

**Merzario International B.V.**

**te Ridderkerk**

**Consolidated Financial report 2020**

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## Inhoudsopgave

<b>Directors' Report</b>	<b>3</b>
Directors' report	4
<b>Consolidated Financial statements 2020</b>	<b>8</b>
Consolidated Balance sheet as at December 31, 2020	9
Consolidated Income statement for the year ended 2020	10
Consolidated Cash flow statement for 2020	11
General notes	12
Accounting policies	14
Notes to consolidated balance sheet	17
Notes to income statement	20
Other notes	22
<b>Company Financial Statements 2020</b>	<b>23</b>
Company Balance sheet as at December 31, 2020	24
Company Income statement for the year ended 2020	25
Accounting policies	26
Notes to company balance sheet	27
Notes to income statement	31
Other notes	32
<b>OTHER INFORMATION</b>	<b>33</b>
Other information	34



## **DIRECTORS' REPORT**



## **Directors' report**

**Location of signing**  
Rotterdam, October 11, 2021



## **Directors Report Merzario International BV 2020**

### **General**

Based in Rotterdam , Merzario International BV is a logistic service provider with her own 100 % fully owned subsidiaries in Germany,UK , Vietnam ,China and Hong Kong.

The main activities of the company are arranging transport by road, sea and air.

The staff has grown a little bit in relation to 2019.  
A further increase in 2021 will follow.

### **Strategy**

The company's goal is still to reach a critical mass whereby maximum profits and and continuity are assured.

### **Important changes in 2020.**

A board team of 4 directors was installed in 2020.  
The departments sales , IT and operations are enforced in 2020.  
In November 2020 a new CEO was appointed.  
No changes in the shareholding of the company.

### **Risks**

There is always the risk of human mistakes. Insurances will cover this.  
The company is cloudbased which minimize the risks of hacks , malware etc.  
The main risk remains international politics , because the company is acting on a worldwide scale.

### **Covid-19**

The company follows strictly the guidelines of several governments in the respective countries.

Teleworking at home has becomes a standard in our company. The IT system CargoWise is a big help and essential in this.

### **2020**

2020 has been a good year for the company.

Turnover increased 18 %, group profit increased 17 %

As at 31 December the solvency is 17 %.

The company is not active in research and development.

## **Future**

The future looks bright for Merzario.

Due to Covid-19 , disruption in the supply chain , shortage of goods and an ongoing demand of customers the result of 2021 will strongly improve.

Rotterdam 11 october 2021

N.D.de Ruiter

# **CONSOLIDATED FINANCIAL STATEMENTS 2020**





**Consolidated Balance sheet as at December 31, 2020****Assets**

<i>(after profit appropriation)</i>		31 Dec 2020		31 Dec 2019
	€	€	€	€
<i>Non-current assets</i>				
Property, plant and equipment		748,546		682,126
<i>Current assets</i>				
<i>Receivables</i>				
Trade receivables	9,101,689		7,047,837	
Tax receivables	172,125		147,918	
Other receivables	3,132,311		2,268,011	
		12,406,125		9,463,766
Cash and cash equivalents		1,044,754		1,640,586
<b>Total</b>		<b>14,199,425</b>		<b>11,786,478</b>

**Equity and liabilities**

<i>(after profit appropriation)</i>		31 Dec 2020		31 Dec 2019
	€	€	€	€
<i>Group equity</i>				
Equity	1,598,538		1,591,369	
Non-controlling interest	865,856		575,854	
		2,464,394		2,167,223
<i>Current liabilities</i>				
Trade payables	1,850,844		3,986,340	
Other related parties	322,488		322,488	
Shareholders and participating interests	942,415		462,532	
Taxes payable and social security contributions payable	643,736		517,523	
Other payables	7,975,548		4,330,372	
		11,735,031		9,619,255
<b>Total</b>		<b>14,199,425</b>		<b>11,786,478</b>



**Consolidated Income statement for the year ended 2020**

	2020		2019	
	€	€	€	€
Net revenue	69,483,429		58,882,338	
<b>Operating income</b>		69,483,429		58,882,338
Cost of sales	58,477,579		47,313,019	
Employee benefits	5,694,753		6,161,423	
Amortisation, depreciation and impairment	188,939		201,395	
<i>Other operating expenses</i>				
Other personnel related expenses	203,173		186,538	
Accommodation costs	815,319		1,023,337	
Sales related expenses	120,021		442,328	
Car and transport costs	147,545		210,600	
General expenses	735,956		664,327	
<b>Operating expenses</b>		66,383,285		56,202,967
<b>Operating result</b>		3,100,144		2,679,371
Financial income and expense		-54,402		-49,654
<b>Result before tax</b>		3,045,742		2,629,717
<i>Income tax expense</i>		-515,357		-456,565
<b>Result after tax</b>		2,530,385		2,173,152
Result attributable to non-controlling interest		380,002		333,737
<b>Net result after tax</b>		2,150,383		1,839,415

## Consolidated Cash flow statement for 2020

*Indirect method*

	2020	2019
	€	€
Operating result	3,100,144	2,679,371
Adjustments due to depreciation and amortisation	188,939	201,395
Change in trade accounts receivable	-2,053,852	-
Change in other receivables	-855,407	-
Change in trade accounts payable	-2,135,496	-
Change in other payables	4,123,875	-
<b>Cash flow from operations</b>	<b>2,368,203</b>	<b>2,880,766</b>
Interest received	622	-
Interest paid	-55,024	-
Dividends paid -/- received	-2,105,000	-2,650,000
Income tax paid	-421,060	-
<b>Cash flow from operating activities</b>	<b>-212,259</b>	<b>230,766</b>
Purchase of property, plant and equipment	-255,359	-
<b>Cash flow from investing activities</b>	<b>-255,359</b>	<b>-</b>
Paid dividend to minority shareholders	-90,000	-
<b>Cash flow from financing activities</b>	<b>-90,000</b>	<b>-</b>
Net cash flows	-557,618	230,766
Exchange differences on monetary resources	-38,214	-
<b>Change in monetary resources</b>	<b>-595,832</b>	<b>230,766</b>

## General notes

Name legal entity	Merzario International B.V.
Legal form	Besloten vennootschap
Registered office	Ridderkerk
Registration number Chamber of Commerce	24383120
Basis of preparation	Commercial

### Most important activities

The activities of Merzario International B.V. and its group companies consist mainly of management and expedition activities.

### Location actual activities

The office address of Merzario International B.V. is K.P. van der Mandelelaan 20, 3062 MB Rotterdam, the registered place of business is Ridderkerk. Merzario International B.V. is registered at the Chambers of Commerce under number 2433120.

### Consolidation policy

The consolidation includes the financial information of Merzario International B.V., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Merzario International B.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which Merzario International B.V. exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

The Company's interests in joint ventures are accounted for by proportionate consolidation. An entity qualifies as a joint venture if its participants exercise joint control under a collaborative agreement. Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

The participating interests owned by the Company are the following:

- Merzario B.V., Ridderkerk (70% direct interest);
- Merzario Ltd., England (100% direct interest);
- Merzario Limited, Hong-Kong (100% direct interest);
- Lintrans B.V., te Ridderkerk (100% direct interest);
- Merzario GmbH, Germany (100% direct interest);
- Merzario China Ltd., China (100% indirect interest)
- Merzario Ltd., Ho Chi Minh City, Vietnam (100% direct interest).

### Consolidation

Disposal groups that are acquired solely held for disposal are not consolidated. These 'held for disposal' companies are recognised as securities as part of current assets, if, on the date of the acquisition, a sale within a year or within a short period thereafter is probable.

### **Overview consolidated interests**

#### **Notification application article 402**

Since the income statement for 2020 of Merzario International B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.



## Accounting policies

### General

#### General policies

The financial statements have been issued at 11 October 2021.

*The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board.*

#### Accounting policies for the valuation of assets and equity and liabilities

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

#### Accounting policies for the income statement

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

#### Foreign currency translation

Items included in the financial statements of Merzario International B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of Merzario International B.V..

Monetary assets and liabilities in foreign currencies are converted tot the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited of charged to the income statement, unless hedge accounting is applied.

Non-monetary assets are measured at historical cost in foreign currency are converted at the exchange rate on the transaction date.

#### Pension arrangements

Merzario International B.V. operates a pension plan for its staff that qualifies as a defined contribution plan. The Company's sole obligation is payment of an annual contribution tot the insurance company. The contributions payable in the future depend on the developments in the terms and conditions of employment within the industry and on the returns generated on the contributions invested. The company does not form a provision for any future increases in the contributions.

#### Financial instruments

Financial instruments are primary and derivative financial instruments. For the financial instruments, reference is made to the treatment per balance sheet item.

### Accounting policies for assets

#### Property, plant and equipment

Land and buildings, plant and equipment, other fixed operating assets, tangible fixed assets in production and prepayments on tangible fixed assets are valued at historical cost plus additional costs



or production cost less straight-line depreciation based on the expected useful life. Land, tangible fixed assets in production and prepayment on tangible fixed assets are not depreciated. Impairments expected on the balance sheet date are taken into account. Depreciation starts when the asset has been taken into use.

With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

#### **Receivables**

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

#### **Cash and cash equivalents**

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

### **Accounting policies for the income statement**

#### **Net revenue**

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover. Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer. Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

#### **Other operating expenses**

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

#### **Income tax expense**

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

### **Accounting policies for the cash flow statement**

#### **Cash flow statement policy**

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group company has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group company have been deducted from the purchase consideration. Transactions not resulting in inflow or

outflow of cash, including finance leases, are not recognised in the cash flow statement. The value of the related asset and lease liability are disclosed in the notes to the balance sheet items. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.





## Notes to consolidated balance sheet

### Property, plant and equipment

	31 Dec 2020	31 Dec 2019
	€	€
Other tangible assets	748,546	682,126
<b>Total</b>	<b>748,546</b>	<b>682,126</b>

Movements in tangible fixed assets can be broken down as follows:

	Other tangible assets €
<i>Carrying value January 1, 2020</i>	
Cost or manufacturing price	1,244,380
Accumulated amortisation and impairments	-562,254
	<u>682,126</u>
<i>Movements 2020</i>	
Additions	255,359
Depreciation	-188,939
	<u>66,420</u>
<i>Carrying value December 31, 2020</i>	
Cost or manufacturing price	1,370,251
Accumulated amortisation and impairments	-621,705
	<u>748,546</u>

### Receivables

	31 Dec 2020	31 Dec 2019
	€	€
Trade receivables, gross	9,114,403	7,461,308
Provision bad debts	-12,714	-413,471
	<u>9,101,689</u>	<u>7,047,837</u>
<i>Tax receivables</i>		
Corporate income tax	33,100	-
VAT	139,025	147,918
	<u>172,125</u>	<u>147,918</u>
Other receivables	3,132,311	2,268,011
<b>Total</b>	<b>12,406,125</b>	<b>9,463,766</b>

## Cash and cash equivalents

	31 Dec 2020	31 Dec 2019
	€	€
Bank credits	1,043,703	1,639,134
Cash	1,051	1,452
<b>Total</b>	<b>1,044,754</b>	<b>1,640,586</b>

## Group equity

### Non-controlling interest

Movements in the non-controlling interest can be broken down as follows:

<i>Non-controlling interest</i>	2020	2019
	€	€
Balance January 1	575,854	242,117
Dividend distribution	-90,000	-
Result attributable to non-controlling interest	380,002	333,737
<b>Balance December 31</b>	<b>865,856</b>	<b>575,854</b>

### Non-controlling interest

Non-controlling interests in group equity are stated at the amount of the net interest in the net assets of group companies concerned.

## Current liabilities

	31 Dec 2020	31 Dec 2019
	€	€
Trade payables	1,850,844	3,986,340
Other related parties	322,488	322,488
Shareholders and participating interests	942,415	462,532
<i>Taxes payable and social security contributions payable</i>		
Corporation income tax	322,762	195,365
Wage tax and social security	320,974	322,158
	<b>643,736</b>	<b>517,523</b>
Other payables	7,975,548	4,330,372
<b>Total</b>	<b>11,735,031</b>	<b>9,619,255</b>

### Disclosure

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

## Contingent liabilities

### Liability claim

The company has issued article 403 declarations with regards to the following companies: Merzario B.V. and Lintrans B.V.

Merzario Ltd (London, England), a wholly owned subsidiary of the company, is exempt from the requirements of the Companies Act 2006 concerning the audit of individual accounts pursuant to Section 479A for non-dormant subsidiaries. All outstanding debts of Merzario Ltd at 31 December 2020 have been guaranteed by Merzario International B.V. and no liability is expected to arise during the warranty period.

### Guarantees

As at 31 December 2020 the Company and its subsidiaries had provided guarantees in the total amount of €

€ 629.000 (2019: € 665.000).

### Payments to obtain usage rights

#### Off-balance sheet commitments relating to payments to obtain usage rights

As per year end the commitments relating to rent can be specified as follows:

0-1 year € 676.000

1-5 years € 2.706.000

> 5 years € 751.000

### Disclosure of operating leases

As per year end the commitments relating to lease can be specified as follows:

0-1 year € 5.000

1-5 years € -

> 5 years € -

### Other contingent liabilities

#### Disclosure of contingent arrangements

Merzario B.V. has a credit facility of € 1.000.000. The average interest rate is 5,95%. The securities are as follows:

- a pledge on receivables;
- a pledge on goods;
- a pledge on receivables arising from recourse and subrogation.

## Notes to income statement

### Revenue and gross margin

	2020	2019
	€	€
Net revenue	69,483,429	58,882,338
<b>Operating income</b>	<b>69,483,429</b>	<b>58,882,338</b>
Cost of sales	58,477,579	47,313,019
<b>Gross margin</b>	<b>11,005,850</b>	<b>11,569,319</b>

### Employee benefits

	2020	2019
	€	€
Wages and salaries	4,974,263	5,393,307
Social security contributions	629,279	680,503
Pension costs	89,312	87,613
Other employee benefits	1,899	-
<b>Total</b>	<b>5,694,753</b>	<b>6,161,423</b>

### Amortisation, depreciation and impairment

	2020	2019
	€	€
Depreciation of tangible assets	188,939	201,395
<b>Total</b>	<b>188,939</b>	<b>201,395</b>

### Other operating expenses

	2020	2019
	€	€
Other personnel related expenses	203,173	186,538
Accommodation costs	815,319	1,023,337
Sales related expenses	120,021	442,328
Car and transport costs	147,545	210,600
General expenses	735,956	664,327
<b>Total</b>	<b>2,022,014</b>	<b>2,527,130</b>

## Financial income and expense

	2020	2019
	€	€
Interest income credit institutions	622	2,703
Interest expenses credit institutions	-55,024	-51,607
Interest expenses other parties	-	-100
Valutakoersverschillen	-	-650
<b>Financial income and expense</b>	<b>-54,402</b>	<b>-49,654</b>

## Taxation

	2020	2019
	€	€
Income tax expense from current financial year	515,357	456,565
<b>Income tax expense</b>	<b>515,357</b>	<b>456,565</b>

The breakdown of the taxes are as follows:

	2020		2019	
	%	€	%	€
Result before tax		3,045,742		2,629,717
Toepasselijk belastingtarief	-	-	-	-
Current tax	16.9	515,357	17.4	456,565
<b>Effectief belastingtarief</b>	<b>16.9</b>	<b>515,357</b>	<b>17.4</b>	<b>456,565</b>

## Other notes

### Employees

The average number of employees during the year, converted to full-time equivalents, was as follows:

<i>Average number of employees during the period</i>	2020	2019
	fte	fte
Active within the Netherlands	59.1	58.6
Active outside the Netherlands	52.0	52.2
<b>Total</b>	<b>111.1</b>	<b>110.8</b>

  

<i>Average number of employees by segment</i>	2020	2019
	fte	fte
All personnel are working for the container business in one segment	111.1	110.8
<b>Total</b>	<b>111.1</b>	<b>110.8</b>

### Management and the supervisory board

#### Exemption remuneration of managing and supervisory directors

The statutory board of Merzario International B.V. consists of 1 person. In accordance with the exemption within 2:383 paragraph 1 of the Netherlands Civil Code, no disclosure regarding payments to directors has been made.

## COMPANY FINANCIAL STATEMENTS 2020



## Company Balance sheet as at December 31, 2020

### Assets

*(after profit appropriation)*

	31 dec 2020	31 dec 2019
	€	€
<i>Non-current assets</i>		
Financial assets	2,882,819	2,048,826
	<u>2,882,819</u>	<u>2,048,826</u>
<i>Current assets</i>		
Receivables	-	400,000
Cash and cash equivalents	14,884	7,453
	<u>14,884</u>	<u>407,453</u>
<b>Total</b>	<u><u>2,897,703</u></u>	<u><u>2,456,279</u></u>

### Equity and liabilities

*(after profit appropriation)*

	31 dec 2020	31 dec 2019
	€	€
<i>Equity</i>		
Share capital	18,000	18,000
Legal reserves	-29,141	9,073
Other reserves	1,609,679	1,564,296
	<u>1,598,538</u>	<u>1,591,369</u>
Provisions	810	197,241
Current liabilities	1,298,355	667,669
<b>Total</b>	<u><u>2,897,703</u></u>	<u><u>2,456,279</u></u>



## Company Income statement for the year ended 2020

	2020	2019
	€	€
Share in results of subsidiaries and participating interests	1,909,191	1,603,261
Other income and expense after tax	241,192	236,154
<b>Result after tax</b>	<b>2,150,383</b>	<b>1,839,415</b>

## Accounting policies

### General

The company financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

### Accounting policies for assets

#### Financial assets

Participations, over which significant influence can be exercised, are valued according to the equity method on the basis of net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. In assessing whether the company has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. Measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. If and insofar as Merzario International B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

### Accounting policies for the income statement

#### Share in results of subsidiaries and participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Merzario International B.V.

## Notes to company balance sheet

### Financial assets

	31 dec 2020	31 dec 2019
	€	€
Investments in group companies		
Participation in Merzario B.V.	2,020,329	1,343,659
Participation in Merzario Limited (HK)	694,683	562,222
Participation in Merzario Vietnam	68,302	71,595
Participation in Merzario Ltd. (UK)	66,321	39,333
Participatin in Lintrans B.V.	33,184	32,017
<b>Total</b>	<b>2,882,819</b>	<b>2,048,826</b>

Below the movements of the participating interest during the bookyear:

	Investments in group companies €
Carrying value January 1, 2020	2,048,826
<i>Movements 2020</i>	
Revaluations currencies	-38,214
Share in result of participating interests	1,909,191
Dividend from participating interests	-840,553
Release provision relating to subsidiaries	-196,431
	<b>833,993</b>
<b>Carrying value December 31, 2020</b>	<b>2,882,819</b>

### Overview of participating interests

The participating interests owned by the Company are the following:

- Merzario B.V., Ridderkerk (70% direct interest);
- Merzario Ltd., England (100% direct interest);
- Merzario Limited, Hong-Kong (100% direct interest);
- Lintrans B.V., te Ridderkerk (100% direct interest);
- Merzario GmbH, Germany (100% direct interest);
- Merzario China Ltd., China (100% indirect interest)
- Merzario Ltd., Ho Chi Minh City, Vietnam (100% direct interest).

## Receivables

	31 dec 2020	31 dec 2019
	€	€
Group companies		
Current account Merzario B.V.	-	400,000
<b>Total</b>	<u>-</u>	<u>400,000</u>

## Disclosure

During 2020 and 2019 no interest has been charged. There are no fixed repayment obligations.

## Cash and cash equivalents

	31 dec 2020	31 dec 2019
	€	€
Bank credits	14,884	7,453
<b>Total</b>	<u>14,884</u>	<u>7,453</u>

## Equity

	31 dec 2020	31 dec 2019
	€	€
Share capital	18,000	18,000
Legal reserves	-29,141	9,073
Other reserves	1,609,679	1,564,296
<b>Total</b>	<u>1,598,538</u>	<u>1,591,369</u>

Below is the movement of equity during the bookyear explained:

	Share capital	Legal reserves	Other reserves	Total
	€	€	€	€
Balance January 1, 2020	18,000	9,073	1,564,296	1,591,369
<i>Movements 2020</i>				
Dividend distribution	-	-	-2,105,000	-2,105,000
Result for the year	-	-	2,150,383	2,150,383
Revaluations currencies	-	-38,214	-	-38,214
	<u>-</u>	<u>-38,214</u>	<u>45,383</u>	<u>7,169</u>
<b>Balance December 31, 2020</b>	<u>18,000</u>	<u>-29,141</u>	<u>1,609,679</u>	<u>1,598,538</u>

Below is the movement of equity during the previous bookyear explained:

	Share capital	Legal reserves	Other reserves	Total
	€	€	€	€
Balance January 1, 2019	18,000	9,073	2,374,881	2,401,954
<i>Movements 2019</i>				
Dividend distribution	-	-	-2,650,000	-2,650,000
Result for the year	-	-	1,839,415	1,839,415
	-	-	-810,585	-810,585
<b>Balance December 31, 2019</b>	<b>18,000</b>	<b>9,073</b>	<b>1,564,296</b>	<b>1,591,369</b>

### Share capital

The authorised share capital consists of 90.000 shares of EUR 1 totalling EUR 90.000. The issued capital amounts to EUR 18.000, divided into 18.000 shares of EUR 1. There were no movements during the year.

### Legal reserves

This comprises of:

#### Disclosure legal reserves

If revaluations have been recognised in the revaluation reserve after the deduction of relevant (deferred) tax liabilities, the gross result of the realised revaluations is recognised in the company income statement. The corresponding release of the (deferred) tax liabilities is charged to the operating result as tax on the result on ordinary activities.

### Provisions

	31 dec 2020	31 dec 2019
	€	€
Provision relating to subsidiaries		
Provision participation Merzario GmbH	810	197,241
<b>Total</b>	<b>810</b>	<b>197,241</b>

### Provision relating to subsidiaries

The breakdown is as follows:

	2020	2019
	€	€
Balance January 1	197,241	197,241
Release from provision	-196,431	-
<b>Balance December 31</b>	<b>810</b>	<b>197,241</b>

## Current liabilities

	31 dec 2020	31 dec 2019
	€	€
Group companies		
Current account Merzario B.V.	630,686	-
Other related parties	322,488	322,488
Shareholders and participating interests	342,415	342,415
<i>Taxes payable and social security contributions payable</i>		
Corporation income tax	2,766	2,766
<b>Total</b>	<b>1,298,355</b>	<b>667,669</b>

## Contingent liabilities

### Liability claim

The company has issued a declaration of joint and several liability as referred to in section 403, book 2 of the Dutch Civil Code. The declaration concerns Lintrans B.V. at Hoogland and Merzario B.V. at Rotterdam.

## Notes to income statement

### Share in results of subsidiaries and participating interests

	2020	2019
	€	€
Share in result of group companies		
Result from Merzario B.V.	886,670	778,719
Result from Merzario Limited (HK)	263,352	273,010
Result from Merzario GmbH	196,431	266,896
Result from Lintrans B.V.	75,167	164,449
Result from Merzario Vietnam	120,994	51,950
Result from Merzario Ltd. (UK)	366,577	68,237
<b>Total</b>	<b>1,909,191</b>	<b>1,603,261</b>

## Other notes

### Employees

#### **Disclosure average number of employees**

There is no personnel employed by this company.

### Profit appropriation

#### **Appropriation of the results**

The shareholders of the company adopted the 2019 result of 2019 and added the amount after dividend distribution to the general reserves of the company.

#### **Proposed appropriation of the results**

The net result after tax of € 2,150,383 for the year is shown as 'Unappropriated result' until the shareholders of the company adopt the 2020 financial statements.

### Signature

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## OTHER INFORMATION



## **Other information**

### **Statutory regulations**

#### **Provisions of the Articles of Association relating to profit appropriation**

The net profit is at free disposal of the general shareholders' meeting.





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## INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Merzario International B.V.

### A. Report on the audit of the financial statements 2020 included in the annual report

#### Our opinion

We have audited the financial statements 2020 of Merzario International B.V. based in Ridderkerk.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Merzario International B.V. as at 31 December 2020 and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2020;
2. the consolidated and company profit and loss account for 2020; 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 of 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 Merzario International B.V. in accordance with 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.

### 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:

- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following 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 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. Description of responsibilities regarding the financial statements**

#### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance 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 framework 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.

#### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement 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 judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



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- 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 a 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management 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.

The Hague, 11 October 2021

Share Impact Accountants B.V.

Signed by H. Hollander

