



EAST TOTAL LOGISTICS

**East Total Logistics B.V.
Rotterdam**

Annual Report

For the year ending on December 31, 2019

Report on the annual accounts January 1, 2019 up to December 31, 2019

Company: East Total Logistics B.V.

Place: Rotterdam

Date: May 15, 2020

East Total Logistics B.V.
Rotterdam

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To: East Total Logistics B.V.
Kralingseweg 215
3062CE Rotterdam

Compilation report

Introduction

In accordance with the instructions of the directors of the company, we have compiled the financial statements of East Total Logistics B.V., Rotterdam for the year January 1, 2019 up to December 31, 2019. The accuracy and completeness of the information, and the financial statements based thereon, are the responsibility of the directors of the company.

Responsibility of the management

In the execution of our work we have based ourselves on the information provided by the management of the company. The responsibility for the correctness and completeness of that data and for the annual accounts based thereon lies with the management of the company.

Scope

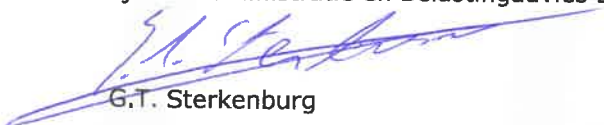
We have compiled the financial statements in accordance with generally accepted standards for compilation engagements in the Netherlands. Our procedures were limited primarily to gathering, processing, classifying and summarizing financial information. These procedures do not provide the same level of assurance as to whether the financial statements are free of material misstatement as that provided by an audit or a review by an Accountant.

Confirmation

We have compiled the financial statements in accordance with accounting principles generally accepted in the Netherlands and with the financial reporting requirements as included in Part 9, Book 2 of the Netherlands Civil Code.

Rotterdam, May 15, 2020

Tjeerd Administratie en Belastingadvies B.V.


G.T. Sterkenburg

East Total Logistics B.V.
Rotterdam

Annual Report December 31, 2019 - Financial position

Below we provide an analysis of your company's financial position. Note that balance sheet items can fluctuate during the year and the value as of the balance sheet date could deviate considerably from any randomly chosen date in the financial year. (This might have influenced the impact on ratios, had another date been selected).

A summary of the balance sheet as of December 31, 2019 with comparative figures for December 31, 2018

	December 31, 2019		December 31, 2018	
	EUR	%	EUR	%
Assets				
Fixed assets	10.303	0,8%	11.933	1,2%
Short term loans	0	0,0%	0	0,0%
Receivables, prepayments and accrued income	1.236.819	94,0%	891.288	88,6%
Cash at bank and in hand	68.442	5,2%	102.743	10,2%
	<u>1.315.564</u>	<u>100%</u>	<u>1.005.964</u>	<u>100,0%</u>
Equity and liabilities				
Shareholders' equity	419.141	32%	120.470	12%
Long-term liabilities	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>
Total of long-term liabilities and equity	419.141	32%	120.470	12%
Current liabilities, accruals and deferred income	896.423	68%	885.494	88%
	<u>1.315.564</u>	<u>100%</u>	<u>1.005.964</u>	<u>100,0%</u>

Annual Report - Working capital

On the basis of this summary, a statement of the working capital has been provided. Working capital is defined as all current assets less current liabilities.

	Dec. 31, 2019	Dec. 31, 2018	Movement
Short term loans	0	0	0
Receivables, prepayments and accrued income	1.236.819	891.288	345.531
Cash at bank and in hand	68.442	102.743	-34.301
Total current assets	<u>1.305.261</u>	<u>994.031</u>	<u>311.230</u>
Less: Current liabilities, accruals and deferred income	<u>896.423</u>	<u>885.494</u>	<u>10.929</u>
Working capital	<u>408.838</u>	<u>108.537</u>	<u>300.301</u>

East Total Logistics B.V.
Rotterdam
(Financial position)

Annual Report - Solvency

From the solvency – defined as the ratio of the equity divided by the liabilities (and also defined as the ratio of equity divided by the sum of equity and liabilities) – the resilience of the company may be deduced.

The level of solvency depends on the nature of the company. No general principles can be given for this. By means of the ratios presented below insight can be gained into the solvency of the company.

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Ratio equity / sum of equity and liabilities	31,86%	11,98%
Ratio equity / liabilities	46,76%	13,60%

Annual Report - Liquidity

From the liquidity – defined as the ratio of current assets divided by current liabilities – it may be deduced to what extent the company can settle its financial liabilities in the short-term.

By means of the ratios presented below, insight can be gained into the liquidity of the company.

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Annual Report - Quick ratio:		
Ratio receivables, securities and cash / current liabilities	1,46	1,12
Annual Report - Current ratio:		
Ratio current assets / current liabilities	1,46	1,12

Annual Report - Earning capacity

The earning capacity of the liabilities indicates the rate of expenses compared to liabilities operative in the company. By means of the ratios presented below insight can be gained into the earning capacity of the company.

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Interest expenses / average liabilities	0,00%	0,00%

Employees

On December 31, 2019 the Company employs 6 staff (December 31, 2018: 6). The average count of employees in 2019 is 6 (2018: 6).

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Average turnover per employee (turnover / average number of employees)	1.641.625	1.653.269
Average personnel expenses per employee (personnel expenses / average number of employees)	74.095	77.530
Personnel expenses per EUR 100 turnover (personnel expenses / turnover x EUR 100)	4,51%	4,69%

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Fiscal position

Taxable amount and tax for the financial year

The taxation according to the profit and loss account can be calculated as follows.

	Dec. 31, 2019	Dec. 31, 2018
Result before taxation	440.789	466.523
Fiscal non-deductible expenses	9.400	3.476
	<hr/>	<hr/>
Investment allowance	450.189	469.999
	-1.716	-1.680
Taxable amount	<hr/> 448.473 <hr/>	<hr/> 468.319 <hr/>
 Total corporate taxes	 100.118	 107.747

Tax losses available for set-off

There are no tax losses available for set-off

Balance sheet as of December 31, 2019, with comparative figures for December 31, 2018

	Note	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
		EUR	EUR
Assets			
Fixed assets			
Intangible fixed assets	1	0	0
Tangible fixed assets	2	10.303	11.933
Financial fixed assets	3	0	0
Total fixed assets		10.303	11.933
Current assets			
Short term loans	4	0	0
Receivables, prepayments and accrued income	5	1.236.819	891.288
Cash at bank and in hand	6	68.442	102.743
Total current assets		1.305.261	994.031
Total		1.315.564	1.005.964
Equity and liabilities			
Shareholders' equity			
Registered capital	7	18.000	18.000
Capital reserves		0	0
Revenues reserves and result previous years		60.470	102.470
Dividends (to be) paid		0	0
Net profit/loss for the year		340.671	0
Total equity		419.141	120.470
Long-term liabilities	8	0	0
Short term liabilities			
Liabilities credit institutions short term	9	0	0
Accounts payable for deliveries and services	10	730.452	480.243
Other accounts payable	11	165.971	405.251
Total short term liabilities		896.423	885.494
Total		1.315.564	1.005.964

Profit and loss account 2019, with comparative figures for 2018

		Dec. 31, 2019	Dec. 31, 2018
		EUR	EUR
Net-turnover		9.849.750	9.919.613
Cost of sales		-8.647.325	-8.756.204
Gross margin	15	1.202.425	1.163.409
Wages, salaries and social security	16	444.572	465.183
Amortisation/depreciation of intangible/tangible fixed assets	17	4.143	6.038
Impairment in value of current assets	18	0	0
Other operating expenses	19	302.201	218.768
Total expenses		750.917	689.989
Operating result		451.509	473.420
Financial income and expense	20	10.053	9.558
Extraordinary result	21	667	-2.661
Result on ordinary activities before taxation		440.789	466.523
Taxation on result of ordinary activities	22	100.118	107.747
Result on ordinary activities after taxation		340.671	358.776
Extraordinary result after taxation		0	0
Result after taxation		340.671	358.776

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General notes and principles

Activities

The activities of East Total Logistics B.V., having its legal seat at Oud-Beijerland, primarily consist of: National and International forwarding including sea-, air- and trucktransport, storage of cargoes, courier services, custom clearance and all other logistical services and consultancy.

Group structure

The company is part of a group, the mother company of East Total Logistics B.V. is Ecuhold N.V. at Antwerpen, Belgium which is for 100% shareholder since 19th of July 2019.

General accounting principles for the preparation of the financial statements

The financial statements have been prepared in accordance with generally accepted accounting standards in the Netherlands

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

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

Conversion of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are converted at the exchange rates prevailing at balance sheet date.

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

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated depreciation. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an intangible asset comes into use.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

Liabilities

These are recorded at face value.

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Principles for the determination of the result

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Net turnover

The gross operating result consists of the net turnover, other operating income and consumables and the cost of subcontracted work and other external charges. Net turnover represents amounts invoiced for goods and services supplied during the financial year under report, net of discounts and value added taxes.

Cost of sale

The cost of sale contains all direct cost of the net turnover.

Taxation

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

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Notes to the balance sheet of December 31, 2019, with comparative figures for December 31, 2018

1) Intangible fixed assets

There is on balance date no intangible fixed assets:

2) Tangible fixed assets

The movement in tangible fixed assets is as follows:

	Dec. 31, 2019	Dec. 31, 2018
At cost opening balance	32.877	26.876
Investments	6.129	6.001
Desinvestment	-19.951	0
At cost on balance date	19.055	32.877
Depreciation till previous periods	-20.944	-14.906
Depreciation for this year	-4.143	-6.038
Depreciation desinvestment	16.335	0
Bookvalue at balance date	10.303	11.933

3) Financial fixed assets

There is on balance date no financial fixed assets:

4) Short term loans

There is on balance date no short term loans:

5) Receivables, prepayments and accrued income

Of the total amount of receivables an amount of EUR 0,00 has a remaining term over 1 year. The specification is as follows:

	Dec. 31, 2019	Dec. 31, 2018
Accounts receivable for deliveries and services third	1.219.480	855.914
Allowance for doubtful accounts third	-37.795	-6.062
	1.181.685	849.852
Receivable from affiliated companies	0	0
Receivable VAT	45.134	41.436
Prepayments and Accrued Income	0	0
Other receivables	10.000	0
Total	1.236.819	891.288

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(Notes to the balance sheet of December 31, 2019, with comparative figures for December 31, 2018)

6) Cash at bank and in hand

The cash at bank and in hand are freely disposable by the company.

	Dec. 31, 2019	Dec. 31, 2018
ING Bank N.V. EUR account	55.172	69.978
ING Bank N.V. EUR account	0	0
ING Bank N.V. USD account	13.191	31.549
ING Bank N.V. EUR saving account	0	0
Petty cash	79	1.216
	68.442	102.743

7) Shareholders equity

Registered capital

The registered share capital of the company is EUR 90.000,- of which EUR 18.000,- have been issued and paid up.

Capital reserves

No payments were made by the shareholders to raise the capital reserves.

Revenues reserves and result previous years

This is the accumulated loss and/or profit of the company.

	Dec. 31, 2019	Dec. 31, 2018
Opening balance	102.470	102.470
Movements profit and/of loss	340.671	358.776
Dividend payments to shareholders in this year	-42.000	0
Dividend to be paid to shareholders proposal	0	-358.776
Bookvalue at balance date	401.141	102.470

Net profit/loss for the year

This is the net profit or loss of the company for the year 2019 with comparative numbers for 2018.

8) Long-term liabilities

There are no long-term liabilities.

9) Liabilities credit institutions short term

There are no short term liabilities to credit institutions

10) Accounts payable for deliveries and services

	Dec. 31, 2019	Dec. 31, 2018
Accounts payable for deliveries and services Third	677.735	480.243
Accounts payable for deliveries and services Affiliated	52.717	0
Total	730.452	480.243

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(Notes to the balance sheet of December 31, 2019, with comparative figures for December 31, 2018)

11) Other accounts payable	Dec. 31, 2019	Dec. 31, 2018
Accrued expenses	79.000	5.500
Provision holiday allowance	4.924	8.885
Other staff provisions	30.000	0
Payable income taxes and social charges	14.857	17.726
Payable corporate taxes	37.119	24.246
Payable dividend to shareholders	0	348.776
Other payable	71	118
Total	165.971	405.251

Contingent assets and liabilities

12) Income tax

As at balance sheet date the Company has no losses which can be compensated with future profits. No deferred tax asset is recorded.

13) Other obligations

The amounts due in respect of non-cancellable operating leases are payable as follows:

Operating lease cars	Dec. 31, 2019	Dec. 31, 2018
Less than one year	7.054	14.817
Between one and five years	0	7.054
Longer than five years	0	0
Total	7.054	21.871

14) Guarantees and pledge of company shares

All shares of the company have been pledge, by the mother company, in favour of various banks, details are unknown on company level.

Notes to the profit & loss account 2019 with comparative figures for 2018

	Dec. 31, 2019		Dec. 31, 2018	
	EUR	EUR	EUR	EUR
15) Gross margin				
Net turnover operational	-9.849.750		-9.919.613	
Other revenues	0		0	
Cost of sales	8.647.325		8.756.204	
Total		-1.202.425		-1.163.409
Margin in percentage		12,2%		11,7%
Operational margin (excl. other revenues)		12,2%		11,7%
16) Wages, salaries and social security				
Wages	226.374		279.862	
Holiday/vacation provision mutation	0		0	
Social security charges	38.725		45.641	
Contribution towards pension	8.677		13.863	
Travelling expenses employees	4.160		4.236	
Training and education	0		507	
Independent contractors	127.800		110.400	
Other staff expenses	38.835		10.674	
Total		444.572		465.183
Average number of employees		6		6
17) Amortisation/depreciation				
Intangible fixed assets	0		0	
Tangible fixed assets	4.143		6.038	
Total		4.143		6.038
18) Impairment in value of current assets		0		0
19) Other operating expenses				
Housing expenses	47.243		44.231	
Car expenses	45.579		69.559	
Selling expenses	82.599		51.254	
Office expenses	126.780		53.723	
Total		302.201		218.768
Housing expenses				
Office rent	43.532		41.787	
Services cost and maintenance	2.145		1.695	
Other housing expenses	1.566		750	
Total		47.243		44.231

19) Other operating expenses (contd.)	Dec. 31, 2019		Dec. 31, 2018	
	EUR	EUR	EUR	EUR
Car expenses				
Lease staff cars	16.430		31.282	
Fuel	8.636		12.017	
Other car expenses	20.513		26.261	
Total		45.579		69.559
Selling expenses				
Advertising and promotion	8.182		12.990	
Marketing and relation gifts	3.994		2.801	
Representation expenses	8.740		5.806	
Travel and hotel expenses	21.747		15.188	
Bad debts	35.666		7.983	
Other selling expenses	4.270		6.487	
		82.599		51.254
Office expenses				
Telephone and data lines	3.111		9.322	
Office supplies	5.016		2.698	
Legal/notary charges	0		2.156	
Consultancy charges	5.035		0	
Auditor charges	11.665		8.558	
IT charges	17.692		11.516	
Contribution and subscription	17.259		14.095	
Insurance	3.480		5.605	
Management fee HQ	63.000		0	
Other office expenses	522		-226	
Total		126.780		53.723
20) Financial income and expense				
Interest revenues	2		-19	
Interest cost	-41		14	
Exchange differences	3.054		1.456	
Financial expenses bank	7.037		8.106	
Total		10.053		9.558
21) Extraordinary result				
Result on disposal/sale fixed assets	667		-2.661	
Other extraordinary income/expenses	0		0	
		667		-2.661
22) Taxation				
Corporate taxes	100.118		107.747	
		100.118		107.747
		340.671		358.776

East Total Logistics B.V.
Rotterdam

Other information

Audit

The company has utilized the exemption from an audit by virtue of article 2:396, paragraph 6 of the Netherlands Civil Code.

Statutory rules concerning appropriation of result

Distributions may be made only if the equity is more than the paid-up and redeemed part of the issued capital and reserves, increased with legal reserves.

Proposed appropriation of result for the financial year 2019

The board of directors proposes that the profit for the financial year 2019 amounting to EUR 340.671,- (2018: EUR 358.776,-) should be split as follow:

EUR 340.671,- to be added to the reserve.

Signing of the financial statements

Rotterdam, May 15, 2020

R. Rens Holding B.V.

R. Rens

A large, stylized handwritten signature in blue ink is written over the text 'R. Rens' and extends across the page.