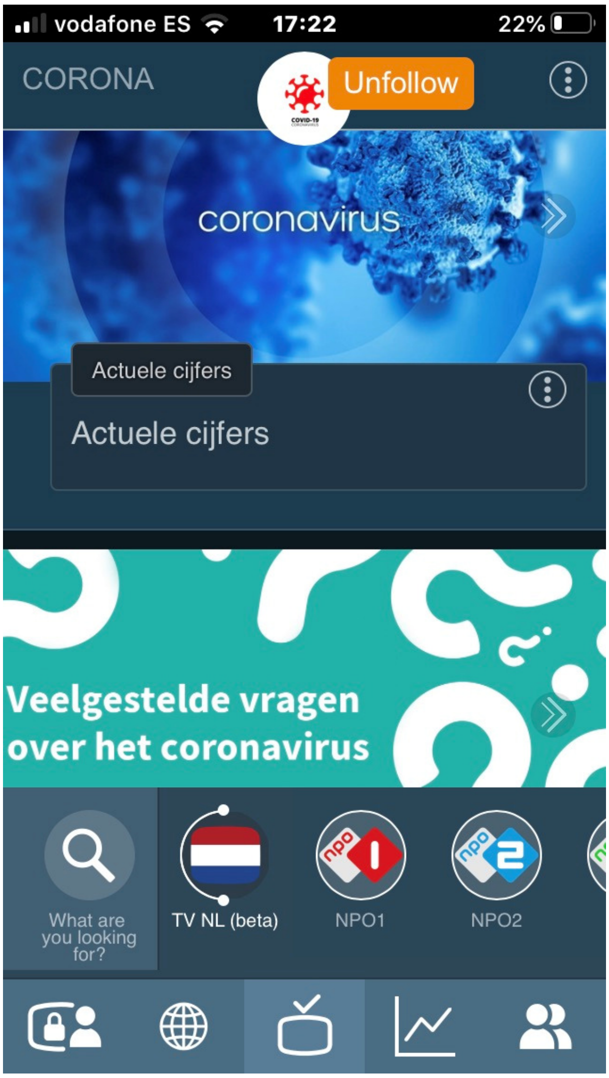

FINANCIAL REPORT 2021

Choice NV Consolidated

A YEAR OF PREPARATION

2021 was our first year as a public company, planning to uplist to a more liquid market in 2022.
While the media & technology market was turned upside down, our product releases kept track aiming at a fast moving target and repositioning Choice as the spider in the web.
Ready to feast, or get eaten!

Choice

Collaborative Media

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1. CEO's statement

2021 was our Company's first year as a public company, trading our stock on Euronext Access, a European exchange for start-ups mainly targeted at retail investors. Over the 10 months that our share was traded in 2021, total trading volume amounted to €1.6 million or 27% of free float, at an €8.8 volume weighted average share price over 2021.

This means that our Access listing allowed early retail investors who funded our Company throughout its start-up life – by buying pre-listing units at equivalent share prices of 5€ in 2019 or €7.5 in 2020 – to exit during 2021 at respectively 17% and 75% average returns.

We therefore call our initial Access listing a success – albeit with lower liquidity by end 2021.

With over 25,000 free users our tech startup became a growth company and so Euronext Growth or AIM in London became our next aim, to uplist towards more liquidity. Institutional investors are more active on AIM or Euronext Growth than on Access and bring much more liquidity.

When institutional investors provide buy side liquidity, sell side liquidity is also required, since markets only price efficiently at sufficient buy and sell liquidity levels. So we signed up a reputed PIPE investor at the end of 2021 who will be buying shares from the Choice Trust Group – using the proceeds to further fund the growth of our Company – and who will be supporting us to subsequently market those shares to institutional investors on the secondary market.

Uplisting to Growth or AIM and marketing towards institutional investors together with our new PIPE investor, also hedging our funding risk, is our 2022 recipe for harvesting stockholder value. But our story is not merely about harvesting shareholder value, it is all about creating shareholder value and broader stakeholder value. For a pre-revenue company as ours, this means positioning as 'incontournable' in our huge media & technology market, featuring a combined market capitalization of over $14 trillion as depicted in the graph on next page. 2021 winners in this market are much smaller than incumbents currently losing big time. Meaning the big losers will have to buy smaller but well positioned winners in an attempt to turn the tide.

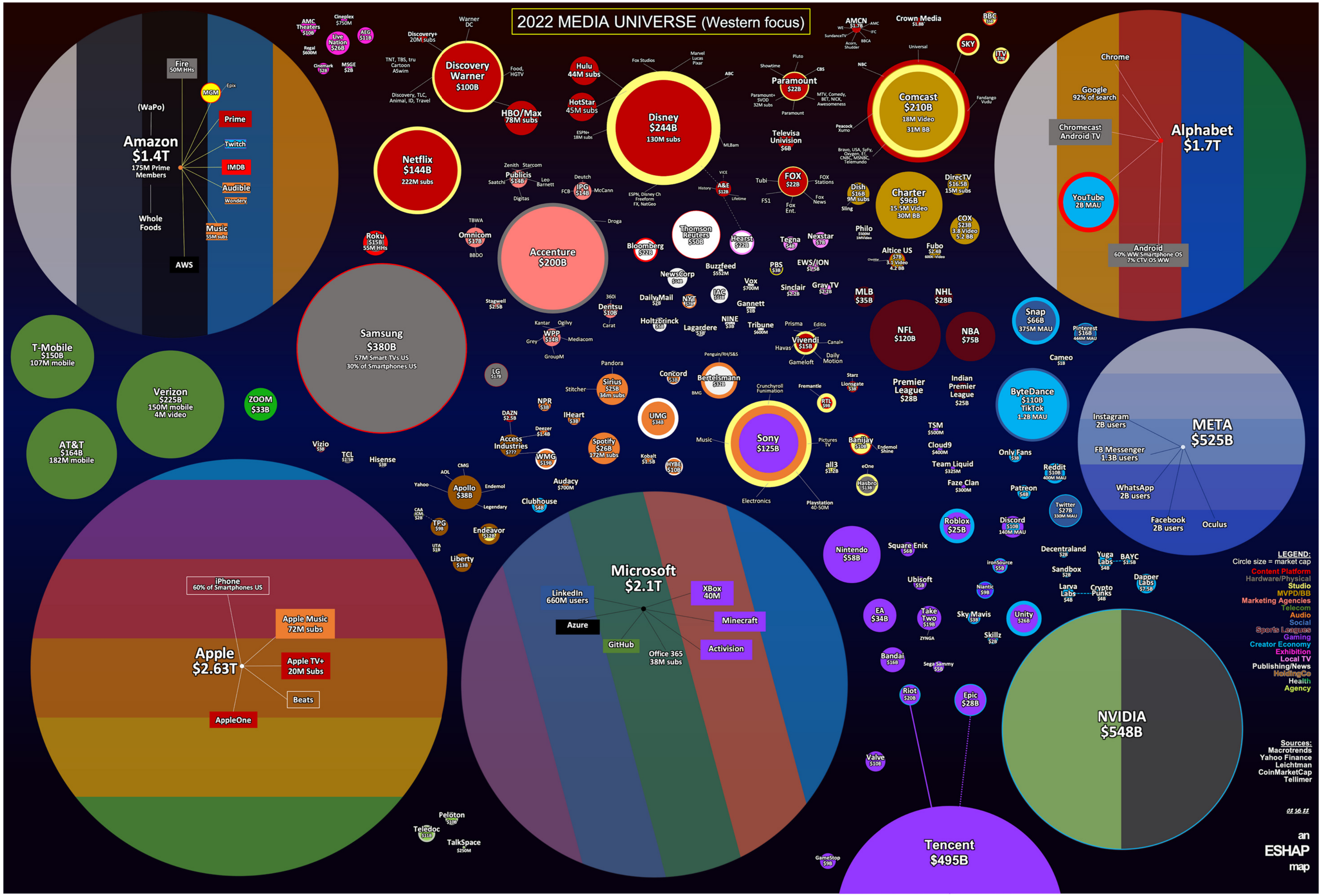
How to position well, in the center of the web? We believe we know! Because we focused on product & business development, market analysis & testing and other preparatory activities. Make no mistake, there is no harvesting without growing and no growing without sowing.

We are not a pure technology play, neither a revenue, margin or cash flow play. What matters to us is attracting and retaining consumer communities. Attracting by allowing consumers to recommend content to each other, at the same time recommending our platform, i.e. leveraging network effects through content marketing. And retaining by appealing to our common values.

Our vision is that of a new media technology landscape by and for – or with – the people, i.e. Collaborative Media. We believe contributing in this, will make us 'incontournable'.

And if you help us seed and grow, we will help you harvest!

Bart Van Coppenolle, co-founder and CEO of Choice, March 2022



2022 MEDIA UNIVERSE (Western focus)
Amazon $1.4T 175M Prime Members
(WaPo)
Fire 50M HHs
MGM
Epix
Prime
Twitch
IMDB
Audible
Wondery
Music 55M subs
Whole Foods
AWS
Discovery Warner $100B
Warner DC
Discovery+ 20M subs
TNT, TBS, tru Cartoon ASwim
Discovery, TLC, Animal, ID, Travel
Food, HGTV
Netflix $144B 222M subs
HBO/Max 78M subs
Hulu 44M subs
HotStar 45M subs
Disney $244B 130M subs
Fox Studios
Marvel Lucas Pixar
ABC
ESPN+ 18M subs
ESPN, Disney Ch Freeform FX, NatGeo
Paramount $22B
Pluto
CBS
Showtime
Paramount+ SVOD 32M subs
MTV, Comedy, BET, NICK, Awesomeness
Televisa Univision $6B
FOX $22B
FOX Stations
Tubi
FS1
Fox Ent.
Fox News
Comcast $210B 18M Video 31M BB
Universal
NBC
Peacock Xumo
Fandango Vudu
SKY
BBC
ITV
Crown Media
AMCN
Charter $96B 15.5M Video 30M BB
DirecTV
Dish
Sling
COX
Philo
Fubo
Altice US
Alphabet $1.7T
Chrome
Google 92% of search
Chromecast Android TV
YouTube 2B MAU
Android 60% WW Smartphone OS 7% CTV OS WW
Accenture $200B
Samsung $380B 57M Smart TVs US 30% of Smartphones US
T-Mobile $150B 107M mobile
Verizon $225B 150M mobile 4M video
AT&T $164B 182M mobile
ZOOM $33B
Roku
Omnicom
Publicis
IPG
WPP
Dentsu
Bloomberg
Thomson Reuters
Hearst
NewsCorp
Buzzfeed
Vox
DailyMail
NYT
IAC
Gannett
HoltzBrinck
Lagardere
NINE
Tribune
Sinclair
Gray TV
Tegna
Nexstar
EWS/ION
PBS
Vivendi
Havas
Gameloft
Canal+
Daily Motion
Bertelsmann
Concord
UMG
Sirius
Spotify
iHeart
NPR
Stitcher
Pandora
Deezer
DAZN
Access Industries
WMG
Kobalt
HYBE
Audacy
Clubhouse
Apollo
Endeavor
Liberty
TPG
LG
Vizio
TCL
Hisense
Sony $125B
Pictures TV
Music
Electronics
Playstation 40-50M
Banijay
Hasbro
RTL
Fremantle
Lionsgate
NFL $120B
NBA $75B
MLB $35B
NHL $28B
Premier League $28B
Indian Premier League $25B
Snap $66B 375M MAU
Pinterest
Cameo
ByteDance $110B TikTok 1.2B MAU
META $525B
Instagram 2B users
FB Messenger 1.3B users
WhatsApp 2B users
Facebook 2B users
Oculus
TSM
Cloud9
Team Liquid
Faze Clan
Only Fans
Reddit
Patreon
Twitter
Roblox $25B
Discord
Nintendo $58B
Square Enix
Ubisoft
EA $34B
Take Two
Sky Mavis
Unity $26B
Skillz
Bandai
Riot
Epic $28B
Valve
Tencent $495B
Decentraland
Sandbox
Yuga Labs
BAYC
Larva Labs
Crypto Punks
Dapper Labs
NVIDIA $548B
Microsoft $2.1T
LinkedIn 660M users
Azure
GitHub
Office 365 38M subs
XBox 40M
Minecraft
Activision
Apple $2.63T
iPhone 60% of Smartphones US
Apple Music 72M subs
Apple TV+ 20M Subs
Beats
AppleOne
Peloton
Teledoc
TalkSpace
GameStop
LEGEND:
Circle size = market cap
Content Platform
Hardware/Physical
Studio
MVPD/BB
Marketing Agencies
Telecom
Audio
Social
Sports Leagues
Gaming
Creator Economy
Exhibition
Local TV
Publishing/News
HoldingCo
Health
Agency
Sources:
Macrotrends
Yahoo Finance
Leichtman
CoinMarketCap
Tellimer
an ESHAP map

2. Milestones 2021

The main milestones reached in 2021 consisted of product releases, numbers of free users attained and financing milestones, as summarized below.

Q1 2021

- Closing of public unit placement by Choice Trust
- Listing on Euronext Access

Q2 2021

- Flemish TV guide
- Business TV campaign in Flanders

Q3 2021

- 10 k free users
- Dutch TV guide in the Netherlands
- Creation of Choice STAK for public placement of units in the Netherlands

Q4 2021

- Release personal TV with shopping capabilities
- 25 k free users milestone reached
- Signing of our PIPE investor

Q1 2022

- Signing of our Listing Sponsor for uplisting

3. Nature of the business

3.1. Overview of the Company's business

The Choice Platform is an open digital social market platform that includes a convenience-enhancing social media platform for long-form media content for the consumer, while offering the opportunity for Brands (i.e. companies that want to establish or maintain their own brand towards the consumer and can use the platform as an alternative form of advertising) to interact with communities.

The project of the Choice Platform was initiated to support the convenience of use of the media consumers. Despite the technological revolution that Google, Netflix, Spotify and Apple have launched, they continue to lock consumers in their own content silos. Searching a media content, for example, with Google search is therefore not possible in the walled gardens or content silos of other competitors. This creates a plethora of confusing offerings. The consumer is actually forced by a lack of convenience or ease of use to remain in one content silo or walled garden and is therefore not really free in his or her choice. That is why there is an opportunity for the Choice Platform to offer this convenience technology. The Choice Platform forms a transparent layer of user playlists that aims to be placed over all content silos and walled gardens by the consumer himself or herself. This transparent top layer allows the user to recommend content to other users without the user sharing the content himself or herself.

These personal playlists can be kept private or published by users, which is their own free choice. If a user chooses not to share a playlist, the Choice Platform does not use this data. The user can also choose to share playlists privately with a limited group of family, friends, acquaintances or followers, without the playlist becoming public.

These playlists refer to video on demand and broadcast apps and other online content in apps and on websites. By searching in these playlists, one can search within walled gardens and content silos after all. By following published playlists and their curators, just as you can follow people on Twitter or Instagram, one can create one's own social and personalized TV experience. By creating a personal watch later feed, you can refer external content in your playlists. Viewing or consuming content itself remains subject to respecting the business model of the specific content app or website, which can still involve watching advertising or paying to get past a payment wall.

It is also the intention that one can thank artists, content curators or other players in the Choice ecosystem for their contribution by not only liking them symbolically, but also by sending them a thank you e-voucher. This can only be implemented after the regulations on virtual currencies and e-money have been thoroughly investigated and implemented and after the necessary licenses and approvals have been obtained.

Brands can also offer their playlists to consumers. In this way, Brands effectively become broadcasters if they also distribute and therefore also license the content that they recommend. This forms the solution to the industry problem that mass media is inadequate and far too expensive to do content community marketing on a refined granular level.

Brands have been victims of the closed linear business model in the past. The consumers also paid quite extensively for content compared to what artists received and for telecom services compared to what regulations imposed on regulated tariffs between operators. That is why Choice is intended to be not only a convenient platform at the front, but also to become a marketplace at the back, where Brands can not only do marketing, but can also sell their services and products to consumers who can pay via the Choice Platform.

This marketplace will allow arbitrage of the price of commodity products or services such as the Internet, but possibly later also of other commodities for which the market has not been adequately made free, with respect to the underlying regulated or contract price. The Choice group combining the Company with Choice Co-op and Choice Trust has been created in order to facilitate this arbitrage and for funding reasons as further developed in the Information Note published on 14 October 2020 by Choice Trust (available on www.choice.be/crowdfunding).

The Choice Platform does not offer any content itself, but only refers to playlists created by the users of the platform. It is possible to offer content services or other services on the platform by means of plug-ins. A plug-in is a piece of software that interacts with the Choice Platform and by doing so links and enables the external or internal service.

Some examples of plug-ins on the Choice Platform:

- A TV guide for the Flemish and Dutch basic TV offer
- An Internet offer providing unlimited Internet and telephony
- A number of community-based TV packages that complement the basic TV offer with e.g. foreign-language TV content or niche content for sports, hobby or community life etc.
- A payment service or other smart financial applications.

In principle, the plug-ins are owned by external unrelated third parties, but for essential components of the Choice Project, plug-ins can also be created internally or external companies that create these plug-ins can also be acquired.

3.2. Business Model & Revenue streams

The Choice Platform not only works for the consumer at the front, but also for Brands at the back, therefore the business model of Choice is also made up of two parts.

On the consumer side, Choice can earn money if it can deliver added value by enabling access to content that is technically, commercially or legally difficult to access in a particular geography. Choice can do that in a secure and effectively legal manner, by licensing through subsidiaries, related parties or independent partners content and metadata referring to third party streaming services.

Choice calculates a margin on the content services that are provided to the consumer and are licensed from Big or Small Content. The target here is to achieve a 50% margin, although the effective margin depends on the specific contract negotiations of the rights as well as the price elasticity of the consumer market for such content. For mainstream content where Choice can only deliver added value by arbitraging inefficient markets, Choice prefers to offer the model of a rock-bottom price to the consumer when the consumer submits an e-voucher to the partner Company or to provide a free (with advertisement) or payable (advertisement free) online TV guide using licensed meta data.

An initial bundle of revenue streams thus results from commissions or license fees earned through Internet services that the Choice Platform brings to the consumer, initially in Flanders through its partners and later more broadly geographically.

A second bundle of revenue streams on the consumer side is expected to be generated from commissions or license fees earned with TV and video on demand (VOD) services accessible through the Choice Platform. Some examples of future TV and VOD packages are listed below:

- TV guide for basic TV in Belgium, the Netherlands and other countries European and world wide
- Targeted language community packages with, for example, Italian, Moroccan, Turkish, Russian, Indian, etc.
- VOD packages for mainstream content or for niche content

On the side of the Brands, Choice’s business model consists of facilitating Community Content Marketing for Brands and earning commissions on this, provided that these commissions do not cause the consumer being coerced or becoming unfree in his or her choice. This is done in full respect for consumer privacy and fully GDPR compliant. These commissions can include, for example, commissions on Brand interactions (viewing, clicking, participating, etc.), sales and payment (provided the correct e-money licenses have been acquired).

A third bundle of revenue streams therefore comes from commissions or license fees earned from Brands that use the Choice Platform for content community marketing. Some examples of future brand revenues are listed below:

- Periodic reservation fees to reserve a Choice address (comparable to a web address) exclusively and to use it for publishing brand channels on Choice; for consumers this is free
- License income relating to advertising real estate on the Choice Platform
- Auctioning of sponsored keywords

3.3. Start of commercial activities

The free product has been rolled out in Belgium and the Netherlands with already 25 000+ free users, using the free product to build communities and do social marketing through Choice.

B2B deals have been concluded with meta data providers, content owners, brands and other organizations.

This commercial B2B pipeline consists of over 300 entries of potential or actual business partners of which 50+ are already signed, another 50+ intentionally agreed and 150+ are expected to be closed in this first half year of 2022.

B2C deals are currently being tested on a smaller scale and will be offered this first half year to the broader public, some also outside the Benelux.

Based on this commercial pipeline and the current state of the product it is, in the management opinion, very feasible to reach the 1 million+ free users milestone, still this year.

3.4. International expansion

Choice NV aims to achieve the rollout of this platform gradually, first in Flanders, then throughout Belgium, and then in the rest of the world, starting with the Netherlands. The roll-out in Belgium and the Netherlands has already been started in 2021. Subsequently followed by Germany, France, the United Kingdom, the United States and Singapore which are initiated in H1 2022.

The Choice webapp has already been publicly launched in Belgium and the Netherlands with more than 25 000 users.

4. Corporate Governance

4.1. Board of Directors

The current board of directors consists of the following three members:

- José Zurstrassen, Chairman, Independent Director, Captain of Industry
- Bart Van Coppenolle, CEO, serial entrepreneur
- Philip Vandormael, CFO/COO, seasoned executive

The following changes will be implemented in the executive management and the board of directors of Choice NV, from the next general meeting of Choice NV onwards, if the necessary agreements and approvals are then obtained.

José Zurstrassen, currently chairman of the board of directors, will step down as chairman after a great service to the company in which he chaired the board of directors and coached the executive management through the Choice startup process with, among others, the successful product development and launch, initial internationalization and IPO on Euronext Access and initial application process for uplisting to Euronext Growth. He will move on to guide other startups and young companies. Choice wishes to thank José for an excellent and successful cooperation.

Bart Van Coppenolle, currently executive director and CEO, will step down as CEO to take on the role of non-executive chairman. In this role, Bart will remain responsible for Investor & Press Relations.

Bart Van Coppenolle will be succeeded as CEO by his brother Roeland Van Coppenolle, former CEO (at that time also in tandem with Bart as chairman) of Zimmo.be, a leading Belgian B2B and B2C real estate platform, sold to the Belgian media group Mediahuis in 2014. Roeland will also join the board of directors as executive director.

In order to allow Roeland as the new CEO to put together his own executive team, Philip Vandormael, current CFO and COO, will also step down from his executive role and becomes a non-executive director as well, representing the Choice co-op CV and the Choice Trust and STAK foundations, of which he will also assume the operational management tasks and associated future potential conflicts of interest.

Philip and Bart remain very closely involved in the Choice project and renew their 100% commitment to Choice, this time not as executives, but as non-executive directors. The directorships of Bart and Philip remain however without remuneration, while the remuneration of the new CEO falls within the same budget as the budget for the previous CEO, being €60,000.00 on an annual basis.

For 2021 the total remuneration awarded to the members of the board of directors, including both executives in all their capacities, either director or consultant, was €26,000.00. For 2022 this will be the aforementioned €60,000.00 for the CEO.

4.2. Audit function

No statutory auditor was appointed by the general meeting of the company because Choice NV does not meet the criteria requiring such an appointment in Belgium, because the Choice group is a ‘group of limited size’ and even a ‘small group’, under Belgian law.

Under Belgian law, a company aggregated with its subsidiaries, i.e. a group of companies that together form a consortium, are considered to form a group of limited size if these companies together, on a consolidated basis, do not exceed more than one of the following criteria: 1) annual average of the workforce: 250 (unchanged for a small group), 2) annual turnover excluding VAT: €34,000,000 (for a small group €29,200,000) and 3) a balance sheet total of €17,000,000 (for a small group: € 14,600,000). Only the criterion of the balance sheet total is exceeded and no second criterion is exceeded. More specifically, Choice NV has a balance sheet total above €17 million, but no commercial revenues yet and less than 10 employees on the payroll, on a consolidated basis. So Choice NV does not have to appoint a statutory auditor.

However in response to the requirements for application for uplisting to Euronext Growth, an external auditor was appointed by Choice NV to audit the consolidated financial statements of the past two years 2020 and 2021 that are presented in this financial report.

Fimaccount BV, represented by its managing partner Diego Pazienza was appointed as external auditor for this purpose and has given an unqualified declaration, which is included at the end of this report.

4.3. General Meeting of shareholders

The next ordinary shareholders meeting will be held as statutory foreseen in the articles of association of the Company on the fourth Tuesday of June at 10.00 a.m. at the registered office of the Company or any other location mentioned in the convocation. This year the fourth Tuesday of June is June 28.

5. Directors Report

The board of directors has approved this 2021 Choice Consolidated Financial Report in its entirety and analyses and comments concisely as follows below.

5.1. Financials

5.1.1. P&L

The Company is still in a pre-revenue phase, mainly focusing on product development, market analysis, initial business development and other preparatory activities. No revenues have been registered under the IFRS revenue recognition criteria.

As products have an increasingly shorter useful life, it is not possible to predict which development projects will succeed and given the volatility of the technologies and the markets where Choice operates, the board of directors has decided that Choice's development costs are not activated under the IFRS consolidated financials.

As a consequence R&D costs form the majority of the 2021 operational expenses with 52% of opex before D&A, compared to 36% in 2020. S&M costs in Belgium and abroad for preparing business development form the second largest operational expense in 2021 with 30% of opex before D&A, compared to 20% in 2020. G&A costs in Belgium and abroad form the third remaining operational expense in 2021 with 18% of opex before D&A, compared to 45% in 2020. Overall operational expenses fell within budget and amounted to €1.761 million in 2021 versus €0.625 million in 2020, an increase of 182%.

The main components of the operational expenses before depreciations and amortizations in the consolidated income statement are as follows.

	2021		**2020**	
	€ 000	**%**	**€ 000**	**%**
OPEX before D&A				
R&D expenses	908	52%	223	36%
S&M expenses	534	30%	123	20%
G&A expenses	319	18%	279	45%
Totaal	**1,761**	**100%**	**625**	**100%**

2021 showed a loss of €1.243 million compared to €0.439 million in 2020. This loss was calculated without capitalized development and including the building up of a tax asset.

5.1.2. Balance sheet

No capitalized development was added to the intangible assets in 2021. The receivable on the Choice Trust was decreased from €1.663 million in 2020 to €0.055 million in 2021, as the cash came in from Choice Trust in 2021 as planned in 2020.

A tax asset of €0.188 million was recorded in 2020 and adding a tax asset of €0.533 million in 2021 results in a total tax asset of €0.721 million at the end of 2021.

Shareholder equity, netted for 2021 loss and loss carried forward from 2020 totaled €65.016 million. Still enough given the early nature of the project.

The cash and cash equivalents added to the short term receivables suffice for the paying of the short term payables.

5.1.3. Cash Flow

Total cash flow was €0.336 million negative decreasing cash and cash equivalents from €0.638 million in 2020 to €0.302 million in 2021. For 2022 it is expected that cash will further come in from the Choice Trust Group.

5.2. Non-financial results

The non-financial results of 2021 are mainly:

1) increased product functionality,
2) uniquely positioning the company in its large media & technology market,
3) acquired market analysis and know-how and
4) initial business development, next to
5) setting up of overhead structures abroad.

6. 2021 Financial Results: Consolidated P&L, Balance sheet & Cash Flow statement

Choice consolidated (in thousands of euros)

Choice NV, Beta12 Inc, A11 Inc (2020+) and Choice CH GmbH (2021+)

Profit & Loss account	2021	2020
Revenues	-	-
Opex	1,761	625
EBITDA	**(1,761)**	**(625)**
Depreciation & amortisation	1	-
Financial costs	14	3
Result before taxes	(1,776)	(628)
Taxes	(533)	(188)
Net result	**(1,243)**	**(439)**

Choice consolidated (in thousands of euros)

Choice NV, Beta12 Inc, A11 Inc (2020+) and Choice CH GmbH (2021+)

Balance sheet	31/12/2021	31/12/2020
Total assets	***67,839***	***69,167***
Goodwill	41,353	41,353
Tax asset	721	188
Other intangible assets	25,288	25,286
Tangible assets	29	-
Financial assets	19	-
Accounts Receivable	19	-
Other receivables	108	1,701
Cash & cash equivalents	302	638
Total Equity & Quasi Equity	**67,516**	**68,956**
Paid in Capital	66,699	66,699
Profit (loss) carried forward	(439)	-
Proft (loss) of period	(1,243)	(439)
Quasi Equity	2,500	3,136
Net shareholders Equity	65,016	66,260
Liabilities - Ex. Quasi Equity	**323**	**211**
Accounts payable	321	209
Other Liabilities	1	2
Total Equity and Liabilities	**67,839**	**69,167**

Choice consolidated (in thousands of euros)

Choice NV, Beta12 Inc, A11 Inc (2020+) and Choice CH GmbH (2021+)

Cash Flow Statement	2021	2020
Cash flow from operations	**(313)**	**(2,095)**
Net profit (loss) of the period	(1,243)	(439)
Tax asset	(533)	(188)
Depreciations & amortizations	1	-
Working capital cash flow	1,462	(1,468)
Cash flow from investing	**(50)**	**(66,974)**
Capex	(50)	(336)
Business acquisition		(66,638)
Cash flow from financing	**27**	**69,707**
Capital Increase	-	66,699
Quasi Equity increase	27	3,008
Total cash flow	**(336)**	**638**

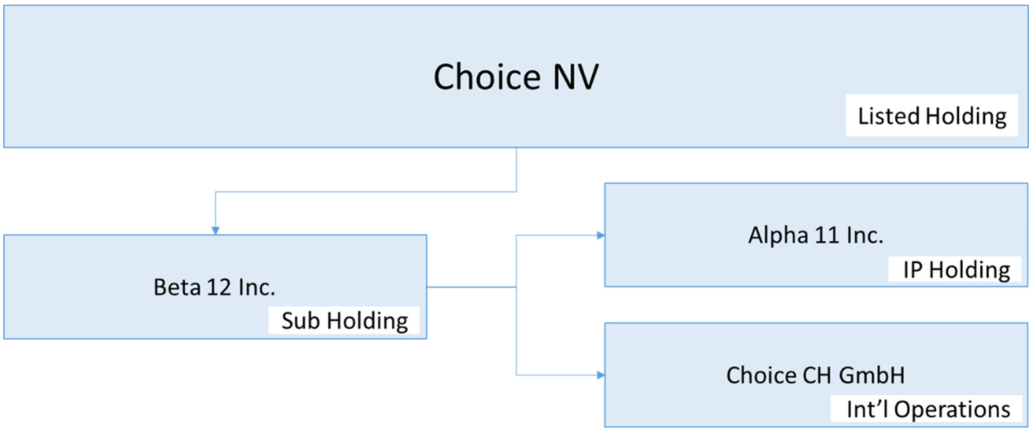
7. Notes to the consolidated financial statements

7.1. Corporate Information

The Company was founded on June 17, 2020 by notary act, an extract of which was published in the annexes to the Belgian Official Gazette on June 19, 2020. On September 28, 2020 the share capital was increased to €66,699,000, represented by 5,335,920 shares, through the contribution in kind of Beta 12 Inc. (B12), the only direct subsidiary. Its legal form is an NV (Naamloze Vennootschap translated as Public Limited Company), applicable law is Belgian law and headquarters are at Jachthoorn 5, 3210 Linden in Belgium.

7.2. Basis of preparation

The scope of consolidation for the year 2021 is as shown below in the organization chart of Choice NV. Choice NV is the publically listed top holding company, with Beta 12 Inc its sole direct subsidiary and Choice CH GmbH and Alpha 11 Inc. as two subsidiaries indirectly held through Beta 12 Inc.



The scope of consolidation for the year 2020 did not yet include Choice CH GmbH, because Choice CH GmbH had not yet been established in the year 2020.

The consolidated financial statements of the Company Choice NV and its subsidiaries for the financial year ended 31 December 2021 and 2020 have been approved for publication in accordance with a decision of the board of directors on February 28, 2022 and will be submitted to the general meeting on the date of June 28, 2022.

7.3. Summary of significant accounting policies

7.3.1. General

The consolidated financial statements were prepared on a historical cost basis. The consolidated financial statements are presented in euros and all values rounded to the nearest thousand, unless otherwise indicated.

The Choice group has presented its consolidated financial statements as at 31 December 2020 and 2021 in accordance with IFRS and the notes prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

7.3.2. Consolidation principles

The consolidated financial statements include the accounts of the parent company Choice NV and its subsidiaries over which it has control, after elimination of the reciprocal accounts.

Goodwill is the positive difference between the cost of the acquisition and the fair value of the identifiable net assets and contingent liabilities of a subsidiary or associate at the date of acquisition. Goodwill is carried at cost less accumulated impairment.

7.3.3. Research and development costs

Research and development costs are recognized as an expense when they occur, excluding development costs related to the design and testing of new or improved materials, products or technologies. These development costs are capitalized to the extent that such assets are expected to generate future economic benefits and the criteria for recognition of IAS 38 are met.

The board of directors of the Company has decided that Choice's development costs will no longer be activated under its IFRS consolidation from this 2021 Financial Report on.

7.3.4. Other intangible assets

Intangible assets acquired separately are capitalized at cost. They are depreciated over their economic life. Other intangible assets are depreciated linearly over a period of up to 7 years.

7.3.5. Tangible fixed assets

Property, plant and equipment is recognized at cost less accumulated depreciation and impairment. Generally, depreciation is calculated linearly over the expected useful life of the asset. When there is an indication that the tangible fixed asset in question has been impaired, the carrying amount is assessed to estimate whether it exceeds the recoverable amount. Where the carrying amount exceeds the estimated recoverable amount, the assets are depreciated to their recoverable amount.

7.3.6. Other fixed assets

Other fixed assets include long-term interest-bearing receivables and cash guarantees. Such long-term receivables are accounted for as loans and receivables issued by the enterprise and are recorded on an actualized basis. Impairment is recognized when the carrying amount exceeds the estimated recoverable amount.

7.3.7. Revenue recognition

(a) Supply of goods

In contracts with customers in which the supply of equipment is usually the only performance obligation, revenue is recognized at the time when control of the goods is transferred to the customer, generally upon delivery of the goods.

(b) Rendering of services

Services are provided either in separate contracts with the customers or bundled in combination with the supply of equipment or as software as a service. Currently, the Group accounts for the services and equipment as separate performance obligations of bundled sales, with the consideration being allocated to these performance liabilities on the basis of relative fair values. The Group recognizes service revenue in proportion to the services provided.

(c) Software

Software not delivered as a service but as a license is recognized when the license is granted. When a one off license is concerned, revenue is recognized one off, at the moment of granting the license. When a recurrent (e.g. monthly or yearly) license is granted, revenue is recognized recurrently (e.g. monthly or yearly).

7.3.8. Government grants

Government grants relating to research and development projects and other forms of grants shall be included in the result in the event of irrevocable acquisition in proportion to the relevant costs incurred.

7.3.9. Trade receivables and other receivables

Trade receivables and other receivables are recognized in the balance sheet at actualized cost (normally the original invoiced amount), less an impairment for bad debts and an amount for expected credit losses. The impairment for bad debts is recognized in operating profit if it is likely that the company will not be able to collect all amounts due. Impairments are calculated on an individual basis, based on an age-related analysis of trade receivables. To determine expected credit losses, the simplified approach acknowledging lifetime expected losses on all trade receivables is used. This amount is determined on a portfolio basis.

7.3.10. Cash and Cash Equivalents

Cash and cash equivalents include cash at hand, bank accounts and short-term investments or other committed and short term callable receivables on financial institutions or shareholders.

7.3.11. Equity

The transaction costs of an equity transaction are recorded as a reduction in equity, after deduction of any related income tax benefits.

7.3.12. Trade and other liabilities

Trade payables and other liabilities are originally recorded at actualized cost, which is equal to the cost at the date of recognition, as an approximation of fair value.

7.3.13. Employee benefits

Employee benefits are recognized as expenses when the economic benefit arising from the services provided by an employee in exchange for employee benefits occurs, and as an obligation when an employee has performed services in exchange for employee benefits due in the future.

7.3.14. Transactions in foreign currencies

Transactions in foreign currencies are recorded at the prevailing exchange rate on the date of the transaction or at the end of the month preceding the transaction. At the end of the reporting period, the outstanding balances of claims and liabilities in foreign currencies are measured at the prevailing exchange rate at the end of the reporting period. Foreign exchange results are recognized in the income statement in the period in which they arise.

7.3.15. Taxes on the result

The current taxes on the result are based on the results of the companies in the Group and are calculated according to the local tax rules. Deferred tax assets and liabilities are determined using the balance sheet method, for all temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting. The tax rates used are expected to apply to the period in which the exposure is realized or the liability is settled, based on tax rates and tax laws whose legislative process is materially closed at the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences, unused tax benefits carried forward and uncompensated tax losses, to the extent that it is likely that future taxable profit will be available to offset the deductible temporary differences, unused tax benefits carried forward and tax losses. The carrying amount of deferred tax assets is measured and reduced at each balance sheet date to the extent that it is no longer likely that future taxable profit will be available with which the deferred tax asset can be set off in whole or in part. Deferred tax assets and liabilities are netted if there is a legally enforceable right to offset current tax assets and liabilities, and if the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority. The Group reviews its tax positions in the financial statements and in the tax returns and how they are supported.

7.3.16. Impairment of assets

Goodwill is tested for impairment at least annually. For other tangible and intangible assets, an assessment is made at each balance sheet date as to whether there is an indication of a possible impairment of the asset. If such an indication exists, an impairment test should be performed to determine whether and to what extent an impairment should be recognized to reduce the value of the asset to its recoverable amount (i.e. the highest value of (i) value in use or (ii) fair value less selling costs).

Fair value less selling costs is determined as (i) fair value (the price that would be received to sell an asset in a regular transaction on the main market at the measurement date in current market conditions) minus (ii) the cost of sale, while the value in use corresponds to the present value of the future cash flows that can be expected to be generated from an asset. For individual assets, the recoverable amount is estimated, or, if that is not possible, for the cash-generating unit to which the assets belong. An impairment is recognized each time the carrying amount of an asset or its cash-generating unit exceeds recoverable amount. Impairments are recognized in the income statement. Reversals of impairment recognized in previous financial years are recognized as income when there is an indication that the impairments recognized for the asset are no longer (or to a lesser extent) necessary. An exception to this is impairment of goodwill, which is never reversed.

7.3.17. Share and warrant-based payments

The cost of share-based payment transactions is reflected in the income statement. The warrants are valued on the grant date, based on the share price on the award date, the strike price, the expected volatility, the dividend expectation and the interest rate. The cost of warrants is spread linearly over the period from the grant date to the end of the vesting period.

7.3.18. Net result per share

Basic earnings per share are calculated based on the weighted average of the number of shares outstanding over the period. Diluted earnings per share are calculated on the basis of the weighted average of the number of shares outstanding during the period plus the dilutive effect of the outstanding warrants during the period. Because diluted earnings per share should not exceed basic earnings per share, diluted earnings per share are kept in line with basic earnings per share in the event of negative net profit.

7.3.19. New IFRS standards

The new and amended standards and interpretations published but not yet applicable at the date of publication of the Group's financial statements are explained below.

Standards and interpretations applicable for the financial year beginning on or after 1 January 2021.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of reference rates – phase 2

- Amendment to IFRS 16 Leases: Lease concessions due to COVID-19 (applicable for financial years from 1 June 2020)
- Amendments to IFRS 4 Insurance Contracts – Extension of the temporary exemption for the application of IFRS 9 until 1 January 2023 (applicable for financial years from 1 January 2021)

Standards and interpretations published, but not yet applicable for the financial year beginning on 1 January 2021

- Amendment to IFRS 16 Leases: Lease concessions due to COVID-19 after 30 June 2021 (applicable for financial years from 1 April 2021)
- Amendments to IAS 16 Property, Plant and Equipment: income derived for its intended use (applicable for financial years beginning on and including 1 January 2022)
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets: loss-making contracts – cost of performing the contract (applicable for financial years from 1 January 2022)
- Adjustments to IFRS 3 Business combinations: references to the conceptual framework (applicable for financial years from 1 January 2022) Annual improvements 2018–2020 (applicable for financial years from 1 January 2022)
- Amendments to IFRS 17 Insurance contracts (applicable for financial years from 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (applicable for financial years as of 1 January 2023, but not yet approved within the European Union)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (applicable for financial years as of 1 January 2023 but not yet approved within the European Union)
- Adjustments to IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of estimates (applicable for financial years as of 1 January 2023 but not yet approved within the European Union)
- Amendments to IAS 12 Income Taxes: Deferred taxes relating to assets and liabilities arising from a single transaction (applicable for financial years from 1 January 2023 but not yet approved within the European Union)

None of these published IFRS standards, but which do not yet apply, are expected to have a material impact on the consolidated financial statements.

7.4. Detailing notes to the 2021 consolidated financial statements

This chapter provides notes with details on the financials of 2020 and 2021, based on the consolidated financial statements in accordance with IFRS.

7.4.1. Opex

The main components of the operational expenses before depreciations and amortizations in the consolidated income statement are as follows.

	2021		2020	
	€ 000	%	€ 000	%
OPEX before D&A				
R&D expenses	908	52%	223	36%
S&M expenses	534	30%	123	20%
G&A expenses	319	18%	279	45%
Totaal	**1,761**	**100%**	**625**	**100%**

7.4.2. Income Tax

The main components of income tax expense in the consolidated income statement are as follows.

	2021	2020
Income-tax	€ 000	€ 000
Current year income-tax	-	-
Deferred income-tax	(533)	(188)
Totaal	**(533)**	**(188)**

For the purpose of calculating a provision for the deferred tax asset and associated negative tax charge in the P&L, the average tax rate is estimated at 30%, taking into account tax rates, law and practices in Belgium, Switzerland and the USA. This provision will be adjusted when actual information from tax authorities will be received on the status and specific amounts of the deferred tax assets.

7.4.3. Equity

Equity at the beginning and at the end of 2021 is reported as follows.

2021			
€ 000	**Paid in capital**	**Profit (loss) carried forward**	**Total net equity**
on January 1 2021	66,699	(439)	66,260
Profit (loss) of the period		(1,243)	(1,243)
Total December 31, 2021	66,699	(1,682)	65,016

7.4.4. Other receivables

The main components of other receivables on the consolidated balance sheets of 2020 and 2021 are as follows.

	2021	**2020**
Other receivables	€ 000	€ 000
Choice Trust receivable	55	1,663
Taxreceivable	53	38
Total other receivables	**108**	**1,701**

7.4.5. Cash and cash equivalents

The main components of cash and cash equivalents on the consolidated balance sheets of 2020 and 2021 are as follows.

Cash & cash equivalents	**2021**	**2020**
	€ 000	€ 000
Cash at hand	-	-
Bank accounts	2	638
Cash equivalent at Choice STAK	300	-
Total	**302**	**638**

7.4.6. Accounts Payables

The main components of accounts payables on the consolidated balance sheets of 2020 and 2021 are as follows.

	2021	2020
Accounts payables	€ 000	€ 000
Trade payables	295	196
Taxpayable	26	13
Total other receivables	**321**	**209**

No significant events occurred after the end of the financial year that could significantly affect the company's results and financial position.

7.5. Risks

7.5.1. Risk related to the assets

Choice NV's assets are owned directly, or through its US subsidiaries B12 Inc. and A11 Inc. They mainly consist of investments in intellectual property rights and other intangibles such as know-how and technologies for Media, Telecom and other technological sectors such as e-money and payment software.

The success of the commercialization of these intangible assets has yet to materialize in the future because Choice NV is still a technological start-up. Furthermore, significant intellectual property rights of the Company are held via its aforementioned US subsidiaries, this implies a specific exposure to the risks inherent to the international structure that could harm the intellectual property protection of the Company.

The Choice NV's investments are all concentrated in the Technology, Media & Telecom sectors, and more specifically in software, content licensing and telecom-related activities. It cannot be ruled out that competition in this sector will intensify and give rise to more difficult negotiations regarding telecom and content services and, as a result, decrease the value of the Shares due to a negative impact on the financial results of Choice NV. The Media & Telecom sector is a closed sector. Attempting to penetrate the market by means of the innovative platform being developed by Choice NV involves risks. Given that competition is fierce, there is a risk of lawsuits being instituted to protect existing dominant positions. This therefore entails a risk to the development of the activities and results of Choice NV.

7.5.2. Risk related to the international operations planned by the Company

The investments and the development of Choice NV has been started in Belgium and the Netherlands with the plan to further develop in other European countries, the United States and the rest of the world.

While expanding international operations, the Company will be subject to a variety of risks, including:

- differing regulatory requirements, including tax laws, trade laws, labor regulations or trade restrictions;
- greater difficulty supporting and localizing the users of the Choice platform;
- challenges inherent in efficiently managing an increased number of employees or partners over large geographic distances, including the need to implement appropriate systems, policies, and compliance programs;
- differing legal and court systems, including limited or unfavorable intellectual property protection;
- risk of change in international political or economic conditions;
- restrictions on the repatriation of earnings.

7.5.3. Risks related to the macroeconomic framework in the context of the Covid-19 pandemic

The Covid-19 pandemic has increased the risks related to the global economic stability. The high level of uncertainty over its economic implications have already had a clear impact on the financial markets, which have experienced a surge in volatility. Several indicators may suggest that the impact of the Covid-19 pandemic may be substantial on the economic activity in short, medium and long term, notably in Belgium and EU countries where the Company is and plans to be active. Although the Technology, Media & Telecom sectors where the Company is operating, appear so far to be relatively preserved from negative impacts resulting from this pandemic, its persistence and the uncertainty it creates could significantly worsen the financial market's stability and the general economic context, this could have material adverse effects on the Company's business and on its financial, economic and asset situation and could jeopardize the viability of the Company.

7.5.4. Exchange rate risk

Group assets and liabilities recognized are exposed to the exchange rate risk on recognized assets and liabilities when denominated in a currency other than the company's local currency. Such risks may be naturally secured if a monetary asset (such as a trade receivable or cash deposit) in a particular currency corresponds to a monetary obligation (such as a trade debt or loan) in the same currency.

8. Parent company financial Information

A draft of the parent company (Choice NV) official "jaarrekening", i.e. the financials to be published at the Central Bank of Belgium after the approval the general shareholder meeting, are attached as a separate pdf document.

9. Shareholder information

9.1. Annual General Meeting

The annual general meeting will be held on Tuesday June 28, 2022 at 10:00 am at the registered office of the company or any other place and time specified in the convocation.

9.2. Participation

Shareholders who wish to participate and vote on the annual general meeting must be registered in the share register no later than June 20 2022 and a notification of attendance at the meeting should be made to Choice NV no later than June 20 2022.

9.3. Financial Calendar

Announcement of the financial information before market hours is scheduled as follows:

Consolidated results full year 2021: 10 March 2022

Publication Annual Report 2021 on website: 10 March 2022

Annual shareholder's meeting: on Tuesday June 28, 2022 at 10:00 am at the registered office of the company or any other place and time specified in the convocation.

Investor relations

Philip Vandormael first line IR, Bart Van Coppenolle second line IR, both are available for meetings.

10. Auditor's unqualified declaration

FIMACCOUNT
ACCOUNTING & TAX SERVICES

Verslag van de onafhankelijk Accountant aangesteld door de raad van bestuur in het kader van de aanvraag tot 'uplisting' van Choice NV van Euronext Access naar Euronext Growth over de geconsolideerde balans, resultatenrekening en cash flow statement over de boekjaren afgesloten op 31 december 2021 en 2020

Overeenkomstig de opdracht ons verstrekt door de raad van bestuur van Choice NV, met maatschappelijke zetel te Jachthoorn 5, te 3210 Lubbeek (**Choice**), brengen wij verslag uit aan de raad van bestuur van Choice.

Dit verslag bevat ons oordeel over de geconsolideerde balansen, resultatenrekeningen en cash flow statements van Choice NV en haar consolidatiekring zijnde de vennootschappen onder de controle van Choice NV: Beta 12 Inc. en haar twee dochtervennootschappen Alpha 11 Inc. en Choice CH GmbH (de **Choice 2020 en 2021 cijfers**), opgenomen in annex.

Wij hebben de controle verricht op de boekhoudingen van bovenvermelde vennootschappen overeenkomstig het in België van toepassing zijnde boekhoudkundig referentiestelsel. Tevens hebben wij een controle verricht op de consolidatie gebruik makend van IFRS.

Verklaring zonder voorbehoud

Naar ons oordeel geven de Choice 2020 en 2021 cijfers een getrouw beeld van de financiële toestand, het resultaat, het eigen vermogen, de activa, de passiva en de cash flows van Choice over de boekjaren 2021 en 2020. Wij maken geen voorbehoud bij dit oordeel.

Brussel, 23 februari 2022

Fimaccount BV

Onafhankelijk Accountant

Vertegenwoordigd door

DIEGO PAZIENZA

Executive Director

Annex: De Choice 2020 en 2021 cijfers

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10.1. Translation of the auditor’s declaration

Report of the independent Auditor appointed by the board of directors in the context of the application for 'uplisting' of Choice NV from Euronext Access to Euronext Growth on the consolidated balance sheet, income statement and cash flow statement for the financial years ended 31 December 2021 and 2020.

In accordance with the assignment given to us by the board of directors of Choice NV, with registered office at Jachthoorn 5, 3210 Lubbeek (**Choice**), we report to the board of directors of Choice.

This report contains our opinion on the consolidated balance sheets, income statements and cash flow statements of Choice NV and its scope of consolidation being the companies under the control of Choice NV: Beta 12 Inc. and its two subsidiaries Alpha 11 Inc. and Choice CH GmbH (the **Choice 2020 and 2021 figures**), included in annex.

We have carried out the audit of the accounts of the above-mentioned companies in accordance with the accounting reference system applicable in Belgium. We also carried out an audit of the consolidation using IFRS.

Unqualified declaration

In our opinion, the Choice 2020 and 2021 figures give a true and fair view of the financial condition, result, equity, assets, liabilities and cash flows of Choice for the financial years 2021 and 2020. Our opinion is given without reservation.

Brussels, February 23, 2022

Fimaccount B.V.

Independent Accountant

Represented by

DIEGO PAZIENZA

Executive Director

Annex: The Choice 2020 and 2021 figures