947)	-
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)	-
Dividend payment	-	-	-	(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**

On 16 May 2017 a dividend of €0.15 per share has been paid to the shareholders.

Share capital

Capital issued and fully paid	number	in €
Position at 1 January 2017	3,727,137	2,795,353
Position at 31 December 2018	**3,727,137**	**2,795,353**
Position at 31 December 2018	**3,727,137**	**2,795,353**

The authorised share capital at 31 December 2018 consisted of 18,500,000 (2016: 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 tied 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 2016	**10,549**	**(241)**	**10,308**
Movements in financial year	947	(55)	892
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**

Result appropriation

Article 30 of the company's Article of Association lays down 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 2018 amounts to a total of €1,648,000 and should 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	2018	2017
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	**(3,113,000)**	(2,846,000)
Basic profit / (loss) per share	**€ (0.84)**	**€ (0.76)**
Diluted profit / (loss) per share	**€ (0.84)**	**€ (0.76)**

6.37 Other long term liabilities

(x € 1.000)	2018	2017
Position at 1 January	**214**	249
Loan lawsuit settlement	**(37)**	(35)
Position at 31 December	**177**	**214**

For the settlement with the counterparty in 2011, a payment scheme was arranged. The remaining outstanding amount at the end of 2018 €254,000 (2017: €303,000). The agreed annual instalment in respect of interest and repayments is €50,000. 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%.

6.38 Trade and other liabilities

(x € 1.000)	2018	2017
Creditors	**62**	194
Taxes and social security premiums	**24**	27
Sales invoices in advance	**324**	358
Other debts	**381**	327
	791	**906**

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 in the case of 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 subjected to a credit appraisal. In relation to the realised sales, write-downs on debtors have been minimal 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)	2018	2017
Trade and other receivables	**330**	497
Cash and cash equivalents	**2,194**	4,114
Total	**2,524**	**4,611**

The cash and cash equivalents are based on Standard & Poor's, Moody's and Fitch ratings:
ABN AMRO: A, A1 and A+
Deutsche Bank: A-, A- and A3

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

	2018		2017	
(x € 1.000)	gross	provision	gross	provision
Not overdue	**71**	**-**	81	-
1 to 60 days overdue	**80**	**-**	-	-
60 - 180 days overdue	**45**	**-**	26	-
More than one year overdue	**-**	**-**	-	-
Total	**196**	**-**	**107**	**-**

From the internal review of the credit quality of individual trade receivables which are not overdue no material risks have arisen. The credit quality is judged based on payment history or credit reports.
As per the balance sheet date important concentration of credit risks related to trade receivables is not applicable.

Liquidity risk

The liquidity risk is the risk that the Group will be unable to discharge its financial obligations at the required time. The Group had a total balance of cash and cash equivalents of €2,524,000 as of the end of the year. The availability over this cash and cash equivalents is sufficient to fulfill current obligations. Excess cash and cash equivalents are placed on deposits to generate interest revenue. Past experience indicates that the Group has always been able to obtain sufficient (additional) financing for its activities.

Overview of the availiable cash to fulfill current obligations:

(x € 1.000)	2018	2017
Cash and cash equivalents	**2,194**	4,114
Income tax	**-**	261
Trade and other receivables	**330**	236
Non-current liabilities	**(189)**	(226)
Current liabilities	**(791)**	(906)
Remaining cash and cash equivalents	**1,544**	**3,479**

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

(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	176	204	-	50	154
Other debts	381	381	381	-	-
Total	**643**	**671**	**467**	**50**	**154**

(x € 1.000) 31 December 2017	book value	contractual cash flows	< 6 months	6 -12 months	> 1 year
Creditors	194	194	194	-	-
Taxes and social security premiums	27	27	27	-	-
Other long-term debts	214	254	-	50	204
Other debts	317	317	317	-	-
Total	**752**	**792**	**538**	**50**	**204**

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 2018 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 exchangerate		closing rate	
	2018	2017	2018	2017
EUR	**1.00**	1.00	**1.00**	1.00
USD	**0.85**	0.83	**0.87**	0.89
GBP	**1.13**	1.14	**1.11**	1.13
INR	**0.012**	0.014	**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	
	2018	2017	2018	2017
Trade and other receivables	**10**	17	**162**	713
Trade and other debts	**(5)**	(18)	**(7)**	(76)
Cash and cash equivalents	**150**	283	**177**	170
Totaal	**155**	**282**	**332**	**140**

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	
	2018	2017	2018	2017
Impact result appreciation € with 5%	-	-	5	(2)
Impact result depreciation € with 5%	-	-	(5)	(2)

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

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

(x € 1.000)	2018	2017
< 1 year	63	152
1 - 5 year	27	116
> 5 year	-	-
Total	90	268

The Group rents buildings and vehicles under operating leases. A charge of €200,000 was recognised in the profit and loss account for the financial year 2018 in respect of operating leases (2017: €208,000).

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 AND Products BV receives services from AND Data India Pvt. Ltd. Such transactions take place at normal market conditions and the total amount for these services in 2018 (till close of the India business in May 2018) amounted to €331,000 (2017: €803,000). Transactions among group companies are eliminated in the consolidation. 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 key management (including the Management Board and the Supervisory Board) in 2018 amounted to €470,000 (2017: €423,000). Of this, €470,000 (2017: €409,000) relates to short-term employee benefits and €- (2017: €14,000) to long-term employee benefits.

6.42 Subsequent events
After twelve years, the former CEO, Hugo van der Linde has resigned AND. From March 1, 2019 Thierry Jaccoud is the new CEO of AND International Publishers N.V..

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 on the Holland High Tech booth at the Mondial.
Tech/Paris Motor Show in October 2018

8. Company statement of financial position

As of 31 December (before profit appropriation)

(x € 1.000)	Note	2018	2017
Fixed assets			
Non-current assets	10.3	**17,207**	20,827
Deferred tax assets	10.4	**1,436**	829
Total non-current assets		**18,643**	**21,656**
Trade and other receivables	10.5	**32**	282
Cash and cash equivalents		**-**	3
Total current assets		**32**	**285**
Total assets		**18,675**	**21,941**
Shareholders' equity			
Issued and paid-up capital		**2,795**	2,795
Share premium reserve		**36,227**	36,227
Legal reserve		**7,031**	11,496
Exhance difference reserve		**(418)**	(296)
Unappropriated result		**(3,113)**	(2,846)
Retained earnings		**(28,877)**	(30,496)
Total shareholders' equity	**10.6**	**13,645**	**16,880**
Trade and other liabilities	10.7	**5,030**	5,061
Total current liabilities		**5,030**	**5,061**
Total liabilities		**5,030**	**5,061**
Total shareholders' equity and liabilities		**18,675**	**21,941**

9. Company statement of profit or loss

(x € 1.000)	Note	2018	2017
Personnel expenses		**(335)**	(285)
Other operating expenses		**(159)**	(223)
Other operating result		**(494)**	**(508)**
Financial income		**-**	-
Result before tax		**(494)**	**(508)**
Result from participations after tax	10.3	**(3,227)**	(3,068)
Taxation		**608**	730
Net profit		**(3,113)**	**(2,846)**

10. Notes to the company financial statements

10.1 General
The company financial statements form part of the financial statements 2018 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)	2018	2017
Participating interests in group companies		
Position at 1 January	**20,827**	23,950
Share in result after-tax	**(3,227)**	(3,068)
Dividend	**(271)**	-
Currency differences	**(122)**	(55)
Position at 31 December	**17,207**	**20,827**

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 entity 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 relates only compensable losses.

10.5 Trade and other receivables

(x € 1.000)	2018	2017
Prepaid expenses	**32**	282
Total	**32**	**282**

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)	2018	2017
Creditors	**38**	41
Group companies	**4,939**	4,956
Other liabilities	**53**	64
Total	**5,030**	**5,061**

10.8 Personnel
During the reporting year, the company employed no members of staff (2017: 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 entity 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 entity 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:

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**	**-**

2017 in euros	Mazars accountants	Mazars other
Audit Mazars	57,500	-
Audit Mazars Pune (India)	10,200	-
Total	**67,700**	**-**

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

Rotterdam, 28 March 2019

Management BoardSupervisory Board

T. Jaccoud

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

11. Other information

11.1 Independent auditor’s report

A. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements 2018 of AND International Publishers N.V., based in Rotterdam as set out on pages 21 to 46. The financial statements include the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of AND International Publishers N.V. as at 31 December 2018, and of its result and its cash flows in the year 2018 in accordance with International Financial reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of AND International Publishers N.V. as at 31 December 2018 and of its result in the year 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2018;
2. the following statements for 2018: consolidated statement of profit or loss, consolidated statement of comprehensive income, summary of changes in shareholders’ equity and cash flows for the year then ended; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company statement of financial position as at 31 December 2018;
2. the company statement of profit or loss for the year 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the financial statements” section of our report.
We are independent of AND International Publishers N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the “Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence)” and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIALITY

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 219.000. The materiality is based on 1,5% of the total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.
We agreed with the Supervisory Board that misstatements in excess of EUR 11.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

AND International Publishers N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of AND International Publishers N.V.
The group audit mainly focused on significant group entities as defined in Standard 600. We have performed audit procedures ourselves at group entities AND International Publishers N.V. and AND Products B.V. When auditing AND Data India Pvt. Ltd., we have used the work of other auditors. For less significant group entities we performed desktop reviews.
By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion on the consolidated financial statements.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.
These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	OUR AUDIT STRATEGY
Valuation of database	
IAS36 requires an impairment test to be performed for assets with a finite useful life if there are indications of impairment. The assessment of the impairment is a key audit as the value of the database is significant and the determination of the recoverable amount includes management estimates and significant judgment associated with forward-looking estimations in valuation models with assumptions that are affected by developments in the market. The database has been valued at EUR 10.132.000 as per 31 December 2018. Management performed an analysis to examine whether the valuation of this balance is appropriate. Based on the current forecast for the upcoming years, management has decided to make an adjustment on the valuation of EUR 1.553.000. AND's disclosures regarding the database and the related impairment considerations are included in note 6.31 of the financial statements.	The audit procedures include, amongst others, evaluating the assessment of the internal and external indicators of impairment in conjunction with our technical team. For the audit we used a valuation-expert to evaluate the acceptability of the assumptions and the method of calculation applied by the company. To determine if the economic performance of the asset is as expected, we verified the recoverable amount (values-in-use) of the database per the discounted cash flow valuation versus the book value. Our testing included assessing the methodologies used by the management expert to estimate the values in use. We verified the inputs in the model to the strategic outlook of the company and compared if the forecasted revenue growth is in line with the company's share of the estimated market. A sensitivity analysis was performed to determine the effect of the sensitive assumptions of the impairment test including WACC and growth rates. Based on available evidence we found management's assumptions in relation to the impairment indicators and value in use calculations to be reasonable. We found the disclosures in note 6.31 to be appropriate.

B. REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the Supervisory Board;
- Report of the Management Board
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement
We were engaged by the Supervisory Board as auditor of AND International Publishers N.V. on 5 July 2018, as of the audit for the year 2018 and have operated as statutory auditor ever since that date.

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5 (1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

D. DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

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

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

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

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

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

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

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

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 3 April 2019

Grant Thornton Accountants en Adviseurs B.V.

drs. J.A. Heuvelman RA

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